

Part 2

What stops change?

Why have societies failed to respond effectively to this existential crisis? There is plenty of evidence to explain what is happening and there have been plenty of warnings about the urgency. There are countless books, documentaries, films and articles to explain what is going on. The visible human and economic consequences of climate change are also growing. And yet, despite investments in renewable energy, many international conferences and rising numbers of street demonstrations, the pace of warming continues to accelerate.

One reason societies have not done what is needed has been uncertainty about what exactly they should do. Contradictory policy recommendations, combined with doubts sown by climate deniers, have bred confusion. Another reason is a fear for the consequences of change. By nature, people do not embrace major social changes. When it comes to climate change, many worry – and rightly – that the changes needed to slow the pace of warming will lower living standards. Many have also chosen to ignore the warnings because climate change has not affected them personally. Others feel powerless. The challenge is simply too big to contemplate.

None of this adequately explains the weakness of humanity's response, however. It is human nature to respond to danger, and societies have overcome fear of major change in the past, even when it has led to social chaos. If they had not there would not have been any revolutions.

Perhaps the most important reason why societies have not responded is that the majority of people, as well as most of those in government, have been persuaded to believe in a set of ideas which block change. It is humanity's dominant belief system that makes change impossible, more than any lack of understanding about what is happening, or any fear of the consequences of change.

How people see the world is not always the same. Different generations have different ideas about what they consider to be true, and what they value. Until a few hundred years ago, religion had the greatest influence on thinking in much of the world. The ideas of the church combined with the wisdom of past philosophers and rulers, as well as the knowledge, fears and superstitions of previous generations formed the core of most people's understanding of the world. For many centuries, most of those who lived in Europe believed that God made the Earth, that kings or queens had a divine right to rule and that the world was flat.

While each individual has his or her own ideas about what is true and what they value, there is always a dominant social perspective too, a cultural world-view held by groups. How societies think about the world is not always correct however, and these collective ideas can also sometimes trap societies into doing things they should not. Ideas can lead them to war, for example.

The idolatry of false ideas

It is ideas that are stopping societies responding to climate change. Central among these is the notion that individual short term advantage is more important than the long term needs of nature and humanity.

The ideas that dominate thinking today are not those of religion any longer. They come from a wide variety of sources, one of which is economics. It is the ideas of economists which mostly determine what societies value today, and how people view the natural world. Economics also

greatly influences social development and determines many rules of individual behaviour. It is these ideas that have made any useful response to climate change almost impossible.

Economics is not a science, though many economists wish that it were. It is a belief system, more like a religion, but without the philosophical underpinnings. Unlike science, there are no provable concepts or theories in economics. If a chemist mixes hydrogen and oxygen in the right quantities he will get water. If he does it again he will get more. Economics is not like that. There are no fixed causes and effects, and there is no false or true. Economics is just a collection of beliefs and ideas which societies have accepted. Just as the majority of people once believed everything written in the Bible, most people today embrace many of the central ideas of modern economics.

At the core of this thinking lie three guiding principles.

1. the market should be regulated as little as possible.
2. economic growth leads to improved living standards.
3. unwanted side-effects should be ignored.

1 - The central belief of modern economics is that 'the market' should be regulated as little as possible. This is presented as a sort of common sense, which is both obvious and natural. Yet, in reality, the market is just another word used to describe trade. A market is where people buy and sell and, as in any social exchange, there is nothing which compels those involved to behave honestly or fairly. This means that there is no obvious or logical reason why the market – trade - should not be properly regulated. After all, history is littered with examples of unscrupulous traders and unethical business activities.

Despite this, economists say that minimal regulation is better because it promotes faster social development. They argue that any regulation of the market is best left to the 'invisible hand', citing the words of 18th century moral philosopher and historian Adam Smith (he was not an economist). Yet this is to misremember history, because when Smith talked about the invisible hand he was not describing the functioning of trade. He was referring to what he saw as the natural desire within people to help others. When it came to trade, Smith supported regulation.

