

# “Risky Business” study highlights the inability of capitalism to address the consequences of climate change

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This past June, a study entitled “Risky Business: The Economic Risks of Climate Change in the United States” was published under the sponsorship of a group of multi-millionaires prominent in United States business and politics. These include the likes of Michael Bloomberg, billionaire former mayor of New York City, and Henry M. Paulson, Jr., former U.S. Secretary of the Treasury, who acted as co-chairs of the committee.

The study provides insight into how a section of the American ruling class views the issue of climate change. It is revealing in that it both indicates that some of the elite do recognize climate change as a real threat, in the form of a “risk” to business interests, but at the same time illustrates how they perceive the issue through the narrow and distorting lens of their own class interests, which ultimately renders them incapable of understanding the true magnitude of the potential danger and of proposing any meaningful measures to avert the impending climate catastrophe.

The study’s research design is based on the common business practice of “risk assessment.” It seeks to identify potential impediments to profitability and then suggest “fixes” to overcome these problems. The inherent contradiction in this approach, attempting to address a global crisis from the perspective of individual business interests, which are inherently tied to immediate returns on investment, is glaringly apparent from the outset.

“Our research focuses on climate impacts from today out to the year 2100, which may seem far off to many investors and policymakers,” the report states. Nevertheless, despite the increasingly dire warnings regarding the devastating consequences of climate change, which are clearly identified in the report, “business still tends to respond only to the extent that these risks intersect with core short term financial and planning decisions.”

The study’s view of the impacts of climate change, dictated by business interests, is narrowly focused: “Damage to coastal property and infrastructure from rising sea levels and increased storm surge, climate-driven changes in agricultural production and energy demand, and the impact of higher temperatures on labor productivity and public health.”

The projections of climate change through the end of the century are truly alarming:

“If we continue along our current path, with no significant efforts to curb climate change, the U.S. will likely see significantly

more days above 95°F each year. By the middle of this century, the average American will likely see 26 to 50 days over 95°F each year—from double to more than triple the average number of 95°F days we’ve seen over the past 30 to 40 years.”

The report declares: “The American economy faces multiple and significant risks from climate change.” This includes the impact on labor productivity due to the increasing number of days during which temperature and humidity reach such high levels as to make it dangerous to work outside. There will be an increase in heat-related mortality. Heat emergencies will overburden hospitals, whose total capacity has been steadily reduced in recent decades due to closures and cut backs.

The report divides the United States into eight geographic regions and reviews some of the likely impacts of climate change on each one, focusing primarily on effects caused by increased temperature and sea level rise.

Agriculture, a principal component of the US economy, will be severely affected. For example,

“Our research shows that under the “business as usual” scenario and assuming no significant adaptation by farmers, some states in the region, like Missouri and Illinois, face up to a 15% likely average yield loss in the next 5 to 25 years, and up to a 73% likely average yield loss by the end of the century.”

Nevertheless, the report presents a rosy scenario based on farmers’ past ability to cope with changing circumstances. “Farmers have always adapted to changing weather and climate conditions, with adaptation and flexibility built into their business models.”

Possible adjustments would involve changes in agricultural practices, including intensification of cultivation and shifts in crop mixes. These prescriptions are not based on any detailed assessment of the radically altered conditions likely to be faced by farmers due to rapid climate change, but rather express a dangerous complacency that simply doing a little more of what has worked in the past will be sufficient to cope with totally unprecedented conditions.

History and archaeology demonstrate that past episodes of climate change have precipitated major societal collapses when agricultural systems could not adapt with sufficient rapidity to cope with new conditions. In the current case, the speed and scale of climate dislocations, driven at an accelerated rate by human

activities, are likely to be greater than any that humanity has faced, at least since the end of the last ice age, a time before agriculture, when the global population was a tiny fraction of its current size.

The authors of the report blithely predict that areas of agricultural production will shift to the north to escape rising temperatures. They ignore the fact that temperature is only one of the myriad of variables involved in crop cultivation, including soil quality, hydrology, and length of day and growing season. As a result, more northerly venues may not be suitable for the current quantities and varieties of crops on which we now depend. This is not to speak of the vast amount of new infrastructure that would have to be constructed in areas where it does not now exist.

