



Occupy Economics Toronto Workshop presentation



February 19, 2013

Can You See Climate Change from Here?

Facilitator: Dix Sandbeck
dix@dixsandbeck.ca

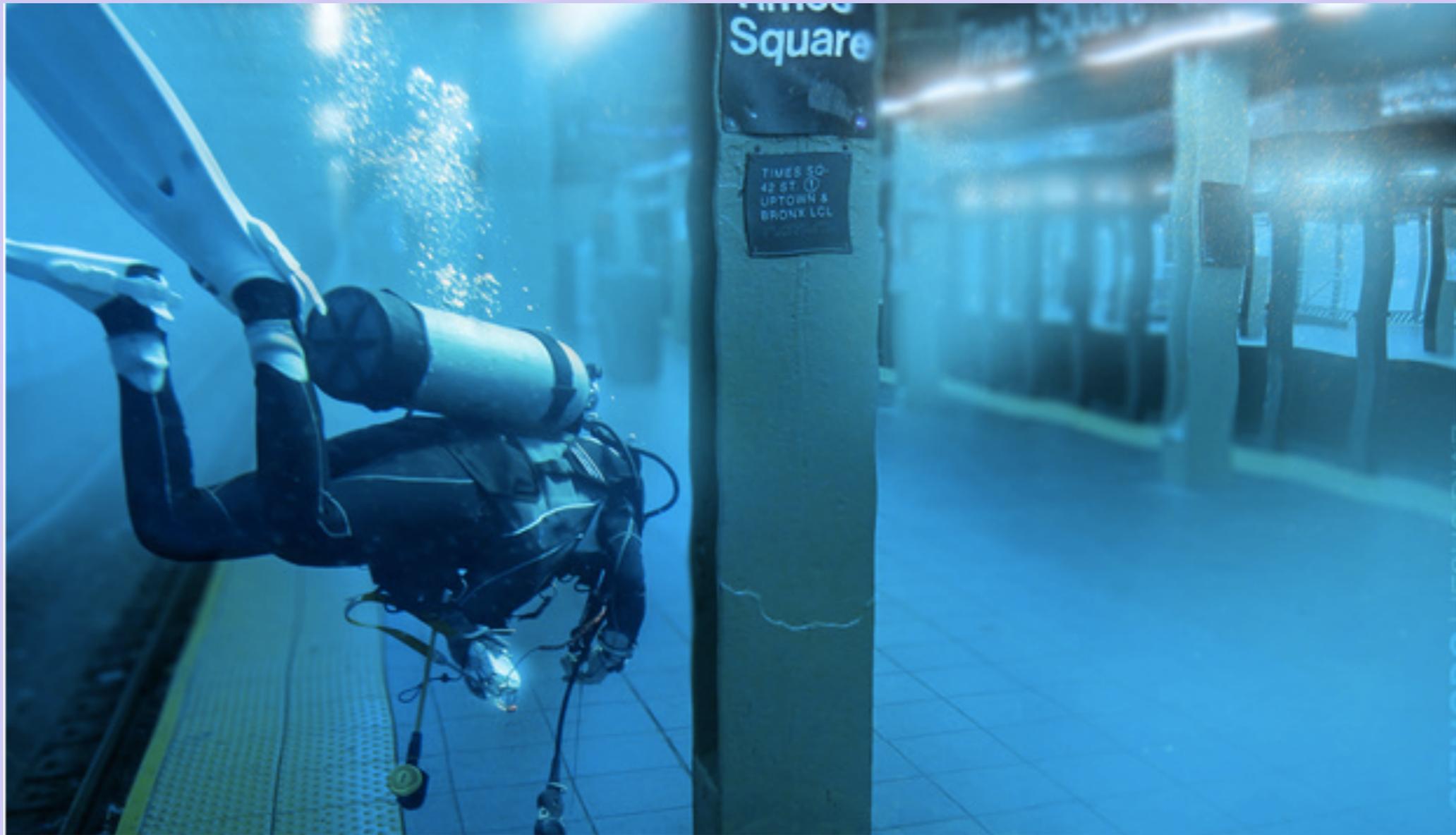
Can you see climate change in Toronto?



Enjoying playing soccer in High Park on January 12th, 2013

On Jan. 12, 2013 temperature reached 14.6 C, a record for that date. Oh, it wasn't anything special, temperatures have been higher in January. Still, the conversation around the water coolers was not normal. "Isn't the weather nice today?" "Sure...but I wonder what it all means. We've had so much abnormal weather lately. Is it climate change that we are seeing?"

