Briefing

The environmental reasons for reducing inequalities

Friends of the Earth campaigns for decent lives for all on a thriving planet. We believe that everyone should have a fair share of the Earth’s resources and the capability to lead a full and healthy life.

Introduction

This briefing introduces the different types of inequality and identifies the links with environmental degradation. It explains why Friends of the Earth, like many others across the political spectrum, is concerned about inequality. It proposes some areas for action and seeks feedback on these.

What is inequality?

Inequality comes in many forms, including:

- Inequality of opportunity
- Inequality in rights and participation
- Inequalities of environmental quality
- Economic inequality (both income and wealth)

Inequality of opportunity

Inequality of opportunity can mean lack of equal access to services such as education, but also employment and career progression. It is sometimes caused by discrimination - institutional or otherwise - and sometimes by other factors, such as poverty. Equality of opportunity is broadly supported across the political spectrum. But even when there is some focus on removing obvious institutional barriers, for example race or gender, inequalities can persist. Mark Carney (Governor of the Bank of England) recently observed that “Within...
societies, virtually without exception, inequality of outcomes both within and across generations has increased. The reasons for the persistence of inequalities are numerous, but include environmental factors. For example, a lack of energy insulation in the home may require homework to be attempted in the sole heated and shared (living) room in winter. Other non-environmental factors include poor early years’ experience and economic circumstances.

Inequality in rights and participation

This is the freedom to participate and have power and influence on decisions that affect our lives, such as planning permission for new developments (e.g. power stations or new roads). Equal opportunity to participate is not the same as equal opportunity to influence outcomes. For example: educational or income inequalities can compromise the ability to articulate concerns and have these concerns heard. Recent cut backs to legal aid, increased court costs and reductions in Judicial Review time limits may exacerbate inequalities in this area, meaning that affluent people can more successfully oppose environmentally damaging infrastructure. As we discuss below, this can result in environmentally harmful activities being disproportionately located in areas of deprivation.

Inequalities in environmental quality

Clean air, unpolluted water and access to nature are vital ingredients for healthy lives. Yet there is vast inequality in access to these essentials across the world and within the UK. There is a strong correlation between poor environmental quality and economic poverty with ethnic minorities being disproportionately affected. The economically better off often enjoy a healthier, cleaner environment.

Economic inequality

Perhaps the most discussed strand of inequality is economic inequality. This takes at least two forms: inequality of income, and of wealth. The degree of income inequality varies considerably between countries; for example, the USA, UK and many fast-developing nations have high income inequality while it is much lower in countries like Norway.

Wealth inequality, on the other hand, is about assets and not income. Wealth inequality is high in the USA but below average in the UK, although the UK has the fastest growing wealth inequality in the OECD. As we suggest later in this briefing, these inequalities not only result in poorer communities suffering from greater environmental harm but may also drive environmental degradation through competitive consumption.

So in summary, inequality in its different dimensions impacts on environmental wellbeing. Below we look in greater detail into the environmental dimensions of inequality.
Inequality in environmental impacts

There is often a strong correlation between inequality and poor environmental outcomes. Dr Robert Bullard (the ‘father of environmental justice’) highlights this eloquently in *The wrong complexion for protection*, where he identifies that in the USA it is poor black neighbourhoods that are “dumped on”. If everyone had similar means and rights to influence decisions that impact on them would we see examples like the following?

Impacts from climate change

Climate change illustrates the trans-national and trans-generational aspects of inequality. The vast majority of greenhouse gas emissions in the atmosphere were emitted by wealthy developed countries, while the impacts will fall most heavily on the poorest in developing countries. These impacts include severe weather events, erosion of food security and displacement. The UN’s Intergovernmental Panel on Climate Change says that “People who are socially, economically, culturally, politically, institutionally, or otherwise marginalised in society are often highly vulnerable to climate change and climate change responses”. In contrast “privileged members of society can benefit from climate change impacts and response strategies, due to their flexibility in mobilising and accessing resources and positions of power, often to the detriment of others”.

