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# "LET THEM EAT POLLUTION": CAPITALISM AND THE WORLD ENVIRONMENT

by JOHN BELLAMY FOSTER

On December 12, 1991, Lawrence Summers, chief economist of the World Bank, sent a memorandum to some of his colleagues presenting views on the environment that are doubtless widespread among orthodox economists, reflecting as they do the logic of capital accumulation, but which are seldom offered up for public scrutiny, and then almost never by an economist of Summers' rank. This memo was later leaked to the British publication, *The Economist*, which published part of it on February 8, 1992, under the title "Let Them Eat Pollution." The published part of the memo is quoted in full below:

Just between you and me, shouldn't the World Bank be encouraging *more* migration of the dirty industries to the LDCs [Less Developed Countries]? I can think of three reasons:

- (1) The measurement of the costs of health-impairing pollution depends on the foregone earnings from increased morbidity and mortality. From this point of view a given amount of health-impairing pollution should be done in the country with the lowest cost, which will be the country of the lowest wages. I think the economic logic behind dumping a load of toxic waste in the lowest-wage country is impeccable and we should face up to that.

The costs of pollution are likely to be non-linear as the initial

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## LET THEM EAT POLLUTION

increments of pollution will probably have very low cost. I've always thought that under-populated countries in Africa are vastly *under*-polluted; their air quality is probably vastly inefficiently low [sic] compared to Los Angeles or Mexico City. Only the lamentable facts that so much pollution is generated by non-tradeable industries (transport, electrical generation) and that the unit transport costs of solid waste are so high prevent world-welfare-enhancing trade in air pollution and waste.

- (3) The demand for a clean environment for aesthetic and health reasons is likely to have very high income-elasticity. The concern over an agent that causes a one-in-a million change in the odds of prostate cancer is obviously going to be much higher in a country where people survive to get prostate cancer than in a country where under-five mortality is 200 per thousand. Also, much of the concern over industrial atmospheric discharge is about visibility-impairing particulates. These discharges may have very little direct health impact. Clearly trade in goods that embody aesthetic pollution concerns could be welfare-enhancing. While production is mobile the consumption of pretty air is a non-tradeable.

The problem with the arguments against all of these proposals for more pollution in LDCs (intrinsic rights to certain goods, moral rights, social concerns, lack of adequate markets, etc.) [is that they] could be turned around and used more or less effectively against every Bank proposal for liberalization.

The World Bank later told *The Economist* that in writing his memo Summers had intended to "provoke debate" among his Bank colleagues, while Summers himself said that he had not meant to advocate "the dumping of untreated toxic wastes near the homes of poor people." Few acquainted with orthodox economics, however, can doubt that the central arguments utilized in the memo were serious. In the view of *The Economist* itself (February 15, 1992), Summers' language was objectionable but "his economics was hard to answer."

Although its general meaning could not be clearer, this entire memo deserves to be summarized and restated in a way that will bring out some of the more subtle implications. First, the lives of individuals in the Third World, judged by "foregone earnings" from illness and death, are worth less—the

same logic says frequently hundreds of times less—than that of individuals in the advanced capitalist countries where wages are often hundreds of times higher. The low wage periphery is therefore the proper place in which to dispose of globally produced toxic wastes if the overall economic value of human life is to be maximized worldwide. Second, Third World countries are “vastly underpolluted” in the sense that their air pollution levels are “inefficiently low” when compared with highly polluted cities like Los Angeles and Mexico City (where schoolchildren had to be kept home for an entire month in 1989 because of the abysmal air quality). Third, a clean environment can be viewed as a luxury good pursued by rich countries with high life expectancies where higher aesthetic and health standards apply; worldwide costs of production would therefore fall if polluting industries were shifted from the center to the periphery of the world system. Hence, for all of these reasons the World Bank should encourage the migration of polluting industries and toxic wastes to the Third World. Social and humanitarian arguments against such world trade in waste, Summers concludes, can be disregarded since they are the same arguments that are used against all proposals for capitalist development.

It is important to understand that this policy perspective, with the utter contempt that it displays both for the world's poor and the world environment, is by no means an intellectual aberration. As the World Bank's chief economist Summers' role is to help create conditions conducive to world capital accumulation, particularly where the core of the capitalist world system is concerned. Neither the welfare of the majority of the population of the globe nor the ecological fate of the earth—nor even the fate of individual capitalists themselves—can be allowed to stand in the way of this single-minded goal.

