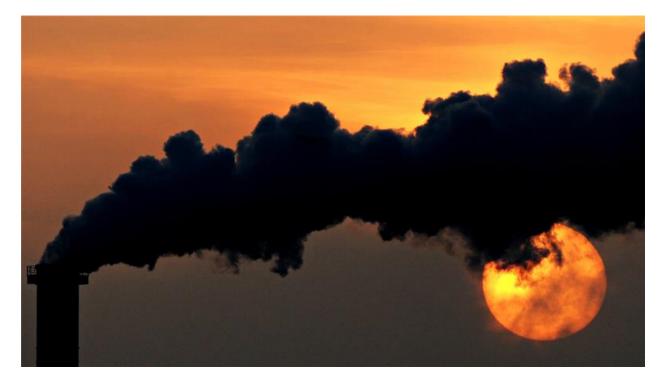


# The climate change and its impact on democracy

We need to decouple economic progress from fossil fuels if we are to survive as a species.

### Graciela Chichilnisky April 4<sup>th</sup> 2016





ABOUT THE AUTHOR **Graciela Chichilnisky** Graciela Chichilnisky is a professor of economics and of statistics at Columbia University It is easy to poke fun at United States Republican frontrunner Donald Trump. He provides an endless supply of material for criticism and ridicule. But there is a real issue here: The electorate is furious in both sides of the Atlantic. In a democracy this matters. The European Union faces a one-two punch: in June UK voters decide whether the United Kingdom remains in the EU, while Germany's Chancellor Angela Merkel suffered a setback as voters-backed right-wing populists due to her contentious refugee policies It is mass migration that fuels the electorate's fear and anger on both sides of the Atlantic. Trump fuels discontent about immigrants: he wants to return Mexicans to Mexico, and not to allow Muslims into the US.

This is new in Western democracy but will be with us for some time. And in fact, it is the reality of climate change.

#### The poor suffer

Climate change intensifies conflicts and creates mass migrations. Tens of millions of people are displaced owing to climate change, according to the United Nations. Severe droughts and heatwaves in Syria and the Middle East at large preceded the war, leaving people without jobs, food or hope - and migrating for their lives.

This unprecedented wave of refugees into the EU is unravelling Merkel's successful government. Germany was until now the EU's economic backbone. The massive migration waves caused by climate change fuel ethnocentrism, fear and political xenophobia which underlie Trump's appeal.

Massive migration waves can lead to geopolitical unravelling of Western democracy. These migration waves are new but they are connected to climate change, and they are here to stay.

Climate change is a result of the Bretton Woods institutions and their deliberate policy to globalize the world economy based on extensive exports of natural resources from poor nations. This means petroleum, coal and gas, minerals, metals, forest products and meat.

Since their creation in 1945, the World Bank, the International Monetary Fund, and the World Trade Organization have been based on hyper-exploitation of natural resources that they encouraged and even coerced from poor nations.

Low prices of natural resources have contributed a several fold increase in the wealth gap between the poor and the rich nations since World War II. This was the most

successful period of industrialization the world ever saw. It was based on extensive overconsumption of natural resources, and the direct result is climate change.

The world's poor suffer the worst consequences. Over-mining in Bolivia - which has one of the largest natural gas deposits in South America - and dried water resources of the Uru-Murato, an ethnic group that is one of the oldest cultures in the Andes.

They survived as fishermen on the shores of the salty Lake Poopo, one of Bolivia's largest water bodies. They outlasted the Inca empire and the Spanish conquest but they are about to go extinct because of the resource-based globalisation created by the successful Bretton Woods institutions.

"Now there is no food to eat: the water is gone, so the fish and birds are gone. That is why ... we are facing extinction," remarked Felix Condori, the mayor of the Uru-Murato village of Llapa Llapani.

Bolivian President Evo Morales recently announced he would open up 22 protected areas for hydrocarbon exploitation. "Whatever it says, the government has based its political economy in extractive activities ... so this was bound to happen." Almost a decade ago, the UN warned that "indigenous people are among the first to face the direct consequences of climate change owning their dependence upon, and close relationship with the environment and its resources" (PDF). In Bolivia, largely an indigenous country, this is already happening but it is a microcosm of a global trend.

Water is now one of the scarcest resources globally, according to the UN The story is the same around the entire developing world.

#### What to do?

We need to replace the Bretton Woods system. They were the first global financial institutions the world ever saw. They fulfilled their mission and now they are dragging the world into an environmental disaster.

New global financial institutions are needed to get things right. We need to limit the exploitation of the planet's atmosphere, its bodies of water and its biodiversity. These are basic needs for human survival: we need clean water, clean air and food without which we cannot survive. All this is possible and must be done.

The limits on resource use can be flexible over time with the creation of equitable and efficient global markets for the global commons

Limits on the use of water, air and biodiversity is what humanity needs to survive. This parallels the limits on emission of CO2 nation by nation, which was achieved by the Kyoto Protocol in 1997 and its carbon market that became international law in 2005.

The carbon market traded \$176bn in 2011 and transferred more than \$100bn to poor nations for clean technologies. The Kyoto nations decreased their emissions drastically (PDF).

The recent Paris Agreement - which has no emission limits and no teeth - must be improved. The establishment of a new system that respects our planets' vital resources for life will change the global capitalistic system - as they value the global commons, clean air, clean water and biodiversity. These have no economic value today, but it can be and should be done.

We need to decouple economic progress from fossil fuels if we are to survive as a species. The International Energy Agency recently reported that this is already starting. A detailed footprint and the attendant economic policies must redress economic growth to be harmonious with the world's resources and with the survival of humankind.

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