

EXAM preparation

Week 2: **Global Economic Inequalities** = Frank Stilwell

3 dominant PE problems = economic insecurity, unsustainability, **INEQUALITY**

→ social, ecological and economic interfaces → financial volatility = pervasive feature of capitalism = economy irreconcilable with nature

Argument: inequality is irreducible to economic gains (GDP increase, increase living standards) as there is a fundamental **tension** between **CAPITALISM** and **DEMOCRACY** i.e. capitalism is an in-egalitarian economic system, democracy is an egalitarian political ethos.

- Economic inequality corrupts nominally egalitarian politics i.e. rich determine gov policy
- High **income inequality** = high correlation w/ **social problems** (drugs, prison, teen births)
- **Increased living standards** do not = decreasing inequality = **poverty persists** despite increased **material affluence** (China, 1% have doubled their share of the national income in the USA since 1980)
- Process of **circular and cumulative causation** = poor get poorer, rich get richer = capital breeds capital, poverty breeds poverty
- Politics of redistribution e.g. Toga Tax or MNC taxation (= slowing down of finance system)

Reading: Stillwell 'Processes of Globalisation: the generation of wealth and poverty'

Argument: **capitalism itself reproduces inequality thus greater structural change is necessary.**

Neoliberalism preferences market forces = understanding of inequality ignores **social, institutional and structural factors** that shape people's capacity for economic productivity.

The link b/w **neoliberal** policy (e.g. trade liberalisation) and poverty reduction is problematic, as whilst global poverty has decreased, global economic inequality has increased.

- XX trickle down effects = benefit the poor via increased production and consumption = generate more wealth
- XX Neoliberalism = increased trade and investment in private sector, containment of public sector
- IMF, WB, WTO + Foreign Aid = negative effect on fostering nation's development = dependency = centre, periphery of capitalist expansion
- Market forces vs. interventionist government

ALTERNATIVES: **Progressive Internationalism** → building a progressive transnational consciousness against corporate globalisation in favour of **grassroots globalisation** → inclusion of minority groups → **de-globalisation** → **defensive nationalism** → **alternative localism**

- **Redistribution** = taxes and transfer payments
- Tax **income capital** more highly than labour
- **Tax relief** for work related expenses
- Creation of **more jobs**

Reading: Piketty's Political Economy:

Argument: inequality is an inequality of distribution

Week 3: **The Whirlpool of Uneven Development** = Adam Morton

Argument: The survival of capitalism depends on the relationship b/w capitalist and non-capitalist spaces. It depends on **constant expansion** and unfolds through the globe unevenly requiring a **constitutive outside** to overcome crisis → overaccumulation and underconsumption → always **new frontiers of capitalist advance = non capitalist peripheries** = realise surplus = inequality and uneven development

Capitalism enforces transition to a **commodity economy**

Primitive accumulation: An MARXIST concept involving **imperial** and colonial relations of force e.g. dispossession of African/American land for violent capitalist expansion → integrate developing peripheral economies (militarisation, regionalisation, SAPs)

Rosa Luxemburg: Colonial powers indebted territories to induce greater financial control e.g. Indian famines deliberately induced by British (1865,1868,1876) – China famine (1848) → imperial interests skew production away from subsistence to goods needed for capitalist growth

- **Militarism:** Solves the issue of overaccumulation → highly profitable → expands capitalism
- transition from agricultural to industrial industry based economies = **proletarianisation, impoverishment, dispossession, forced migration**
- **Imperialism:** The political expression of the accumulation of capital

David Harvey: accumulation by dispossession = ongoing primitive accumulation e.g. commodification of land, appropriation of nature, debt and the credit system, inflation/financialisation, markets in national/public services, privatisation, commodification of education, war.

Labour theory of Value: value of a product equal to the value of the labour invested into making it

Crisis Theory: overaccumulation and underconsumption = **BOOM and BUST** cycles

Neoliberal Phase of Capitalism: Decommodified space = today's non capitalist spaces

Reading: The enduring relevance of Rosa Luxemburg's The Accumulation of Capital

Phase 1: periphery exposed to capitalist social relations via introduction of commodity economy

Phase 2: foreign capital enters usually centred on resource extraction and infrastructure

Phase 3: struggle against peasant economy = people converted into wage-slaves of capital

Coercive aspect of capitalist expansionism = **militarism** as province of accumulation

Karl Polanyi: decommodification and embeddedness of economy and society

Week 4: **Primary Resource Security** = Leanne Piggott

Argument: There exists a nexus b/w **WATER, ENERGY** and **FOOD** in that interconnectivity of resources means problems in one area must be solved simultaneously to problems in another.

