

Ecologically Unequal Exchange & Ecological Debt

Many of my friends here at LU have chosen to specialize in subjects related to environmental sustainability, and their knowledge of the subject often exceeds mine. I sat down with three friends to have a discussion about global patterns of ecologically unequal exchange, and in order to ensure that the conversation remained rooted in economic theory, I started the conversation by reading the following passage:

Alf Hornborg has criticized neoclassical economic analyses of trade for focusing exclusively on flows of money. Market prices, he argues, imply that there is a reciprocity between the two parties to the exchange, which obscures asymmetric flows of resources such as embodied land and water. Hornborg calls these resource flows “ecologically unequal exchanges” (Hornborg & Martinez-Alier 2016: 329). What do you know about global patterns of ecologically unequal exchange, and what is their relation to climate change?

The conversation that ensued was very rich, and I have heavily edited some key points my friends made about economic terminology and decolonization in relation to ecologically unequal exchange. All three shared Hornborg's scepticism of neoclassical economics, but each of them had their reservations about his critique of it. My friend Ebbalisa, who has been a student of Hornborg himself, was quick to criticize his argument. Hornborg's argument was designed specifically to counter economistic arguments, but its fallacy is that it accepts the problematic ontological distinction between economy and environment that neoclassical economics presumes. In this sense, Hornborg perpetuates rather than subverts the anthropocentrism that underpins neoclassical economics, which Ebbalisa considered to be the root problem. In Ebbalisa's view, we need to nurture and restore an affective bond to nature that the reification of 'human nature' has severed. As she got deeper into the philosophically complicated reification critique that Axel Honneth (2008) has re-introduced into contemporary critical theory, I stopped her and steered the conversation back towards my core questions.

My friend Valeska, who studies at LUCSUS and is writing her master thesis on green extractivism, also critiqued Hornborg's argument but from a slightly different angle. Valeska argued that notions of 'natural services' and 'portfolio effects' are symptomatic of the neoclassical ontological assumptions discussed above, and suggested the Polanyian notion of 'embeddedness' as an alternative. This notion was developed as part of Polanyi's (2001) 'substantivist' critique of the unwarranted tendency within neoclassical economics to project eurocentric cultural assumptions of utility-maximizing behavior onto all societies. A myriad of Polanyian notions, such as boundary struggles and embeddedness, have in recent years been applied in environmentalist research, as pioneered by Nancy Fraser (2018).

As I once more felt that the conversation steering further and further away from my core question, I gave the word to my friend Ida, who studies political science and is writing her

thesis on green colonialism. Ida emphasized that the global patterns of ecologically unequal exchange were not accidental, but in fact systemic. She argued that many developing countries are battlegrounds for conflicting international interests. On the one hand, multilateral institutions like the UN incentivizes developing countries to protect their natural environments by creating natural reserves. On the other hand, multilateral institutions like the World Bank coordinate global demand of natural resources in such a way that incentivizes developing countries to renege on their commitments to protecting nature by extracting and selling their natural resources. The governments of these developing countries are rarely powerful enough to stand up to these conflicting international interests, and the people living on the lands in question have even less of a say in these matters. These global network of power relations of the post-colonial era that multilateral institutions reproduce are not reflected by the price mechanism, and the usefulness of the notion of ecologically unequal exchange lies in *visualizing* these networks. To alter these networks, however, other means than 'balancing out' asymmetric resource flows need to be sought, because these flows are symptomatic rather than constitutive of global networks of power relations.

Who, then, has the capacity to intervene in these networks? It is rich countries in the global north that can exert influence over the multilateral institutions that reproduce these networks, Ida argues. Furthermore, the efforts of developing countries to stand up to powerful international interests have been systematically undermined. Referring to Bevins (2020), Ida mentioned the Bandung Conference in the 50s and how the democratically elected anti-imperialist governments of the countries that participated were systematically replaced by puppet leaders installed by the CIA. These claims are not unfounded, Ida made sure to add, since the CIA has publicly admitted to its twenty-something state coups in the 50s through 70s. In this sense, rich countries in the global north have not only been instrumental in establishing the systemic inequalities that asymmetric resource flows render visible, but have also ensured that they remain the only ones with the actual capacity to exert influence over these systems by undermining other attempts to do so. In this sense, climate change mitigation is deeply intertwined with decolonization, since both require confronting global networks of power relations. Ebbalisa and Valeska agreed with Ida on this point.

The purpose of this task has been to find out how little knowledge people have on the topic of climate change, but what I took from our conversation was rather that the understanding of climate change at Ekonomihögskolan is quite narrow-minded and out of touch with the knowledge that is being produced outside its walls. Many of the themes that came up in our conversation have been touched upon in my economics classes, but the depth of reflection on these themes have been nowhere near the theoretical rigor of my friends' reasoning. The meager outline I have provided here certainly does not do justice to the complexity of my friends' reasoning, and I by no means suggest that the arguments we've encountered in the economic literature are invalidated by the critiques presented here. I do, however, wish that there would be more space to let economic arguments enter into serious dialogue with the arguments that are circulating between other faculties at LU.

Word count: 994

References

Bevins, V. (2020). *The Jakarta Method: Washington's Anticommunist Crusade & the Mass Murder Program that Shaped Our World*, New York: Public Affairs.

Fraser, N., Jaeggi, R. (2018). *Capitalism: A Conversation in Critical Theory*, Polity Press.

Hornborg, A. & Martinez-Alier, J. (2016). "Ecologically Unequal Exchange and Ecological Debt", *Journal of Political Ecology*, Vol. 23, pp. 328-333.

Honneth, A. (2008). *Reification: A New Look at an Old Idea*, OUP USA.

Polanyi, K. (2001 [1944]). *The Great Transformation: The Political and Economic Origins of Our Times*, Boston: Beacon Press.