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## The Problem is Capitalism

It is a weapon pointed at the living world. We urgently need to develop a new system.

For most of my adult life, I've railed against "corporate capitalism", "consumer capitalism" and "crony capitalism". It took me a long time to see that the problem is not the adjective, but the noun.

While some people have rejected capitalism gladly and swiftly, I've done so slowly and reluctantly. Part of the reason was that I could see no clear alternative: unlike some anti-capitalists, I have never been an enthusiast for state communism. I was also inhibited by its religious status. To say "capitalism is failing" in the 21<sup>st</sup> century is like saying "God is dead" in the 19<sup>th</sup>. It is secular blasphemy. It requires a degree of self-confidence I did not possess.

But as I've grown older, I've come to recognise two things. First, that it is the system, rather than any variant of the system, which drives us inexorably towards disaster. Second, that you do not have to produce a definitive alternative to say that capitalism is failing. The statement stands in its own right. But it also demands another, and different, effort to develop a new system.

Capitalism's failures arise from two of its defining elements. The first is **perpetual growth**. Economic growth is the aggregate effect of the quest to accumulate capital and extract profit. Capitalism collapses without growth, yet perpetual growth on a finite planet leads inexorably to environmental calamity.

Those who defend capitalism argue that, as consumption switches from goods to services, economic growth can be decoupled from the use of material resources. Last week, a paper in the journal *New Political Economy* by Jason Hickel and Giorgos Kallis<sup>1</sup> examined this premise. They found that while some relative decoupling took place in the 20<sup>th</sup> century (material resource consumption grew, but not as quickly as economic growth), in the 21<sup>st</sup> there has been a re-coupling: rising resource consumption has so far matched or exceeded the rate of economic growth. The absolute decoupling needed to avert environmental catastrophe (a reduction in material resource use) has never been achieved, and appears impossible while economic growth continues. **Green growth is an illusion.**

A system based on perpetual growth cannot function without **peripheries** and **externalities**.

There must always be an extraction zone, from which materials are taken without full payment, and a disposal zone, where costs are dumped in the form of waste and pollution. As the scale of economic activity increases, until capitalism affects everything from the atmosphere to the deep ocean floor, the entire planet becomes a sacrifice zone: **we all inhabit the periphery of the profit-making machine.**

<sup>1</sup> <https://www.tandfonline.com/doi/abs/10.1080/13563467.2019.1598964?tokenDomain=eprints&tokenAccess=34D1KBKNXiFceff2-QzRt&forwardService=showFullText&target=10.1080/13563467.2019.1598964&doi=10.1080/13563467.2019.1598964&doi=10.1080/13563467.2019.1598964&journalCode=cupe20>

This drives us towards cataclysm on such a scale that most people have no means of imagining it.

The threatened collapse of our life support systems is bigger by far than war, famine, pestilence or economic crisis, though it is likely to incorporate all four. Societies can recover from these apocalyptic events, but not from the loss of soil<sup>2</sup>, an abundant biosphere and a habitable climate.

The second defining element is the bizarre assumption that a person is entitled to as great a share of the world's natural wealth as their money can buy<sup>3</sup>. This seizure of common goods causes three further dislocations. First, the scramble for exclusive control of non-reproducible assets, which implies either violence or legislative truncations of other people's rights. Second, the immiseration of other people by an economy based on looting across both space and time. Third, the translation of economic power into political power, as control over essential resources leads to control over the social relations that surround them.

In the *New York Times* on Sunday, the Nobel economist Joseph Stiglitz sought to distinguish<sup>4</sup> between good capitalism, that he called "wealth creation", and bad capitalism, that he called "wealth grabbing" (extracting rent). I understand his distinction, but from the environmental point of view, wealth creation is wealth grabbing. Economic growth, intrinsically linked to the increasing use of material resources, means seizing natural wealth from both living systems and future generations.