Toxic ‘Ghost Ships’

In 2003, ship breaking company Able UK signed a contract to dispose of 13 ex-U.S military ‘ghost ships’ containing toxic chemicals as well as asbestos and other compounds, in Hartlepool in the North East of England. In 2010 Hartlepool was ranked 24th ‘most deprived’ of 354 UK local authority areas. Transport of the ships to the UK was illegal under UK, EU and international laws on waste shipment, so Friends of the Earth worked with the local community to take legal action to prevent the dismantling taking place. Although ship recycling facilities exist in Europe and the USA, many large vessels are also broken up on beaches in India and Bangladesh where worker and environmental protection are minimal and costs are lower as a result.

Tin mining in Indonesia

An investigation by Friends of the Earth in 2012 illustrates the international inequality aspects of consumption. Tin almost certainly used in the manufacture of mobile smart phones by global giants Apple and Samsung was behind harmful mining practices in Indonesia. Sensitive coral habitats were being damaged and the safety and health of mine workers threatened by unregulated practices. Meanwhile, in contrast proposals to revive tin extraction in Cornwall, UK - where many of the smart phones are consumed - have met with strong opposition on environmental grounds.
UK pollution hits the poorest

Environmental problems overwhelmingly affect people living in the most deprived areas of the UK. A 2003 study for the Environment Agency found strong evidence that a greater burden of tidal flooding, air quality and pollution from industrial sites is borne by deprived areas. A Friends of the Earth study in 2001 found that 66% of UK carcinogen emissions were present in the 10% most deprived wards. In contrast, the 50% least deprived wards suffered only 8% of these polluting emissions.

A similar story was revealed in Bradford, a city with high inequality. The most deprived communities suffered a ‘triple whammy’ of suffering the worst pollution impacts from heavy traffic, poor access to transport as well as social and economic deprivation.

A key implication from these examples is that inequality in many forms, for example in income and education, perpetuates poor environmental standards. We argue that the status quo depends on the existence of ‘Hartlepools and Bangka Islands’. With greater equality higher environmental standards are likely to be required resulting in better environmental outcomes.

How inequalities drive environmental damage

Research suggests that income and wealth inequalities increase environmental degradation:

- As described above, inequality allows for the perpetuation of poor environmental practices.
- Research also suggests that inequality heightens consumerism because it feeds individualism and status competition. Increasingly we define our identity through what we own and consume rather than who we are, and in order to maintain or increase status it is often thought to be necessary to consume more to mimic the consumption of the wealthy.
- Modern economies require increasing growth and consumption of consumer goods in order to maintain economic growth. Yet key resources like land, water and materials are finite and becoming scarce in some cases. If, as a former governor of the US Federal Reserve put it, “growth is a substitute for equality of income” then we are in deep environmental trouble: it simply isn’t physically possible for us all to replicate the resource consumption of the rich on a finite planet. Instead, in order for everyone to have a good life it looks to be necessary to reduce inequalities and live within environmental limits as opposed to seeking growth in itself as a panacea.
- A lack of equality can close down the ‘political space’ for green policies. It has been suggested by some academics that greater equality provides superior conditions for more effective environmental policies. It has been shown that developed countries with the highest levels of economic inequality also have the most materialistic values, and least regard for the environment. Some experts suggest that “governments may be
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unable to make big enough cuts to carbon emissions without also reducing inequality”.\textsuperscript{28} It is certainly true that public support for environmental policies is high in Nordic countries (which have low income inequality),\textsuperscript{29} although it is still important to note that their per capita environmental footprints are still high.\textsuperscript{30}

Measures to reduce inequality

We have identified that poor environmental standards can reduce equality of opportunity (for example, poor insulation in housing). We have also identified how inequalities in income and education can reduce communities’ abilities to participate effectively and use their rights, in turn perpetuating poor environmental practices. And we have identified how income inequalities can fuel consumerism, itself a cause of environmental harm. Therefore we argue there are good environmental reasons for reducing inequalities.

