

The Ecological Crisis is an Economic Crisis

Wayne Price

July 26, 2010

Contents

PART I: How Capitalism has created an Ecological, Energy, and Economic Crisis . . .	3
The Capitalist Economy Depends on Cheap Oil	3
The Problems of Being Dependent on Cheap Oil	4
The Bill Comes Due	5
PART II: A Revolutionary Anarchist Program	6
The Liberal Program	6
The Revolutionary Socialist-Anarchist Program	8

PART I: How Capitalism has created an Ecological, Energy, and Economic Crisis

As I write this, the United States is suffering its worst ecological disaster since the Dust Bowl. Petroleum oil is gushing out of the ocean floor at BP's drill site in the Gulf of Mexico. For it to be gotten under control may still take months, if it can be done at all. In any case, cleaning up the ecological and economic destruction in the region will take decades; some of the effects are irreparable.

There could be no greater illustration that the worldwide crises in ecology, in energy, and in the economy are not separate problems. They are aspects of one and the same crisis of industrial capitalism in its epoch of decay.

The Capitalist Economy Depends on Cheap Oil

Originally capitalism took off in the Industrial Revolution by using coal. Without coal, there might not have been any industrial capitalism. And coal burning was the beginning of the greenhouse effect.

Competitive (non-monopoly) capitalism reached its height in the 19th century. By the 20th century it was facing fundamental crises and limits to growth. (This was due to the growth of semi-monopolies throughout the economy interacting with the tendency of the average rate of profit to fall.) This was expressed through World War I, the Great Depression, defeated European and Asian revolutions, the rise of totalitarian fascism and Stalinism, and then World War II.

Economists of all schools expected WWII to be followed by, at most, a brief boom and then a return to depressive conditions. Instead there occurred the "post-war boom," a "Golden Age" of capitalism—at least for the industrialized, imperialist, nations. It lasted from about 1950 to 1970. There were various reasons for this, including the reorganization of world imperialism, now centered in the U.S.; the history of working class defeats; and the expansion of "peacetime" military spending (the "Permanent Arms Economy" or the "military-industrial complex").

But one major source of the boom after World War II was turning to the widespread use of cheap oil. Liquid petroleum oil is easier to transport and use than is coal, and, for a time, easier to get at. It became the basis for almost all forms of transportation, by land, sea, and air. It powers our machines in every area. Based on cheap oil, a whole new way of life developed after WWII: the suburbs. Today about half the U.S. population lives in suburbs. Cheap oil became the basis for the enormous automobile industry which in turn was the basis for the steel industry, while suburbization directly underlay the construction industry. The highly productive agricultural "industry" (i.e. farming) was dependent not only on oil-using tractors, etc., and trucks, but also on petroleum-based artificial fertilizers and artificial pesticides. And petroleum is used to make plastics. Plastic, chemicals, and artificial fibers are used in every aspect of our housing, clothing, and medical care.

In short, our entire way of life, our whole society, our food, clothing, and shelter, has been built on cheap oil. If petroleum became expensive and/or scarce, then all industry, the economy, and society would have to be reorganized. This is what we are now facing.

The Problems of Being Dependent on Cheap Oil

There are difficulties in being so completely dependent on petroleum oil. The first is that it is limited. Oil is a “nonrenewable resource.” Sooner or later we will run out of it. More significantly, sooner or later we pass the point of “peak oil.” This is the point where half the amount of oil in the ground has been used up. This point has been passed in the continental U.S. and we may be around it on a world scale. Meanwhile there has been an increase in the demand for oil as the world’s population increases and as oppressed nations (the “Third World”) attempt to industrialize.

That does not mean that there is no more oil. There is plenty still left. But it becomes harder to get at that oil. Once all that was necessary was to stick a pipe into the ground at the right place and oil would gush out. Now we have to set up huge floating rigs way out in the ocean and drill a mile down below the sea surface and then a mile or more below the sea floor. This was what was done at BP’s site in the Gulf of Mexico.

The second set of problems with dependence on oil is that it is polluting. Humans, other animals, and plants did not evolve to function in a world with oil and plastics in the environment. Burning it puts particles in the air. It poisons us, creates asthma and cancers. Plastics are “non-biodegradable”; once “thrown away,” plastic materials last forever. Pesticide residue is poisonous to people and other animals. And right now we see the effects of releasing vast amounts of oil into the oceans—or rather we are just beginning to see the disastrous consequences.