Perhaps the most shocking part of the Summers memo is the openly exploitative attitude that it demonstrates toward the world's poor. And yet nothing is more characteristic of bourgeois economics. *The Economist*, which went on to defend

Summers' general conclusions about the desirability of the migration of polluting industries to the Third World in subsequent commentaries, nonetheless dismissed Summers' specific references to the valuation of life, as “crass,” denying that such exploitative attitudes toward human life are likely to play an explicit role in government policy in free societies. “Few governments,” *The Economist* stated in its February 15, 1992 issue: “would care to defend a policy based on differences in valuations among groups—arguing, for instance, that society values an extra year of life for a white collar worker more highly than for a blue-collar worker. Yet this is the counterpart, within a rich country, of what Summers appeared to be suggesting for the Third World.” The truth, however, as *The Economist* itself admitted at another point in the same article, is that governments constantly do make decisions—whether in regard to health, education, working conditions, housing, environment, etc.—that are “based on differences in valuations” among classes, whether or not they “care to defend” their policies in this way. Indeed, such differences in valuation, as anyone with the slightest knowledge of history and economics must realize, are at the very core of the capitalist economy and state.

To illustrate this we only need to turn to the United States. The OMB (Office of Management and Budget) under the Reagan administration endeavored to promote calculations of the dollar value of a human life based on “the wage premiums that workers require for accepting jobs with increased risk.” On this basis a number of academic studies concluded that the value of a worker's life in the United States is between \$500 thousand and \$2 million (far less than the annual salary of many corporate CEOs). The OMB then used these results to argue that some forms of pollution abatement were cost-effective, while others were not, in accordance with President Reagan's executive order No. 12291 that regulatory measures should “be chosen to maximize the net benefit to society.”

“Some economists,” Barry Commoner informs us,

... have proposed that the value of a human life should be based on a person's earning power. It then turns out that a woman's life is worth much less than a man's, and that a black's life is worth much less than a white's. Translated into environmental terms, harm is regarded as small if the people at hazard are poor—an approach that could be used to justify locating heavily polluting operations in poor neighborhoods. This is, in fact, only too common a practice. A recent study shows, for example, that most toxic dumps are located near poor black and Hispanic communities.

In 1983 a study by the U.S. General Accounting Office determined that three out of the four off-site commercial hazardous waste landfills in the southern states were located in primarily black communities even though blacks represented only 20 percent of the population in the region.<sup>1</sup>

Summers' argument for dumping toxic wastes in the Third World is therefore nothing more than a call for the globalization of policies and practices which are already evident in the United States, and which have recently been unearthed in locations throughout the capitalist world. The developed countries ship an estimated 20 million tons of waste to the Third World each year. In 1987 dioxin-laden industrial ash from Philadelphia was dumped in Guinea and Haiti. In 1988 4,000 tons of PCB-contaminated chemical waste from Italy was found in Nigeria, leaking from thousands of rusting and corroding drums, poisoning both soil and groundwater.<sup>2</sup> There can be few more blatant examples of the continuing dominance of imperialism over Third World affairs.

This same frame of mind which sees toxic pollution less as a problem to be overcome than one to be managed in accordance with the logic of the free market, is evident in the approach adopted by orthodox economists to issues as fateful as global warming. Writing in the May 30, 1992 issue of *The Economist*, Summers illustrates this perspective and the general attitude of the World Bank by stating that,

The argument that a moral obligation to future generations demands special treatment of environmental investments is fatuous. We can help our descendants as much by improving infrastructure

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as by preserving rain forests. . . as much by enlarging our scientific knowledge as by reducing carbon dioxide in the air. . . . The reason why some investments favored by environmentalists fail. . . a [rigorous cost-benefit] test is that their likely effect on living standards is not so great. . . . In the worst-case scenario of the most pessimistic estimates yet prepared (those of William Cline of the Institute for International Economics), global warming reduces growth over the next two centuries by less than 0.1 percent a year. More should be done: dealing with global warming would not halt economic growth either. But raising the specter of our impoverished grandchildren if we fail to address global environmental problems is demagoguery.

The problem with such arguments is that they are based on forms of economic calculation that consistently undervalue natural wealth and underestimate the dependence of the economy on ecological conditions. The rebuilding of infrastructure cannot be equated with preserving the world's tropical rainforests since the loss of the latter would be irrevocable and would mean the extinction of both a majority of the world's species and the world's greatest genetic library. The absurdity of William Cline's attempt to quantify the potential economic damages of "very long-term global warming" up through the year 2,300—to which Summers refers—should be apparent to anyone who considers the obvious impossibility of applying economic values to the scale of climatic change anticipated. Thus the Cline estimates are based on a projected rise in global mean temperatures of 10° to 18° C (18° to 32° F) by the year 2300. The cost of this to the U.S. economy, Cline expects us to believe, will be long-term damages equal to 6 to 12 percent of GNP under the best assumptions, 20 percent under the worst.<sup>3</sup> All of this is nonsense, however, from an ecological standpoint, since a temperature rise of 4° C would create an earth that was warmer than at any time in the last 40 million years. In the midst of the last ice age the earth was only 5° C colder than it is today. Viewed from this standpoint the question of whether or not long-term damages would equal 6, 12 or 20 percent of GNP must give way to the more rational question of whether human civilization and life itself could

persist in the face of such a drastic change in global temperatures.

