

ECOLOGICAL ECONOMICS AND GLOBALIZATION

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“With the end of the Cold War and with the shift from what we might call the age of national security to the age of globalization...the true economic power in the world is no longer the United States, but a phalanx of 200 large companies whose sales are the equivalent of over one-quarter of global economic activity. It is these entities that more and more determine the working conditions, the health conditions and the environmental conditions of people around the world; in this regard they have more power than the military might of the United States by itself.”

John Cavanagh, Co-Chair of the International Forum on Globalization

There have been some definite advantages of globalization as it has proceeded so far. One Professor of the University of Georgia defines globalization as “processes that lead towards global interdependence and the increasing rapidity of change across vast distances”. This definition by itself does not seem to be describing a malicious process—or for that matter, even a new process. Globalization has been around for thousands of years, ever since the first human groups started systems of trade and interaction with other groups. In the past this interaction has led to many positive exchanges and definitely some negative ones as well. Colonialism and its ever-present negative legacy can be viewed as forces of past globalization. But human population is so large, and interdependence so extensive, that globalization has dangerous power to trigger negative environmental, social, and economic consequences for all people and the natural world. These negative consequences need to be taken seriously. Globalization in the sense that economists and protestors use the term describes the increasing economic globalization infused with a Neoliberal economic philosophy—advocating decreased role of government and increased privatization of almost all aspects of social and private life. In this paper I generally focus on this definition of globalization while keeping the wider definition of globalization in mind.

Ecological economics is referred to as both a transdisciplinary and interdisciplinary field of academic research that aims to address the interdependence and coevolution of human economies and natural ecosystems over time and space. It is distinguished from environmental economics, which is the mainstream economic analysis of the environment, by its treatment of the economy as a subsystem of the ecosystem and its emphasis upon preserving natural capital. One survey of German economists found that ecological and environmental economics are different schools of economic thoughts, with ecological economists emphasizing "strong" sustainability.

Ecological Economics takes a unique and much-needed bottom-up approach to teaching ecological economics and political ecology, using case studies that focus on a wide range of internationally relevant topics, to teach the principles, concepts, methods and tools of these fields, which are seen as increasingly important in the context of the current triple social, economic and environmental crisis.

The importance of economic growth, globally and domestically, after World War II propelled economists into starring roles. The System of National Accounts was adopted as a standard measure of economic progress. Economists assumed “trickle down” would solve equity problems and strove to maximize growth, ignoring their own theory. Meanwhile, early ecological economists argued that pollution needed to be taken into account and that there were limits to growth.

Reducing an economic or ecological system to a set of equations means simplifying assumptions must be made that contradict with our rich understandings of reality. Thus, economists ignored the complications being discovered in the natural sciences as they formalized economics in mathematics. Yet formalizing things mathematically makes us understand how conclusions depend on assumptions and the nature of particular relationships in critical ways. Ecologists faced similar contradictions. Ecological economists seek the best of both approaches, but methodological pluralism has problems too.

Economic activity must be ecologically sustainable. It must not degrade the integrity of the biosphere or ecological systems in the present or in the foreseeable future. This should be of paramount importance in order to sustain human life, and maintain the diverse ecological web that human life depends on. There are of course a number of much less anthropocentric reasons why this is important that are also valid. But all people can agree that in the very least the environment is important to sustain our own lives.

Ecological economics exists because a hundred years of disciplinary specialization in scientific inquiry has left us unable to understand or to manage the interactions between the human and environmental components of our world. In an interconnected evolving world, reductionist science has pushed out the envelope of knowledge in many different directions, but it has left us bereft of ideas as to how to formulate and solve problems that stem from the interactions between humans and the natural world. How is human behaviour connected to changes in hydrological, nutrient or carbon cycles? What are the feedbacks between the social and natural systems, and how do these influence the services we get from ecosystems? Ecological economics as a field attempts to answer questions such as these.

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