Population increase = projected 8b in next 2 decades → challenges:

- How to sustain economic development while ensuring **sustainability of environment**
- How to ensure **food security** – changing diets from basic staples to grain based food
- Water → **Global security** = terrorism, famine, inequality, CC, disease and poverty linked to water availability

ENERGY: Economic security, national security, development is dependent on access to electricity and energy. The conflict over energy resources = over economic development agendas → resource competition → **competition** and **control** of **global commons** (SLOCs)

- **Acceptability** of energy = energy now needs to be clean in extraction and use
- **Carbon emissions, oil price volatility** = impact on food prices
- **Air pollution, oil spills, recessions** = oil price peaks can cause recession

WATER: is the only natural limit to economic growth as it has no substitute or alternative (unlike energy) and is the heart of the social, economic and political nexus for all nations, rich and poor.

- Economic expansion = increased water demands
- Increased consumption & wealth = increased water demands
- Increased food demands = increased water demands
- CC
- Water disappears → agriculture halts → no job security → economic collapse → poverty and starvation
 - Agriculture = 71% / Industrial withdrawals = 16% / Domestic withdrawals = 14%
 - By 2030, 2/3 of global population will live in areas of high water stress
 - Mountain glaciers = world's largest freshwater banks = melting and highly threatened

- Trading patterns unsynchronised = 3 of top 10 food exporters are water scarce, 3 of top 10 food importers water rich = **land and water grabs**

Week 5: **Migration and Refugees: global dimensions and Australian dilemmas** =
Stephen Castles

Human mobility = integral to globalisation → International and intercontinental flows of labour at all skill levels are crucial to the global economy **BUT** states continue to **regulate cross-border flows** as a symbol of **state sovereignty**

Absence of human security (poverty, hunger, violence) **creates extreme inequality and encourage migration and refugee flows**

Migration policies: can exacerbate human insecurity

= Illegal = **smuggling, trafficking, bonded labour**

= Legal = **lack of human and worker rights, economic exploitation, discrimination, racist violence**

Governments try to resolve contradiction b/w labour needs and public hostility to migration via different entry methods → important to not see migration as threat to state security but rather as result of human insecurity resulting from global inequality.

Amartya Sen: Development as Freedom = mobility is basic freedom = can increase basic human capabilities → freedom to move = enhanced human rights = can also lead to greater economic efficiency and social equality

Globalisation = major driver of migration → dispossession, poor housing and social conditions → also creates the cultural and technical conditions for mobility

Migratory flows = migratory networks → INTERNAL and EXTERNAL

Temporary circular migration: said to minimise integration costs and be more acceptable to host populations. Usually turns to permanent migration e.g. European 'guest-workers' and Gulf oil states

Reasons for migration:

- Education
- Lifestyle
- Retirement
- Climate change induced displacement

Reading: Paul Hawken

Week 6: **High Resolves Initiative** = NGO Australia

Week 7: **Climate Justice and Adaptation** = David Schlosberg

Argument: Current theories regarding climate change suffer from being vague about what it is they assert to protect and how they intend to address the elements necessary for basic human functioning. An approach is only useful if it addresses the specific rights to be protected, how they're undermined and why they are a matter of political obligation = **capabilities approach**

Environmental injustice = Inequity → current injustices = lack of social recognition and respect causes unequal distribution of problems = cultures devalued, corporate voice preferred over voice of local communities

- **Participation and voice** → injustice = lack of input + corrupt processes → more local and NGO input
- **Corporations** → undermine health and thus basic capabilities of communities → basic capabilities essential for justice → no capability = injustice

Environmental Justice and **Adaptation** = the impacts to vulnerable communities and inequities created/exacerbated by CC

Mitigation policies vs. **Response policies** = lets just stop... vs. how will we respond to...

Capabilities Approach → reconcile abstract notions of climate justice theory with reality of policy making → a way of understanding **vulnerabilities** and **impact** = HOW TO ADAPT → relies on revised understanding of relationship b/w **HUMAN and Non-HUMAN WORLD** (developed by Amyrta Sen and Nussbaum)

Global Race to the Bottom → correlation b/w lack of power and exposure of E damage

3 kinds of **climate justice** articulated by 3 types of actors:

1. Ideal academic theories:
 - **Polluter pays** – historical responsibility
 - **Per capita equity** – equal share emissions pie
 - **Reparations** – focus on developed/industrialised nations who caused problem
 - **Trans-generational Equity** – giving rights to people in the future who don't yet exist
 - **Rights-based** – human rights already protected in UN charter thus duty to humans includes duty to prevent infringement on the rights of others
2. Elite NGO perspectives:
 - **New normative framework** – influence policy but limited to market based approaches
 - NGOs uninterested in **movement building discourses**
 - NGOs tied to **market discourse** and **corporate volunteerism**
3. Grassroots movement perspectives