



Capitalism is not to blame for climate change

Despite Extinction Rebellion's claims, environmental damage is worse in countries where the state holds most power over economy

The first time I ever heard of Extinction Rebellion was three years ago when I visited London. I almost missed an appointment because the entire city was blocked.

In recent weeks, Extinction Rebellion has been demonstrating again in London. One of this group's central dogmas is that capitalism is to blame for climate change and environmental degradation – and that capitalism will ultimately lead to the extinction of humanity.

This conviction is not only shared by the followers of this doomsday cult, but by many people who would otherwise reject such beliefs and disruptive methods of protest.

“System change not climate change” has become one of the key slogans among climate change activists, who believe that the world needs to overcome capitalism because they blame the pursuit of profit by capitalist companies for climate change.

But what is the true relationship between capitalism, environmental degradation and climate change? For more than 20 years, researchers at Yale University have been publishing the Environmental Performance Index (EPI), which ranks countries according to their environmental health and ecosystem vitality. An interesting comparison can be made between the EPI and the Heritage Foundation's Index of Economic Freedom, which has been measuring economic freedom around the globe since 1995. The Index, which is also referred to as the capitalism index, analyses the level of economic freedom in 178 countries.

The Heritage Foundation's researchers compared the two indices, Yale University's Environmental Performance Index and their own Index of Economic Freedom. They found that the countries with the highest levels of economic freedom – and thus the most capitalist countries – also had the highest EPI scores, averaging 69.8, while the “mostly free” countries averaged 66.8.

There is then a big gap to the “moderately free” countries, which were rated much lower (49.3 points) for their environmental performance. The “mostly unfree” and “repressed” countries, namely those that are least capitalist, registered by far the worst environmental performance (37.5 and 36.6 points in the EPI, respectively). If an economic order based on private property, competition, and freely set prices were the cause of environmental pollution, then, logically, there would have to be less pollution in countries that do not have these, which is not the case.

Anti-capitalist climate activists such as Naomi Klein want to establish an economic order in which the state has disproportionately greater power than under capitalism. In her book *This Changes Everything: Capitalism vs The Climate*, Klein writes about the need for government guidelines on “how often we drive, how often we fly, whether our food has to be flown to get to us”.

The anti-capitalist prescription for dealing with climate change and pollution is more state planning. However, in countries where the state has held the most power over the economy, levels of environmental degradation were not lower.

On the contrary, they were far higher than in any other countries. Divided Germany provided a solid basis for comparison, with a market economy system in the West and a planned economy system in the East. The German historian Hubertus Knabe, a leading expert on GDR history, observed: “One of the world's biggest climate killers was, in fact, a country that had abolished capitalism – the GDR.” In 1989, the GDR emitted more than three times as much CO₂ for each unit of GDP than the Federal Republic.

Other comparisons also confirm that abolishing capitalism leads to more rather than less environmental degradation. In 1988, the GDR emitted 10 times as much sulphur dioxide per square mile as the Federal Republic (124.5 tonnes vs. 12 tonnes per square mile).

The worst environmental destruction occurred in non-capitalist countries. In their book *Ecocide in the USSR*, Murray Feshbach and Alfred Friendly Jr conclude that “no other industrial civilisation so systematically and so long poisoned its land, air, and people”.

Many people will concede that socialism is even worse for the environment than capitalism, but they are still left with reasonable doubts: isn't economic growth in general bad for the environment? There is one argument that seems logical, at least at first glance. Because the earth's raw materials are finite, infinite growth is impossible. This leads many to conclude that, somehow, growth must be curtailed.

But based on numerous data series, the American scientist Andrew McAfee proves in his book *More from Less* that economic growth has decoupled itself from the consumption of raw materials. Companies are constantly looking for new ways to produce more efficiently, ie to get by with fewer raw materials. And innovation, another characteristic of capitalism, has promoted a trend we call dematerialisation.

One example of this trend is the smartphone. Just consider how many devices are in your smartphone (a telephone, camera, calculator, voice recorder etc) and how many raw materials they used to consume. There is a very strong argument that, even in terms of climate change and environmental degradation, capitalism is not the problem – it's the solution.

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