To point to such problems is to invite a barrage of accusations, many of which are based on this premise: capitalism has rescued hundreds of millions of people from poverty – now you want to impoverish them again<sup>5</sup>. It is true that capitalism, and the economic growth it drives, has radically improved the prosperity of vast numbers of people, while simultaneously destroying the prosperity of many others: those whose land, labour and resources were seized to fuel growth elsewhere. Much of the wealth of the rich nations was – and is – built on slavery and colonial expropriation<sup>6</sup>.

Like coal, capitalism has brought many benefits. But, like coal, it now causes more harm than good. Just as we have found means of generating useful energy that are better and less damaging than coal, so we need to find means of generating human wellbeing that are better and less damaging than capitalism.

**There is no going back:** the alternative to capitalism is neither feudalism nor state communism. Soviet communism had more in common with capitalism than the advocates of either system would care to admit. Both systems are (or were) obsessed with generating economic growth<sup>7</sup>. Both are willing to inflict astonishing levels of harm in pursuit of this and other ends. Both promised a future in which we would need to work for only a few hours a week, but instead demand endless, brutal labour. Both are dehumanising. Both are absolutist, insisting that theirs and theirs alone is the one true God.

So what does a better system look like? I don't have a complete answer, and I don't believe any one person does. But I think I see a rough framework emerging.

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<sup>2</sup> <https://www.theguardian.com/commentisfree/2015/mar/25/treating-soil-like-dirt-fatal-mistake-human-life>

<sup>3</sup> <https://www.theguardian.com/commentisfree/2019/mar/15/capitalism-destroying-earth-human-right-climate-strike-children>

<sup>4</sup> <https://www.nytimes.com/2019/04/19/opinion/sunday/progressive-capitalism.html>

<sup>5</sup> <https://www.washingtonexaminer.com/opinion/george-monbiot-and-the-climate-change-heart-of-darkness>

<sup>6</sup> <https://www.pbs.org/newshour/nation/west-got-rich-modern-capitalism-born>

<sup>7</sup> <https://www.faber.co.uk/9780571225248-red-plenty.html>

Part of it is provided by the ecological civilisation proposed by Jeremy Lent<sup>8</sup>, one of the greatest thinkers of our age. Other elements come from Kate Raworth's *doughnut economics*<sup>9</sup> and the environmental thinking of Naomi Klein<sup>10</sup>, Amitav Ghosh<sup>11</sup>, Angaangaq Angakkorsuaq<sup>12</sup>, Raj Patel<sup>13</sup> and Bill McKibben<sup>14</sup>.

Part of the answer lies in the notion of "private sufficiency, public luxury"<sup>15</sup>. Another part arises from the creation of a new conception of justice, based on this simple principle<sup>16</sup>: every generation, everywhere shall have an equal right to the enjoyment of natural wealth.

I believe our task is to identify the best proposals from many different thinkers and shape them into a coherent alternative. Because no economic system is only an economic system, but intrudes into every aspect of our lives, we need many minds from various disciplines – economic, environmental, political, cultural, social and logistical – working collaboratively to create a better way of organising ourselves, that meets our needs without destroying our home.

Our choice comes down to this. *Do we stop life to allow capitalism to continue, or stop capitalism to allow life to continue?*

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<sup>8</sup> <https://www.monbiot.com/2018/01/31/stepping-back-from-the-brink/>

<sup>9</sup> <https://www.theguardian.com/commentisfree/2017/apr/12/doughnut-growth-economics-book-economic-model>

<sup>10</sup> <https://thischangeseverything.org/book/>

<sup>11</sup> <https://www.amitavghosh.com/>

<sup>12</sup> <https://icewisdom.com/>

<sup>13</sup> <https://jacobinmag.com/2019/04/green-new-deal-agriculture-farm-workers>

<sup>14</sup> [billmckibben.com/falter.html](http://billmckibben.com/falter.html)

<sup>15</sup> <https://www.theguardian.com/commentisfree/2017/oct/11/labour-global-economy-planet>

<sup>16</sup> <https://www.theguardian.com/commentisfree/2019/mar/15/capitalism-destroying-earth-human-right-climate-strike-children>