Disasters are rationalized as “accidents,” such as the BP or the Exxon Valdez events or the Bhopal fire which spewed pesticides over a large area of heavily populated India. But human activities are never perfect and never will be perfect. No matter how many safety mechanisms are built into the processes, accidents will happen. (This is also true of attempts to make “safe” nuclear power as an alternative to burning fossil fuels. There is no safe nuclear power. Accidents will happen.)

Finally, there is the effect of “global warming,” climate change. More than just pollution, this throws the whole worldwide climate out of balance. It is melting polar ice and ice caps on mountains. It is raising the level of the sea and will drown islands and sea coasts and the peoples who live there. It will spread deserts and cause famines. In short, it will be a civilization-wide disaster.

Another difficulty is that oil, like many other natural resources, is not evenly distributed around the world. A few places have a lot and most places have none. This has played into imperialism, wars, and corrupt dictatorships. For example, right now the U.S. is fighting in Iraq (which has the world’s second largest oil deposits) and Afghanistan (which has pipelines for natural gas go through it).

What I have said about oil is also true about other fossil fuels, namely coal and natural gas. They are also nonrenewable, limited, resources. Getting at them causes destruction of the ecological environment (e.g. mountaintop removal for coal or fractioning natural gas-bearing ground). They also have negative effects on humans and the ecology, including contributing to global warming.

The use of oil and other fossil fuels has been essential to the last period of capitalist prosperity and now threatens disaster both ecologically and economically. But there are other ways in which industrial capitalism has plundered the natural world, looting its resources without paying for rebuilding them. Other minerals have been torn from the ground and released into the human environment where they do not fit our biology, such as mercury. Whole animal species are being exterminated in a continuing process, while jungles and forests (the “earth’s lungs”) are being cut down. Diseases spread through the mass use of airplane travel.

Much of this has happened as side effects of the expansion of big farms and ranches, mines and dams, and sprawling human cities and suburbs. Ruthlessly and thoughtlessly, industrial capitalism slashes the threads of the web of life in which humanity lives.

The Bill Comes Due

Imagine the capitalist management of an industrial factory. As they produce commodities, their machines and buildings (what Marx refers to as “fixed constant capital”) wear out a little. They take account of this by adding a cost to the price of the commodities. Over time they accumulate a fund so that, when the machines and buildings are worn out, they can buy new machines and structures.

But suppose they do not do that? Suppose they do not set aside a fund to rebuild the worn-out machinery but instead count that money as part of their profits (Marx’s “surplus value”). Perhaps, under pressure from their workers, they use some of that money to increase the workers’s wages (Marx’s “variable capital”). This makes their profits look larger than they really are and it permits the capitalists to buy off the workers without losing any profits. But someday the machinery does wear out and the capitalists do not have money to replace it. Factory production will stagnate. Workers will be laid off. The high profits and the workers’ high standard of living will suddenly appear to have been fraudulent.

This is the situation of the world bourgeoisie as a whole in relation to the environment. The capitalists had seemed to be making huge profits and been able to buy off much of the working class (at least white workers in the imperialist countries). They had been looting the environment, ripping out natural resources which they had not created, counting as profit what nature appeared to be giving for “free” (a version of what Marx called “primitive accumulation”). They thought they were getting something for nothing, or at least for very little.

What the capitalist class should have been doing was to prepare for the day when energy and other resources would run out, or more accurately, would become rarer and much more expensive to access. It should have begun a transition from fossil fuels (and nuclear power) to renewable energy. It should have been cleaning up pollution and countering greenhouse effects. It should have fought desertification in Africa and elsewhere. It should have worked to balance population growth with economic growth by liberating women worldwide. It should have maintained the world’s jungles and forests and prevented overfishing in the oceans. It should have planned cities and towns so they did not destroy the countryside or need so much energy for transportation. And so on.

Nor is this only a matter of the environment and of energy. The capitalist class has failed to maintain the infrastructure and social services needed for advanced industrial nations such as the U.S.A. It should have been replacing water main pipes, train systems, dams, city housing, roads and highways, bridges, and schools. But it has not.

The capitalist class has not done what it should have to maintain its system and prepare for necessary changes. Of course, if it had done this, the post-WWII prosperity might have been less prosperous. There might have been more class struggle by the workers against the capitalists.