Despite this, modern economists claim that minimally regulated trade will produce the best outcome for everyone. There is almost no evidence to support this idea, however. There is nothing to suggest that some ethereal force directs the process of buying and selling, protecting society's interests. There is plenty of evidence to suggest the opposite. There are countless examples of traders manipulating markets for personal advantage. Indeed, it appears more likely that the 'invisible hand' idea promoted by these economists is more often an 'unethical invisible hand' in reality. How else to explain the diesel emissions scandal, irresponsible bank lending in the early 2000s and tech companies selling people's private data for profit?

2 - The belief that economic growth leads to rising prosperity is not generally true either. In the last 20 years, the world has enjoyed some of the fastest growth in history but inequality has grown and living standards have fallen in many countries.

After the second world war, many countries had strong economic growth and living standards rose. It is this that has allowed many modern economists – also known as neo-liberal economists – to suggest that there is cause and effect. They say that the growth led to the improvement in living standards. This allows them to propagate the idea that all governments need to do is promote economic growth for standards of living to improve.

Yet the improvement in living standards between the early 1950s and the late 1970s was not just the result of economic growth. Growth was simply an inevitable side-effect of countries having to rebuild after years of conflict. Much of the improvement in living standards was thanks to the state which guided social development through improvements in healthcare, infrastructure and social welfare.

So the direct link between growth and rising prosperity is not quite as modern economists claim, and it is wrong to suggest that one automatically leads to the other. This will become more obvious in the future. In the coming decades, societies will need to relocate towns away from coastal areas, use their armies to manage the flow of migrants, and replace buildings destroyed by wildfires. All this will create lots of economic growth. But none of it will boost living standards.

Moreover, it is possible to improve average living standards without any economic growth by changing the way wealth and work are distributed. Wealth and work are very concentrated today. A tiny percentage of people in the world are extremely rich while most have very little. Hundreds of millions of people work long hours while others are unemployed. If wealth and work can be more evenly shared, the majority would be better off without any economic growth at all.

3 – The most destructive neo-liberal economic idea is the one that views the natural world solely as a source of raw materials and wealth. If any part of nature is damaged, polluted or destroyed, neo-liberal economists say that this should be regarded as an ‘externality’, an unintended consequence. It should be ignored, they argue, though traditional economics says otherwise.

As with most of the other ideas that come from the modern neo-liberal church, this thinking makes sense for those who want commercial trade to play a central role in human development. It allows them to damage the world for profit, even when companies knowingly create an existential problem. It is this idea which has allowed the world’s fossil fuel companies to maintain their destructive activities for decades. To those who worship at the neo-liberal temple, melting ice caps are good news because they bring the chance of new trade routes. Relocating cities to protect them from flooding is good too, as are destructive wildfires, because of the jobs and income they offer the construction industry.

When it comes to climate change, the ideas of modern economists have brought devastating consequences for everyone. What is happening to the planet’s atmosphere is a direct result of this belief system. To achieve the growth they say is needed requires the plunder of ever-more resources. It requires more energy. With 80% of that energy fossil fuel derived, it causes the pollution that changes the world’s climate. It is the neo-liberal push for growth that is the direct cause of climate change.

To slow the pace of global warming, societies will need to abandon these self-seeking neo-liberal economic ideas. Until that happens, as economic historian Richard Smith puts it¹, “we’re all on board the TGV of ravenous and ever-growing plunder and pollution. As our locomotive races toward the cliff of ecological collapse, the only thoughts in the minds of our leaders is how to stoke the locomotive to get us there faster. We’re doomed to a collective social suicide – and no amount of tinkering with the market can brake the drive to global ecological collapse.”

The only way to slow the pace of warming is to stop producing greenhouse gases. To do that, rich world societies need to enforce a massive economic contraction, to shut all the unnecessary,

1 Smith, Richard, 2014 Green Capitalism, the God that Failed.

wasteful and polluting industries and then to close all the businesses which are responsible for greenhouse gas emissions: the fossil fuel industry, the automotive sector, aviation, plastics, the cement business, shipping and all the rest. At the same time, there needs to be a radical overhaul of farming and agriculture, and a halt to deforestation.

But this is impossible because the neo-liberal economic belief system forces societies to think about the lost jobs and profits before they think about the environment and the long term needs of people. Societies still believe that they have to boost consumption and promote growth even though it is increasingly clear that this thinking will eventually kill them.