

Inequality and the Climate Crisis

## **Dr Robert Howell**

Reflections on Gough's *Heat, Greed and Human Need*

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Stern dismissed any significant relationship between environmental and social policy, by saying that there is little point in equitable access to a train wreck. Gough in his book, *Heat, Greed and Human Need* disagrees. He states that equity, redistribution and prioritising human needs, far from being diversions from the basic task of decarbonising the economy, are critical climate policies. The move to a green economy can only be successful if both environmental and social policies (eco-social policies, defined as policies that pursue both equity/justice and sustainability/sufficiency goals) are integrated. When it operates within a global economy of gross inequality (between and within countries) it will fail to raise standards of wellbeing to a sufficient level, or it will fail to reduce emission at a sufficient rate, or it will fail at both.

### **Need**

Gough has a long-life interest in social policy and brings those understandings to climate issues. He has written about the current perspectives on wellbeing (the satisfaction of consumer preferences; happiness; relational wellbeing; human capabilities) and instead proposes a framework and method for defining human need.

Gough proposes three categories of basic need: physical health; autonomy of agency; and critical autonomy. By 'critical autonomy' he means the capacity to compare and reflect cultural rules and work with others to change when necessary. Under these three categories there are universal characteristics of need satisfiers:

- adequate nutritional food and water
- adequate protective housing
- non-hazardous work environment
- non-hazardous physical environment
- appropriate health care
- security in childhood
- significant primary relationships
- physical security
- economic security
- safe birth control and child bearing
- basic education.

### **Carbon Economy**

Gough describes the current carbon economy as based, since the late eighteenth century, on the accumulation of 'stored sunlight'. The current economy, made near universal in the latest phase of globalisation, he describes as a monetised commodity economy, and labels it 'climate capitalism'. The Paris Agreement of 2015 accepted an ultimate goal of zero emission with countries promising reductions at national levels. Underlying the Agreement is an economic framework still committed to growth. Green growth equates wellbeing with income, and prosperity with growth. It excludes from policy debate the role of affluence and surplus consumption.

### **Necessities and Luxuries**

Gough uses the work by Japanese energy economist, Kaya, to describe four broad factors affecting emissions.

- (1) population growth;

- (2) affluence (growth in output or income per head);
- (3) changes in the energy intensity of output;
- (4) changes in the carbon intensity of energy use.

Between 1971 and 2007 (1) and (2) increased emissions, and in (3) and (4) the emissions fell. This partly reflects improvements in the emission efficiency of production, but partly a shift from agriculture to manufacturing and services. This evidence shows the improvements in eco-efficiency in production are outweighed by growing production and population. For example, the industrial production of bulk materials - steel, cement, plastic, paper and aluminium - accounts for about a quarter of emissions and is already 'efficient'. Given growth, its demand is likely to double in the next 40 years, and even if its emissions efficiency could improve by a further 50% this would leave the present level of emissions unchanged. In a tug of war between rising affluence and population, against improving eco-efficiency, the former will usually win.

If emissions are to be reduced consumption must be recomposed, that is, the pattern of consumption changed. Gough proposes two approaches to this by distinguishing between necessities and luxuries. The latter he defines as non-necessities, and are usually associated with the rich. There is plenty of evidence to show the rise of inequality during the last 50 years or so, but Gough describes evidence that the rich are also high emitters: the emissions from the top 1% is roughly the same as the bottom 50% of the world's emitters. A very rich American consuming and emitting over 150 tonnes of CO<sup>2</sup>e a year can contribute 1000 times as a poor Zambian (0.16 tonnes).

### **Inequality and Luxuries**

The growth of inequality increases status competition in society. It spurs competitive consumption with material aspirations that cannot be scaled to everyone in a sustainable way. It hinders collective action. The power of the rich to make decisions, set agendas, and inculcate selfish values is increased. Their influence is based on wants, not needs, and on a consumer society committed to growth. Gough quotes Jackson (Prosperity without Growth):

*We are persuaded to spend money that we do not have, on things that we do not need, to create impressions that will not last, on people we do not care about.*

Turner, Chair of the UK Financial Services Authority, labelled some financial services as 'socially useless', driven by social fashion and self-interested marketing. Until the underlying premises of uncontrolled consumption and inequality are addressed, the goal of a green economy with no or minimal carbon emissions cannot be achieved.

### **Defining Necessities**

In defining necessities, Gough describes the UK Minimum Income Standard study: 12 focus groups were tasked with producing lists of items that households would need to reach an acceptable minimum standard of living. If the whole of the UK were living on a decent life budget, there would be a likely drop of 37% of consumption based emissions. This equates to 7.3 tonnes/person. Studies in Finland and some evidence from Sweden replicate similar findings. In the UK the critical basic goods of home, energy and food (together equalling about 40%) are carbon intensive. Hence Gough proposes a 'deep learning journey' going beyond longer-term and community based projects, such as is found in eco-villages and transition towns.