Furthermore, the authors evince a total disregard for the social disruptions that would result due to such massive relocation. Would whole populations from the south simply pick up and move, or would they be left to languish in areas where agriculture was no longer practicable? What would happen to the people already living in the more northerly areas if they were suddenly flooded with new arrivals? The attitude of indifference expressed is the same as that of a multi-national corporation which chooses to uproot production facilities from one region or country to another without any regard to the consequences to their employees and their families.

The report projects a variety of severe consequences of climate change throughout the country, including increasingly severe droughts in the southwest and increases in the frequency and intensity of forest fires in both the northwest and southwest. Concern is expressed for the impact on property values due to inundation of coastal areas around the country, but the impacts on residents of these regions are barely mentioned.

The Risky Business study, despite highlighting some of the catastrophic consequences of climate change, is fundamentally flawed, not only by its ruling class viewpoint, but its narrow scientific focus. It views climate change as primarily consisting of temperature and sea level rise. Changes in precipitation are seen as a secondary and dependent variable. This is extremely simplistic. Shifts in weather patterns will have severe consequences not limited to increasing temperatures alone.

Furthermore, the effects of other human-induced environmental degradation, including those caused by various pollutants, such as ocean acidification and disruption of plant and animal communities, are ignored. This approach severely limits the appreciation of the immense scope and complexity of the environmental crisis that humanity faces and obscures capitalism's responsibility in creating these dangers.

The fragmented approach to the problem of climate change and environmental deterioration represented by this study is an expression of the empiricist, non-systemic, non-dialectical philosophical framework of bourgeois thought, designed to provide unfettered license to business interests. The various symptoms of climate change are seen as discrete and unconnected. A problem that is global and multifaceted in scope is reduced to a "single issue" that can be addressed by individual, haphazard actions within the confines of one nation.

The approach to the effects of climate change proposed in the report explicitly states the disorganized, free market philosophy of

the authors.

"The Risky Business Project was not designed to dictate a single response to climate risk. We know that there will be a diversity of responses to our analysis depending on the particular risk tolerance of individual business and policy actors, as well as their particular region or sector of the economy. But the Risk Committee does believe, based on this project's independent research and the significance of the climate risks it demonstrates, that it is time for all American business leaders and investors to get in the game and rise to the challenge of addressing climate change. The fact is that just as the investments and economic choices we made over the past several decades have increased our current vulnerability to climate change, so will the choices we make today determine what our nation looks like in 15 years, at mid-century, and by 2100."

The idea that the "logic" of the capitalist system, which has created the conditions for a devastating environmental catastrophe, will somehow provide the mechanism for overcoming this crisis would be ridiculous if it were not so obviously self-serving, promoted by billionaires who have an enormous vested interest in "solutions" that maintain the capitalist system..

The "Next Steps" advocated by the report are purely cosmetic, ad hoc adjustments to the anticipated effects of climate change. Vacuous exhortations to reduce greenhouse gases are mere window dressing. Climate change is, effectively, taken as inevitable. All we can do is "adapt."

"... we fully believe the U.S. can respond to these risks through climate preparedness and mitigation, we do not argue for a specific set or combination of these policies. Rather, we document the risks and leave it to decision-makers in the business and policy communities to determine their own tolerance for, and specific reactions to, those risks."

The causes of climate change, generated by the perverse logic of the capitalist system, are left unquestioned. Only the consequences that exceed businesses' "tolerance for risk" need be addressed.

The inability of these members of the capitalist elite to propose anything beyond placing a Band-Aid on the gangrene of climate change illustrates in the starkest terms the bankruptcy of the capitalist system to provide any way forward for the working class. The division of the world into competing nation-states, combined with the anarchy of the capitalist system, prevents any effective response to the crisis of climate change and environmental degradation which fundamentally threaten the future of humanity. This existential crisis can only be confronted by a global effort conducted by the working class implementing a scientifically planned socialist program designed to manage the world's environment for the benefit of all.



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