An even more alarming example of the same general argument was provided, again in the May 30, 1992 issue of *The Economist*, in a special report published in advance of the June 1992 Earth Summit in Rio. After examining estimates on the economic costs and benefits of averting global warming and the political obstacles to change under existing capitalist regimes, *The Economist* declares:

The chances that the climate treaty will significantly change the world's output of fossil fuels over the next century is extremely slender. Does this matter? If the figures. . . for the costs of damage likely to be done by climate change are accurate, then the honest answer is "no." It would be, of course, wise for countries to take the free lunches available to them. . . and to price their energy sensibly. It might be wise to go some way beyond that point, in the interests of buying insurance against nasty surprises. . . . Beyond that, adapting to climate change, when it happens, is undoubtedly the most rational course, for a number of reasons. Most countries will be richer then, and so better able to afford to build sea walls or develop drought resistant plants. Money that might now be spent on curbing carbon-dioxide output can be invested instead, either in preventing more damaging environmental change (like rapid population growth, the most environmentally harmful trend of all) or in productive assets that will generate future income to pay for adaptation. Once climate change occurs, it will be clearer—as it now is not—how much needs to be done, and what, and where. Most of the decisions involved in adapting will be taken and paid for by the private sector rather than (as with curbing greenhouse-gas output) by government. Above all, adapting requires no international agreements.<sup>4</sup>

The answer then is "let them build sea walls or develop drought resistant plants." And this in response to "very probable" rises in global mean temperature of 1.5° to 5.0° C (2.7° to 9° F) over the next century if "business as usual" continues, a prospect that scientists all over the world regard as potentially catastrophic for the entire planet!<sup>5</sup> The threat of heat waves, droughts, floods, and famines suggests the likelihood of incalculable losses in lives, species, ecosystems, and cul-

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tures. Nevertheless, for *The Economist* the adaptation of the capital accumulation process and thus world civilization to irreversible global warming once it has taken place and many of its worst effects are evident is easy to contemplate, while any attempt to head off disaster—however defensible in social, moral, and ecological terms—besides being difficult to institute under present-day capitalist regimes, would interfere with the dominance of capital and must therefore be unthinkable.

The wait and see attitude promoted by *The Economist* was of course the general stance adopted by the United States (and to a lesser extent Britain) at the Earth Summit. Through its actions in watering down the climate treaty, refusing to sign the biological diversity treaty, and hindering initiatives on weapons of mass destruction and nuclear waste, the United States signaled in no uncertain terms that it was prepared to take on the task of opposing radical forces within the global environmental movement, adding this to its larger role as the leading defender of the capitalist world. According to the U.S. government's position, the concept of "sustainable development" means first and foremost that any environmental goals that can be interpreted as interfering with development must be blocked. Thus in his defense of U.S. intransigence on global environmental issues at the Earth Summit in June George Bush explained, "I think it is important that we take both those words—environment and development—equally seriously. And we do." No environmental action could therefore be taken, Bush declared, that would jeopardize U.S. economic interests. "I am determined to protect the environment. I am also determined to protect the American taxpayer. The day of the open checkbook is over. . . environmental protection and a growing economy are inseparable." In what was intended not only as a re-election ploy but also a declaration of U.S. priorities where questions of environmental costs and controls were concerned, Bush declared, "For the past half century the United States has been the great engine of global economic growth, and it's going to stay that way." (*Guardian* [London], June 13, 1992)

The consequences of such short-sighted attention to economic growth and profit before all else are of course enormous, since they call into question the survivability of the entire world. It is an inescapable fact that human history is at a turning point, the result of a fundamental change in the relationship between human beings and the environment. The scale at which people transform energy and materials has now reached a level that rivals elemental natural processes. Human society is adding carbon to the atmosphere at a level that is equal to about 7 percent of the natural carbon exchange of atmosphere and oceans. The carbon dioxide content of the atmosphere as a result has grown by a quarter in the last 200 years, with more than half of this increase since 1950. Human beings now use (take or transform) 25 percent of the plant mass fixed by photosynthesis over the entire earth, land and sea, and 40 percent of the photosynthetic product on land. Largely as a result of synthetic fertilizers, humanity fixes about as much nitrogen in the environment as does nature. With human activities now rivaling nature in scale, actions that in the past merely produced local environmental crises now have global implications. Moreover, environmental effects that once seemed simple and trivial, such as increases in carbon dioxide emissions, have now suddenly become threats to the stability of the fundamental ecological cycles of the planet. Destruction of the ozone layer, the greenhouse effect, annihilation of ancient and tropical forests, species extinction, reductions in genetic diversity, production of toxic and radioactive wastes, contamination of water resources, soil depletion, depletion of essential raw materials, desertification, the growth of world population spurred by rising poverty—all represent ominous trends the full impact of which, singly or in combination, is scarcely to be imagined at present. "With the appearance of a continent-sized hole in the Earth's protective ozone layer and the threat of global warming," Barry Commoner has written, "even droughts, floods, and heat waves may become unwitting acts of man."<sup>6</sup>