### **Corporate Frameworks**

Systems of provision lock households into patterns of consumption that are largely outside the scope of individual choice. Hence there is a need to address the corporate and capitalist frameworks in which consumers operate.

There are three categories of eco-social policies described by Gough: taxing high carbon luxuries; widening the share of public social consumption; and rationing carbon allowances. In a chapter (*Post-growth, Redistribution and Wellbeing*) Gough states that wealth and income should be shared. He supports maximum and minimum income levels, and eco-social policies that include regulating advertising; and investing in renewable energy, energy networks, transport, communications, transforming cities and buildings, retrofitting houses, preserving and enhancing natural resources, and adapting to climate change. He also advocates a reduced working-time programme.

Second, Gough states that there is a need to rebuild the core economy, defined as the whole ensemble of resources and activities that sustain human life, currently largely uncommodified and unpriced. These include time, wisdom, experience, energy, knowledge and skills, and relationships (love empathy, responsibility, care, reciprocity, teaching and learning). Gough describes an inverse law where socially beneficial jobs are paid least and harmful jobs are paid most. They are often regarded as 'unproductive' within capitalist economies because they are not independently funded from flows of consumer spending. There is therefore a need to revisit the concepts of profitability, productivity and growth.

Third, the social commons needs to be rebuilt: all the social services and activities funded and provided collectively through public institutions and community based organisations. This extends the idea of the natural commons to protect and extend the suite of social institutions that maintain the social fabric of society.

### **Summary**

Gough's argument is that green politics or policies devoted to reducing the emissions from the production of goods and services, are not sufficient. There is a need to address the basic assumption of growth. To reduce growth the pattern of consumption must change – by reducing consumption that is not essential for a minimum standard of living based on wellbeing that meets basic needs.

Gough proposes reducing inequality by defining basic needs to achieve minimum and maximum income levels. The maximum level is aimed at reducing affluence and surplus consumption. In looking at evidence defining the minimum level in the UK, Finland and Sweden, it was found that the emissions level associated with meeting minimum levels is still too high to be able to attain a safe level of emissions. Hence there is a need to look at the corporate structures in which consumers operate. Eco-social policies need to be introduced that include regulating advertising, and a programme for reducing working time. The core economy needs to be rebuilt – the resources and activities that sustain human life.

Gough says that currently the Paris Agreement is the only politically viable strategy for a global low-carbon economy. But operating within a global economy of gross inequality means that it cannot achieve, by itself, the end that it seeks. The Post-growth stage is a political non-starter because there are too many powerful constituencies, dominant interest, institutions and ideologies that would be threatened. Hence the interim strategy is to recompose consumption in rich countries towards low-carbon necessities.

### **NB**

1) The jet-setting habits of celebrities such as Bill Gates, Jenifer Lopez and Paris Hilton mean that they produce an astonishing 10,000 times more carbon emissions

from flying than the average person. (S Gossling. Nov 2019. Celebrities, air travel and social norms <https://doi.org/10.1016/j.annals.2019.102775>).

## **2) See World Scientists' Warning of a Climate Emergency**

William J Ripple, et al. *BioScience*, biz088, <https://doi.org/10.1093/biosci/biz088>  
05 November 2019

### *Economy*

*Excessive extraction of materials and overexploitation of ecosystems, driven by economic growth, must be quickly curtailed to maintain long-term sustainability of the biosphere. We need a carbon-free economy that explicitly addresses human dependence on the biosphere and policies that guide economic decisions accordingly. Our goals need to shift from GDP growth and the pursuit of affluence toward sustaining ecosystems and improving human well-being by prioritizing basic needs and reducing inequality.*

## **Some Ideas for Discussion on Some Policy Options**

### International

Pikety's wealth tax is worth pursuing but it needs to be accompanied by vigorous steps to minimise tax evasion.

Keynes idea of a global bank, the International Clearing Union, with the creation of the bancor, was a way of not just lifting up poor countries, but also capping rich economies. It would have significantly reduced inequality, but not necessarily reduced carbon emissions.

### New Zealand

Ensure that social policy experts are included in initiatives such as the Climate Commission.

Set up processes to define maximum and minimum income levels, and identify affluent and surplus consumption; develop tax and other policies to reduce affluent and surplus consumption.

Require all Government Departments and agencies, medium to large corporations and medium to large NGOs to report on their

- a) carbon emissions, and
- b) the differences between lowest and highest remuneration payments
- c) plans to reduce excesses in a) and b)

Require all MPs, senior civil servants, Local Government politicians and senior staff, SOEs and Government agencies to report on their personal carbon footprint.

Introduce a wealth tax.

Ban or heavily tax luxury travel, including private aircraft, luxury yachts and ships, and multiple home ownership.

Deny property, investment and citizenship rights to overseas applicants who do not meet strict ethical criteria regarding eco-social behaviour.

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If anyone wants to work with me further on this issue please contact me at [rhowellnz@gmail.com](mailto:rhowellnz@gmail.com)