For example, reducing income inequality in the UK to levels in Nordic countries - approximately the same as those achieved in the UK in the 1970s\textsuperscript{51} - alongside efforts to further reduce institutional barriers to equality of opportunity and to improve rights for participation and justice, could lead to much better environmental standards. Below are some possible solutions. We would welcome your thoughts on these and suggestions for others.

Possible solutions to reducing income inequality:

- Adoption of the ‘real’ Living Wage, as proposed by the Living Wage Foundation (this is significantly higher than the Chancellor’s ‘National Living Wage’ set out in the July 2015 Budget).

- More progressive taxation – higher taxes for the better off and lower taxes for the poorest. This could include a land value tax which is suggested as one step to address the housing crisis.\textsuperscript{32}

- Ensuring the benefit safety net works – for example scrapping the Government plans\textsuperscript{53} to cut already low\textsuperscript{34} levels of benefits.

- A global wealth tax as proposed by Thomas Piketty, although this would require international agreement. Or a national wealth tax as proposed by the Green Party,\textsuperscript{35} which has been introduced in other countries with moderate success. Land, fossil fuel and intellectual property taxes are other options.

- Ensuring the Equalities Act\textsuperscript{36} duty on local authorities to reduce socio-economic inequalities is implemented in England.\textsuperscript{37}

Possible solutions to address inequalities in participation and rights:

- Genuine devolvement of powers to the local level, together with a strengthening of the rules around participation and consultation.\textsuperscript{38}

- The Aarhus convention on public participation should be fully implemented in all EU member states.\textsuperscript{39}
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- The introduction of legal rights for a healthy environment.
- The Government must abandon plans to scrap the Human Rights Act, restrict judicial review, including changing the costs rules in environmental cases, and cut legal aid which will further increase inequalities in participation and access to justice.

In addition, doing more to focus governments and corporations on delivering wellbeing could make an enormous contribution. Most governments see their overriding priority as delivering growth in GDP. The last 40 years have seen enormous growth in the UK economy, but meanwhile reported wellbeing has flat-lined and economic inequality has substantially increased. The Government needs to build on its initial progress in measuring wellbeing to actively using it in policy making and spending decisions. This could include:

- Adopting a suite of national progress indicators which draws on what UK citizens say is important to their wellbeing. These should include economic inequality as well as priorities like health, relationships and job satisfaction identified by ONS surveys.
- Full implementation of the “Wellbeing of Future Generations Act” in Wales and introduction of similar legislation in other UK nations.
- Encouraging companies, including via the tax system, to adopt ‘The Economy for the Common Good’ or ‘B-Corp’ model where company objectives are aligned with social and environmental goals.
- Encouraging companies to follow the lead of companies in most other EU countries and adopt a stakeholder business model. In Germany all medium and large companies have employee-elected members on a supervisory board responsible for major business decisions.
- Adopt rules on pay disparities within employers (and transparency thereof) - a 20:1 limit in the French public sector has cut top level pay.

Conclusion

There has been a broad call to reduce inequalities from across the political spectrum and for a broad range of reasons. For example, those interested in social issues identify the negative social trends that correlate with rising economic inequality (e.g. child mortality, social cohesion, crime, mental health problems). Those interested in health outcomes identify that “more people suffer from mental illness in more unequal countries” and “life expectancy is related to inequality in rich countries”. And those interested in economic efficiency argue that tackling inequality means a stronger economy. For example, Christine Lagarde, Managing Director of the International Monetary Fund said recently that “reducing excessive inequality… is not just morally and politically correct, but it is good economics.” The new global Sustainable Development Goals, agreed by all governments, also require action to reduce inequalities.

This briefing has identified the many environmental benefits from addressing inequalities, with some possible solutions. We would be delighted to receive your feedback and further suggestions: please contact: Richard.Dyer@foe.co.uk
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