The sustainability of both human civilization and global life processes depends not on the mere slowing down of these dire trends, but on their *reversal*.<sup>7</sup> Nothing in the history of capitalism, however, suggests that the system will be up to such a task. On the contrary there is every indication that the system, left to its own devices, will gravitate toward the "let them eat pollution" stance so clearly enunciated by the chief economist of the World Bank.

Fortunately for the world, however, capitalism has never been allowed to develop for long entirely in accordance with its own logic. Opposition forces always emerge—whether in the form of working class struggles for social betterment or conservation movements dedicated to overcoming environmental depletions—that force the system to moderate its worst tendencies. And to some extent the ensuing reforms can result in lasting, beneficial constraints on the market. What the capitalist class cannot accept, however, are changes that will likely result in the destruction of the system itself. Long before reform movements threaten the accumulation process as a whole, therefore, counterforces are set in motion by the ruling interests, and the necessary elemental changes are headed off.

And there's the rub. Where radical change is called for little is accomplished within the system and the underlying crisis intensifies over time. Today this is particularly evident in the ecological realm. For the nature of the global environmental crisis is such that the fate of the entire planet and social and ecological issues of enormous complexity are involved, all traceable to the forms of production now prevalent. It is impossible to prevent the world's environmental crisis from getting progressively worse unless root problems of production, distribution, technology, and growth are dealt with on a global scale. And the more that such questions are raised, the more it becomes evident that capitalism is unsustainable—ecologically, economically, politically, and morally—and must be superseded.

NOTES

1. Barry Commoner, *Making Peace with the Planet* (New York: The New Press, 1992), pp. 64-66; Robert Bullard, "The Politics of Race and Pollution: An Interview with Robert Bullard," *Multinational Monitor* (vol. 13, no. 6, June 1992), pp. 21-22.
2. Bill Weinberg, *War on the Land* (London: Zed Books, 1991), pp. 37-39; Edward Goldsmith, et. al., *The Imperiled Planet* (Cambridge, Mass.: MIT Press, 1990), p. 147; Center for Investigative Reporting and Bill Moyers, *Global Dumping Ground* (Cambridge: The Lutterworth Press, 1991), pp. 1-2, 12; Third World Network, *Toxic Terror* (Penang, Malaysia: Third World Network, 1989), pp. 8-25.
3. William R. Cline, *The Economics of Global Warming* (Washington, D.C.: Institute for International Economics, 1992), pp. 4-6, 55-58, 130-33, 300, 1991), pp. 30-31, 130-33.
4. See also Frances Cairncross, *Costing the Earth* (London: Economist Books, 1991), pp. 30-31, 130-33.
5. National Academy of Sciences, *One Earth, One Future* (Washington D.C.: National Academy Press, 1990), pp. 67-71; Helen Caldicott, *If You Love This Planet* (New York: W. Norton, 1992), p. 24; Mostafa K. Tolba, *Saving Our Planet* (New York: Chapman and Hall, 1992), pp. 27-28; Intergovernmental Panel on Climate Change, *Climate Change* (New York: Cambridge University Press, 1990), p. xxiii.
6. IPCC, *Climate Change*, p. xvi; Donella Meadows, et. al., *Beyond the Limits* (London: Earthscan, 1992), pp. 65-66; Jim MacNeill, et. al., *Beyond Interdependence* (New York: Oxford University Press, 1991), pp. 8-9; Paul R. Ehrlich and Anne H. Ehrlich, *Healing the Planet* (New York: Addison-Wesley, 1991), pp. 26-27; Peter M. Vitousek, et. al., "Human Appropriation of the Products of Photosynthesis," *Bioscience* (vol. 36, no. 6, June 1986), pp. 368-73; Commoner, p. 3.
7. Paul M. Sweezy, "Capitalism and the Environment," *Monthly Review* (vol. 41, no. 2, June 1989), p. 6; Meadows, *Beyond the Limits*, p. xv.

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# Global Warming in an Unequal World

## 11.3 A case of environmental colonialism

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