New York after Superstorm Sandy



The day after Sandy. A new way of taking the train from Times Square Stn . (probably photoshopped picture)

When Sandy hit New York City in Oct. 2012, the storm surge flooded a major part of the subway system. The damage inflicted on the city was exacerbated by the neoliberal political economy's tendency to prioritize low taxes over investment in and maintenance of infrastructures, which left the city unnecessarily vulnerable to extreme weather events.

Was Sandy a harbinger of what is to come?



The iconic Rockaway boardwalk blown away by Sandy

New York governor Mario Cuomo thought he could see climate change; "Our climate is changing," "While the increase in extreme weather we have experienced in New York City and around the world may or may not be the result of it, the risk that it might be -- given this week's devastation -- should compel all elected leaders to take immediate action."

Bangladesh - in the eye of the climate change

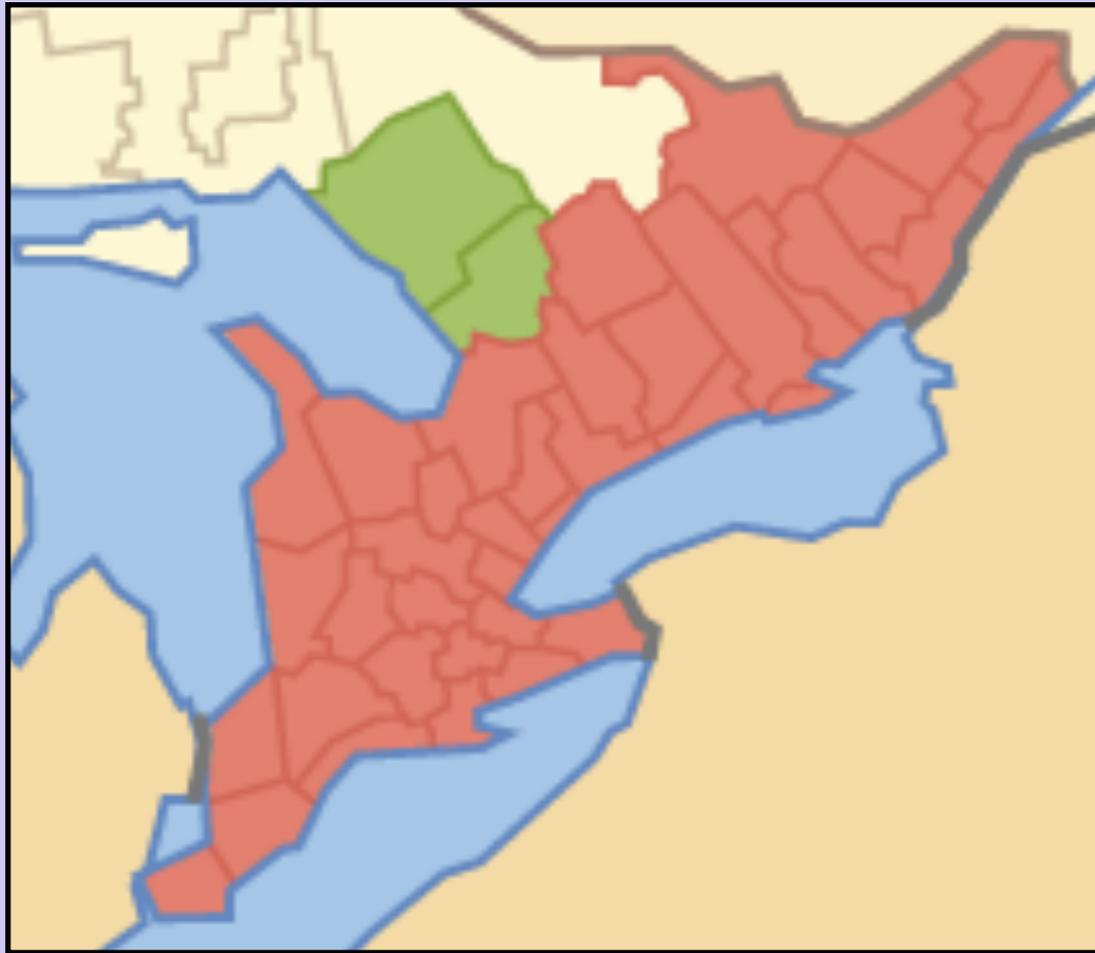


Coping after a cyclone



The perils of Bangladesh, flooding of the big rivers passing through the country and cyclones in the Bay of Bengal, are intensifying as result of climate change

Only slightly larger than Southern Ontario, Bangladesh' population density is among the highest in the world



Southern Ontario + Muskoga & Parry Sound

Population: 11.1 mio
Size: 139,931 km²
Capital: Toronto c.5.6 mio
Nominal GDP per capita: US\$43,847



Bangladesh

Population: 146.9 mio
Size: 147,570 km²
Capital: Dhaka c.15 mio
Nominal GDP per capita: US\$701

Large slums sprawl its capital, Dhaka



Karail Slum with middle class districts in the background

Each natural disaster sends a new wave of migrants into Dhaka's slums.

