

Summary of the SID lecture by Miguel Angel Centeno, Professor of Sociology and International Affairs, Princeton University, USA



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Society for International Development

In his talk on the environmental challenges to capitalism, the speaker stressed that the environmental degradation experienced since the industrial revolution was not solely a 'capitalist' crime. In the same vein, the solution did not solely lie in the reform of the relations of production and consumption associated with capitalism, but would require radical changes in demand expectations and supply technology.

The environment was best understood as a complex system and the industrial revolution had radically altered man's relationship with nature. In its search for stored energy to complement human and animal labour, society had shifted from wood through coal to oil and gas. Society's dependence on primary resources, however, was not limited to oil; the speaker listed a whole range of resources from chromium through lead, tantalum and uranium to platinum that were being rapidly depleted. Food intake had also increased and the processes associated with the production of food posed new challenges, such as pollution and waste. He went on to focus on three key challenges: possible resource shortages, the environmental impact of pollution and the need to restructure incentive structures of modern capitalism to deal with those challenges.

There was no doubt that the current model of globalised industrial development was responsible for the challenges that now loomed. Technical 'fixes' to the problem took time to develop, while new challenges constantly emerged. It was relevant to ask how capitalist institutions could be changed to address the challenges to the environment. One change related to the pricing and cost management of externalities, with costs being borne by others than those involved in the immediate transaction. They could range from congestion pricing to levying taxes on resources that were being depleted. The sale of air rights and carbon emission credits were promising steps. At present, incentives for institutions or people to take account of the medium to long-term consequences of their behaviour for the environment were lacking.

In summary, the currently rich countries, which accounted for 1 billion of the world's population as compared to the ever increasing number of the world's poor who totalled 5 billion at present, were using the natural resources of the planet at a non-sustainable rate. Even if that did not lead to a catastrophic crisis, it did mean that the poor would have constantly less to use, while having to deal with ever worsening environmental consequences. In a perverse geophysical twist, the negative consequences of global warming were being and would be felt in precisely the poorest parts of the planet that bordered the equator. Those societies, which had not enjoyed any of the benefits of capitalist plenty, would have to bear a significant cost of current economic policies and struggle to survive in an unsustainable setting.