Now the bill has come due. The machinery is worn out and needs replacement, but the bourgeoisie does not have the price—not without cutting into profits (which is unthinkable for them) or cutting way down on the workers’ pay and standard of living (which is definitely thinkable but which might cause working class unrest).

So the ecological crisis is an energy crisis and an economic crisis, and is also a political crisis. There will be a great deal of suffering for many people in the coming years. There will be great social upheavals and mass struggles, the end of the conventional political consensus and the rise of the far-right and the far-left, including varieties of revolutionary anarchists and socialists. This has already begun to happen.

PART II: A Revolutionary Anarchist Program

The glaciers of the Himalayas, it is reported, have been shrinking in every direction. On the roof of the world, glaciers have lost over 300 vertical feet, due to global warming and pollution, both caused by human reliance on fossil fuels. In turn, the shrinkage of the glaciers increases the amount of sunlight which is not reflected but is absorbed by the earth and therefore increases global warming. According to the June issue of Science magazine, in the Indus and Brahmaputra river basins, the potential loss of annual glacial melt is “threatening the food security of an estimated 60 million people” (quoted in NY Times, 7/18/10, p. 10WK). This is what industrial capitalism is doing to our world.

“If the science is correct,...within the next twenty to thirty years...there is the danger that a tipping point will be reached, setting in motion irreversible warming trends....The earth will become unrecognizable and all life on it will be threatened” (Herod, 2010; p. 23).

The Liberal Program

Conservatives argue that a major overhaul of business’s relation to the environment would be extremely costly and would effect our whole way of life. Therefore they conclude essentially that nothing should be done. Alternately, liberals believe that the democratically-elected government—the state—could use legal regulations to force oil companies, such as BP, and other industries to act ecologically responsible, to develop a balanced, non-growth, economy. Doesn’t the government represent the whole society?

More sophisticated radicals (social democrats) note that it would be in the self-interest of the whole capitalist class to create a more stable, sustaining, relationship to nature, as opposed to permitting ecological catastrophes, such as global warming. After all, the capitalists have to live on this planet too. While individual capitalists might have a short-sighted desire to make profits at the expense of the environment, it is the job of the state to be the “executive committee” of the whole class and act in its collective interest.

The U.S. capitalist state did set aside a number of national parks, banned DDT (after Rachel Carson’s popular expose’), cut back acid rain, closed the hole in the ozone layer (as Ilan pointed out in a comment to Part I) by banning CFCs, and improved the health of major rivers (such as the Hudson, under pressure from Pete Seeger and others), set aside a “superfund” to bury industrial pollutants (after the Love Canal protests), and so on. All of these were done only through fights and have been maintained only through on-going struggles (as in the constant battles to maintain the parks). But they were done. Why can’t the capitalist state, ask liberals and social democratic reformists, similarly reorganize the economy and technology to be ecologically balanced? That is the liberal (and reformist) perspective.

However, what is necessary is not fixing this or that anti-ecological industry but the entire capitalist economy and its productive technology, in every aspect of its interaction with the

natural environment. It is a total crisis. Unfortunately, the conservatives are right: change will be very expensive and disruptive. To the extent that there is a specific industry involved, it is the fossil fuel industry. As I argued in Part I, this industry underlays every aspect of society: our transportation, our heating, our production, our food (artificial fertilizers and pesticides), our clothing (artificial fibers), and everything we use plastics for. Naturally, Big Oil and Big Coal are wealthy and powerful, taking in hundreds of billions of dollars in profits annually. They buy up politicians and judges by the carload. They own local and national governments. It was one thing to ban marginal products such as CFCs or DDT. It would be quite another to abolish oil, coal, and natural gas, no matter how gradually.

The oil industry is not really in the business of producing oil (let alone of providing jobs for workers). It is in the business of making money (in Marxist terms, it is interested in exchange value, not use value). If the oceans are destroyed but BP walks away with a ton of money, it is satisfied. That is all that BP's management cares about or could care about. The capitalists' need for money is unlimited. Each business must expand or die. Capital must accumulate. If BP does not earn ever larger profits (producing ever more surplus value), then it will be overtaken by competing oil corporations, which would gobble it up.

