

CAPITALISM COULD COST US THE EARTH!

The Intergovernmental Panel on Climate Change has just released its report on Global Warning. Global temperatures broke through the 1 Degree barrier in 2017 and will breach the planet altering threshold of +1.5 Degrees sometime in the next ten to twenty years. The IPCC has produced a vivid graph showing the thresholds: report.ipcc.ch/sr15/pdf/sr15_spm_fig1.pdf The only important point to come out of this report is that capitalism is not slowing down this rise, never mind reversing it. It confirms that capitalism is putting society together with the planet, in harm's way.

Capitalism, society's first industrial society, has economically raped this planet in order to maximise profit. Capitalism only recognises costs when they are paid for. Anything which reduces paid costs improves profit margin. One way to reduce cost price is to dump or pump pollution into the planet's digestive tract, which is free, and hope it will be dealt with. Except that it is not and as production grows and pollution rises, it is clear that the planet's digestive tract has become constipated and about to explode.

A socialist society on the other hand no longer recognises the distinction between paid and actual costs of production. It abolishes paid costs of production replacing it with actual costs of production. It is able to do so because there are no longer classes, a class that benefits from avoiding paid costs, and the working class who pay for these hidden costs with its health. The World Bank estimated in 2012 that 10% of all deaths around the world was due to air pollution and that pollution was costing the world economy \$5.7 billion, equal to 4.4% of Global GDP in 2016. <http://www.worldbank.org/en/topic/environment/brief/pollution> The figure of \$5.7 billion amounts to 80% of global profits after tax. Now mark, the unpaid cost of pollution almost equals global profits.

In a socialist society freed from profit making, these costs become actual costs. The accounting changes completely. And when it does, these costs become real and have to be dealt with because leaving them unattended, no longer makes economic sense. If producing electricity costs \$x and the pollution it causes costs \$y, then the total cost is \$x+y not x. The ramifications are profound.

In a capitalist economy it may appear that wind generated electricity is more expensive than gas fired because only \$x is being considered. However, when \$y (the cost of pollution that is not paid for) is taken into account it turns out that onshore wind generated electricity is already cheaper. However, as capitalists are only driven by paid costs or \$x, they will only eliminate hydrocarbon produced electricity when the cost price of solar and wind fall below that of gas, coal or oil. This is conceivable, but it is more likely that it will be too little too late.

We don't need three planets only one planet free of capitalism.

Environmentalists tend to be a pessimistic bunch. One has to only attend a conference or meeting to discern this. There is only one reason for their pessimism, their failure to take social change into consideration. They have no estimate of the possibilities that would become available from such a transformation of society. The hidden elephant in the room is capitalism, which is never addressed. Instead of system change they propose individuals change their behaviour.

One fact will highlight the potential of a socialist society to address the legacy of global warming and that is military spending. The United States, the world's second biggest industrial economy, has since 9/11 spent nearly \$5 trillion on its self-inflicted "war on terror". This \$5 trillion could have transformed its utilities from carbon emitting into green energy producing.

The latest figure for the value of all the means of production in the Utility Sector is \$2.342 billion (2016 data Table 3.1ESI). This is roughly half of the \$5 trillion wasted on the war on terror. Of course, this figure needs to be qualified. If all the power stations, transformers and power lines had to be replaced as new, the figure would go up. On the other hand, much of the infrastructure can be adapted for green energy such as power lines. To this must be added circulating capital of \$169 billion. Together we still arrive at a figure of about half the money spent on the war on terror. Hence not only could the production of energy be transformed, but there could be a trillion to pay reparations to the countries, particularly in the Middle East, that the USA has devastated, leaving hundreds of billions over to electrify transportation.

It is therefore conceivable that had the money which was spent on destruction been spent on production, then the United States could now have a green energy producing economy. In order to conceive of this, we need to rise above the narrow vision induced by competition. And we have to replace the view that “small is beautiful” with the view that “big is bountiful”. Such an energy producing economy, using existing technology, would employ transcontinental high energy DC lines, which lose only 3% energy per 1000 km, connecting wind and solar power stations throughout the continent, because somewhere the wind is always blowing, and given its time zones, the sun shining for an average of 16 hours a day. That is why big is bountiful.

Of course, the storage of energy for load balancing is problematic. Chemical batteries are still in their infancy. If saving on wages was less important than saving the planet, capitalism would be spending more on developing high energy batteries and less on driverless vehicles. But even the lack of chemical storage could be overcome with pumped-storage hydroelectricity which has an energy efficiency of around 75% even accounting for evaporation. This is much higher than carbon-based systems.

Now imagine a world where the youth is mobilised to head for the Rockies to build these dams and save the planet, compared to being scooped up from ghettos by the warmongering capitalists and thrust into country after country to kill. Imagine the enthusiasm and the collective delight of doing something which will not only create enduring friendships but make history as well, instead of the post traumatic stress suffered by soldiers fighting senseless wars.

Two different worlds with two different goals. The one barbaric the other humane. The fact is that we inherit from capitalism the industrial potential to save our planet, our home. Just as an axe can kill or be used to build a home, so industry can be used to kill or save our planet. All that stands in our way are the two million capitalist families and their enforcers.

Capitalism in crisis.

Whenever we go to conferences or meetings we need to state that it is not pollution that is the problem but capitalism. That capitalism cannot provide a solution to pollution. We need to think historically and above all, we need to think internationally. Pollution crosses borders and cannot be dealt with nationally. One hundred and fifty thousand years ago, the human race emerged alongside a lake in Africa. Now we are approaching 8 billion covering the entire planet, deliberately divided by nation, religion, race and sex. Nevertheless, we are still one people and unless we act collectively by overcoming these malevolent divisions, we could lose this planet. If we fail, all the blood and all the sweat expended over these ten thousand years, since once we mastered agriculture, will have been in vain. Nothing short of an international revolution will save our planet.

Capitalism is facing four simultaneous compounding challenges to its rule, of which only one is environmental catastrophe. The others are rising economic tensions heralding war between China and the USA, artificial intelligence and the huge social dislocations caused by its large-scale introduction,

and a growing inability by the capitalists to manage an economy that raises the standards of living of all of its citizens. Even one of these would be difficult for capitalism to deal with, but collectively they are insurmountable. The next decade will be the most important, most decisive period in the history of humanity. The struggle for the social transformation of society is no longer an option, but a necessity because capitalism is jeopardising our future.

Brian Green, 8th October 2018.