Life in the slums I



High Street of the slum



Morning commute



When fires first start, they can spread rapidly in the close built slums

Life in the slums - 2



Monsoon rain



Public kitchen and toilet facilities next to each other,.



Inside a dwelling

Climate change refugees, a new reality



A young couple of former farmers, now climate refugees from the cyclone ravished delta. For their story see: http://www.thestar.com/news/world/2013/02/16/climate_change_forcing_thousands_in_bangladesh_into_slums_of_dhaka.html

Influx of surplus farm labourers to cities in developing nations is a common phenomena. In Dhaka, this stream has been augmented with a wave of climate refugees, driven off their lands by the rising intensity of natural disasters. If global policies don't change, climate effects could cause Bangladesh to loose up to 20% of its farmlands by 2050.

An abundance of cheap labour



Shown here: your favourite brand clothes are produced under Dickensian conditions

China is no longer the cheapest labour cost country, thus textile manufacturers are increasingly flocking to Bangladesh, offering low-paid jobs to Dhaka's vast reserve army of surplus labour.

Ship breaking, another 'growth' industry



Beach near Chittagong

Since the late 1990s, ship breaking has moved to India and Bangladesh. It is not only a question of cheap labour, but also the minimal control of the environmental hazards involved, which is an important cost factor.

Ship breaking 2



Housing for workers near Chittagong with the ship breaking site in the background,

Small cities have grown up around the ship breaking locations that simply are beaches upon which the ships are run up as far as they can go. The women and children often assist with the lighter tasks.

Back to Toronto and the wisdom (!?) of St. George Street



St. George St. looking south with the UoT Dept. of Economics on the right and Rotman on the left

The University of Toronto's Dept. of Economics and its Rotman School of Business are located on St. George Street in Toronto. The logic that reigns here exist in an alternative universe, well removed from the realities of the world, and in particular, struggling underdeveloped countries.

One economics - under God and the Flag



Corporately founded Colgate University, where the teaching doesn't include the economics of Dhaka's slums

In the hallowed halls of North America's institutions teaching higher economics, young minds—eager to gain a ticket to the well-paying jobs on Bay street, etc.—are introduced to rational expectations, the Solow growth model and the importance of low taxes for capital formation. They absorb the claim that this accurately describes what make the wheels of the world spin around.

Lack of technology and human capital impede progress



South Sudanese woman farmer

Agriculture, the main economic output of most LDCs*, are often worked with negligible capital inputs. Thus, the primary output determinants are not capital but weather and climate. The threat to output posed by climate change cannot be met by these countries' own capacities to invest in adequate countermeasures.

*LDCs - Least Developed Countries

Neoclassical economics, a paradigm sinking in reality



Male, the capital of the Maldives, a country where climate change is an immanent threat.

Neoclassical economics has another problem besides its neglect of social and environmental deterioration. It neglects the implication of the fact that capital divides into two distinct forms: productive capital and monetary capital, the latter growing faster due to rising income inequalities.

Neoclassical economics rely on false assumptions



Tarawa's highest point is 3m above the sea level. A lonely Japanese gun will not protect against a rising ocean.

The assumption is if more capital is added, labour output must inevitably go up. While this probably was a valid assumption in the early capitalist phase, it is no longer true. In the current phase of capitalism, excessive inflow of money capital to the financial sector is, on the contrary, slowing growth down, as recent GDP trends verify.

Conclusion - is serious climate change unavoidable?

Realization of climate change is real is emerging at a particularly inauspicious time. In the U.S., emitting more than 20% of global CO₂, Obama seems to grasp that we have a problem, but the country is politically hopelessly paralyzed by a Republicans party whose members only produce one thought: tax cuts.

Europe and Japan, while showing some activism on climate change, are too stunned by debt problems to get action onto the needed level.

China's export-led spurt to higher development status started without thinking about climate implications. It has succeeded in economic terms and is awash in foreign reserves. While starting to pay attention to CO₂ emissions, at 7t per capita have already reached the lower band of the advanced economies, the culprit being its continued reliance on coal for most of its energy needs, with no easy way to substitution policies.

The LCDs, whose own CO₂ emissions are well below what is considered sustainable, are however among the most vulnerable to climate change.

Avoiding that the greenhouse effect stemming from burning carbon surpasses a critical level requires squaring many problems simultaneously, and the time is now.



Occupy Economics Toronto



See you next time