Liberals (as supporters of capitalism) do not understand this. Unlike the conservatives, they want to do something about global warming, pollution, etc. but their program is shallow and unrealistic. To liberals, this is the perfect time to start building an energy-efficient, non-carbon based, and ecologically balanced society. Facing the Great Recession and, at best, a jobless recovery, there was a need, they said, for government stimulation of the economy. When Obama got elected, programs for a "new New Deal" were proposed by many liberals and social democrats (even the Marxist David Harvey). This would require big, job-creating, public works, including energy-saving and ecologically useful projects. They proposed to build new wind farms, "smart" electrical grids, stations for electric cars, improved national parks, retrofitted insulation in city and suburban housing, urban electric trolley systems, high-speed trains between cities, etc.

Overall, these were perfectly good ideas. As we know, nothing of the kind was done. Continuing the policies of the Bush administration, Congress and the pro-business officials brought in by Obama gave out gobs of money, which may have saved the system from falling into a second Great Depression—for now. (Keynesian economists outside of the administration, such as Paul Krugman, thought that it was not nearly enough to produce an upturn in jobs or for long term prosperity.) The money went to banks and big business. There were no strings attached to what the banks did with the money (they did not have to actually loan it to anyone). Very little was done directly to provide jobs or to improve energy and the ecological environment. President Obama's energy-ecological initiatives have been anemic (and the U.S. senate has just abandoned all efforts to pass a climate change and energy bill). Shortly before the Gulf oil explosion, Obama came out for expanded offshore oil drilling and reviving nuclear power.

For reasons of class, there will be no "new New Deal." The capitalist state will not spend vast sums of money to produce useful goods and services, neither directly nor by contracting for it. To produce such goods and services would put it in competition with existing corporations. It would conflict with powerful vested interests. It would mean taking money from the rich to spend on the working class. Ideologically, it would be an open admission that the market cannot provide for the people and that some sort of public economy (that is, socialism) could work better. Right now, the main discussion among government officials in the US and Europe is not how to expand

production through more spending but how to cut back on public services which help workers and the poor.

In fact, during the (old) New Deal, the government never spent enough to get out of the Depression. It took the spending—and the destruction—of World War II to end the Great Depression and create relative prosperity (from 1946 to 1970). This is generally accepted by bourgeois economists. The capitalists do not mind spending on armaments; it is the one thing never discussed when they talk about making cuts to decrease public spending. Like other state expenditures, they “stimulate” the economy and provide jobs. They take wealth from the whole economy and concentrate it in the hands of a few big, subsidized, firms. However, unlike other possible state spending, armaments do not compete with private industry. They do not provide useful goods to workers and the poor. They increase the power of the state at home and abroad.

The US military budget today is 600 to 700 billion dollars a year! The problem with war spending, on armaments and other aspects (aside from its leading to imperialist wars!), is that it is pure waste. Spending on weaponry does not re-enter the economy as does productive investment. Building tractors leads to increased food production. Building bulldozers leads to new housing. But building tanks either leads to destroying things in wars or, at best, to storing tanks unused. This is even more true of nuclear missiles, which must never be used. The economic effect is like the government paying capitalists to hire workers to dig very big holes in the ground and then to fill them up again. There is a lot of busyness, capitalists and workers get money to spend, wheels turn, but nothing is actually added to the real economy. This may give a short-term shot in the arm to a sagging economy. But in the long term such unproductive consumption can only increase the basic trend toward economic stagnation of the epoch of capitalist decay.

The Revolutionary Socialist-Anarchist Program

Anarchists should support the various reform demands for a transition to renewable energy and ecological harmony as expressed in programs for useful public works—such as tree planting, retrofitting houses, and so on. Anarchists are against calling on big government to do things for people but can support programs which are self-managed by their workers and local communities. With this caveat, we should make demands on the state, which, after all, claims to serve the whole community and which does have a lot of money. If such reforms are carried out, even a little bit, that is all to the good. If not, then we can use this to expose the state for serving the rich and not workers. The point is not, as some imagine, to demand that the government do things which we know it won't do. The point is to make demands for what is necessary to prevent ecological (and other) catastrophe, regardless of whether capitalism can do it or not.

But at all times we need to explain that only a revolutionary program can consistently and thoroughly solve the complex ecological-and-energy crisis. Global warming, pollution, the unraveling of the ecological web, and the vastly increasing costs of fossil fuels are a total crisis. Since the bourgeoisie cannot deal with it, they should be expropriated—their businesses taken from them and run by the workers.

Humanity needs, first, an economy which produces for use, not for profit. A nonprofit, non-monetary, economy may make ecological mistakes, but it would have no drive to treat the natural world as a bottomless mine. A nonprofit economy would not have an endless need for quantitative growth (and therefore for ever more energy). It would expand qualitatively, by producing only what is needed—and only as much energy as is needed for such production.

Second, we need a planned, coordinated, economy, managed democratically, from the bottom-up. Instead of having many enterprises, each out for its own wealth, there needs to be an overall direction of the whole of human production and consumption in our interaction with the natural world. But this must be radically democratic, as opposed to bureaucratic centralized planning, in order to prevent the rise of a state-capitalist system which would be just as destructive to the ecology.

Third, the cooperative, coordinated, economy must be a decentralized federalism. There is, of course, need for national, continental, and international planning. We will have to coordinate the exploration and transportation of natural resources and the necessary steps to clean up the world's oceans, among other things.

But there also has to be an effort to increase decentralization. (Unlike the idea of a planned and nonprofit economy, it is at this point that anarchism conflicts with the traditional Marxist program.) Some of those who have thought most deeply about how to deal with this total crisis have focused on the need for a more decentralized society. (See Kunstler 2006; McKibben 2007.) There will have to be a whole lot less transportation and shipping of goods and people. We won't be able to afford it anymore. There will need to be a lot more use of local energy sources, local natural resources, small-scale industry, and local recycling of waste (industrial and organic).

There will have to be an end to the suburbs, the moribund, mega-urban, "cities" (such as the one stretching from Boston to Washington, D.C.), and factory farms. (However steps toward this vision could be immediately implemented in present-day cities, e.g., rooftop community gardens.) There will need to be more towns and small cities (sometimes bound together in regional networks of towns and cities), and a large number of organic farms (run by families or by communes). This would not prevent regional, continental, and world-wide activities where necessary. The Internet may still be possible (if it can function without the presentday levels of pollution) for sharing information and coordinating activities throughout the world.

Such a society of democratic planning, nonprofit production, and a decentralized federalism is consistent with the goals of anarchism, from Peter Kropotkin to Paul Goodman and Murray Bookchin. It goes back to the vision of the "utopian socialists" such as Fourier and Owen for cooperative communes with an integrated agri-industrial way of life.

This is a vision, not a fully-developed blueprint. No doubt a great deal of experimentation would have to be tried out in different places by different people. Not every region will come to the same conclusions (of what should be the urban/rural balance, for example). But the society we live in is racing toward death and disaster. The capitalist ruling classes of the major powers, and their politicians (liberal, social democratic, and conservative) have no clue as to the depth of the total crisis. They have no idea how to deal with it, except to try more of the same. It is time that someone else takes over and runs society. This someone else can only be the international working class and its allies among the oppressed. The crisis, economic-ecological-energy, may shake up the workers and oppressed enough to start them moving in a revolutionary new direction.

References

Herod, James (2010). "Capitalists, global warming, & the climate justice movement." *Anarcho-Syndicalist Review* (Summer) # 54; pp. 23–28.

Kunstler, James H. (2006). *The Long Emergency; Surviving the End of Oil, Climate Change, and Other Converging Catastrophes of the Twenty-First Century*. NY: Grove Press.

McKibben, Bill (2007). *Deep Economy; The Wealth of Communities and the Durable Future*. NY: Times Books/Henry Holt.

The Anarchist Library
Anti-Copyright



Wayne Price
The Ecological Crisis is an Economic Crisis
July 26, 2010

<http://anarkismo.net/article/17024> and <http://anarkismo.net/article/17157>

The post-WWII boom was based on cheap oil. But oil is nonrenewable, polluting, and causes global warming. It was "cheap" because the capitalists did not pay to prepare for the day when it would be harder to access oil. We have reached that day, which is one aspect of the worldwide crisis of the return to the epoch of capitalist decay. The world crisis is economic, ecological, and energy-based. Liberals want the state to regulate business and have a "new New Deal" to rebuild the economy and ecology. It won't work. Revolutionary anarchists want a new, ecological, economy which is democratically planned, produces for need not for profit, and is a decentralized federalism.

theanarchistlibrary.org