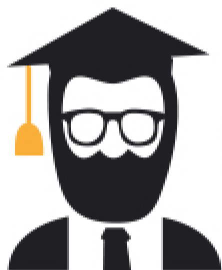

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CASE 7.2

Poverty and Pollution

IT IS REFERRED TO AS BRAZIL'S "VALLEY OF death," and it may be the most polluted place on Earth. It lies about an hour's drive south of São Paulo, where the land suddenly drops 2,000 feet to a coastal plain. More than 100,000 people live in the valley, along with a variety of industrial plants that discharge thousands of tons of pollutants into the air every day. A reporter for *National Geographic* recalls that within an hour of his arrival in the valley, his chest began aching as the polluted air inflamed his bronchial tubes and restricted his breathing.[101]

The air in the valley is loaded with toxins—among them benzene, a known carcinogen. One in ten of the area's factory workers has a low white-blood-cell count, a possible precursor to leukemia. Infant mortality is 10 percent higher here than in the region as a whole. Of the 40,000 urban residents in the valley municipality of Cubatão, nearly 13,000 suffer from respiratory disease.

Few of the local inhabitants complain, however. For them, the fumes smell of jobs. They also distrust bids to buy their property by local industry, which wants to expand, as well as government efforts to relocate them to free homesites on a landfill. One young mother says, "Yes, the children are often ill and sometimes can barely breathe. We want to live in another place, but we cannot afford to."

A university professor of public health, Dr. Oswaldo Campos, views the dirty air in Cubatão simply as the result of economic priorities. "Some say it is the price of progress," Campos comments, "but is it? Look who pays the price—the poor."[102]

Maybe the poor do pay the price of pollution, but there are those who believe that they should have more of it. One of them is Lawrence Summers, former director of the National Economic Council and a past president of Harvard University. He has argued that the bank should encourage the migration of dirty, polluting industries to the poorer, less-developed countries.[103] Why? First, Summers reasons, the costs of health-impairing pollution depend on the earnings forgone from increased injury and death. So polluting should be done in the countries with the lowest costs—that is, with the lowest wages. "The economic logic behind dumping a load of toxic waste in the lowest-wage country," he writes, "is impeccable."

Second, because pollution costs rise disproportionately as pollution increases, it makes sense to shift pollution from already dirty places such as Los Angeles to clean ones like the relatively underpopulated countries in Africa, whose air Summers describes as "vastly *under*-polluted." Third, people value a clean environment more as their incomes rise. If other things are equal, costs fall if pollution moves from affluent places to less affluent places.

Critics charge that Summers views the world through "the distorting prism of market economics" and that his ideas are "a recipe for ruin." Not only do the critics want "greener" development in the third world, but also they are outraged by Summers's assumption that the value of a life—or of increases or decreases in life expectancy—can be measured in terms of per capita income. This premise implies that an American's life is worth that of a hundred Kenyans and that society should value an extra year of life for a middle-level manager more than it values an extra year for a blue-collar, production-line worker.

Some economists, however, believe that Summers's ideas are basically on the right track. They emphasize that environmental policy always involves trade-offs and that therefore we should seek a balance between costs and

benefits. As a matter of fact, the greatest cause of misery in the third world is poverty. If environmental controls slow growth, then fewer people will be lifted out of poverty by economic development. For this reason, they argue, the richer countries should not impose their standards of environmental protection on poorer nations.

But even if economic growth is the cure for poverty, other economists now believe that sound environmental policy is necessary for durable growth, or at least that growth and environmental protection may not be incompatible. First, environmental damage can undermine economic productivity, and the health effects of pollution on a country's workforce reduce output. Second, poverty itself is an important cause of environmental damage because people living at subsistence levels are unable to invest in environmental protection. Finally, if economic growth and development are defined broadly enough, then enhanced environmental quality is part and parcel of the improvement in welfare that development must bring. For example, 1 billion people in developing countries lack access to clean water while 1.7 billion suffer from inadequate sanitation. Economic development for them means improving their environment.

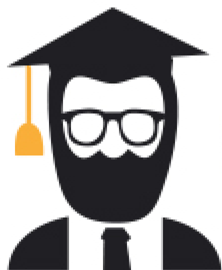
Still, rich and poor countries tend to have different environmental agendas: Environmentalists in affluent nations worry about protecting endangered species, preserving biological diversity, saving the ozone layer, and preventing climate change, whereas their counterparts in poorer countries are more concerned with dirty air, dirty water, soil erosion, and deforestation. However, global warming—heretofore of concern mostly to people in the developed world—threatens to reverse the progress that the world's poorest nations are gradually making toward prosperity. Or so concludes a 2007 U.N. study.[104] It offers a detailed view of how poor areas, especially near the equator, are extremely vulnerable to the water shortages, droughts, flooding rains, and severe storms that increasing concentrations of greenhouse gases are projected to make more frequent, and the authors call on rich countries to do more to curb emissions linked to global warming and to help poorer nations leapfrog to energy sources that pollute less than coal and oil.

Update

According to a World Bank report, environmental conditions have improved in Cubatão, where, thanks to state action and an aroused population, pollution is no worse today than in other medium-size industrial cities in Brazil. True, it's no paradise, but some days you can see the sun, children are healthier, and fish are returning to the river (though their tissues are laced with toxic metals).[105]

DISCUSSION QUESTIONS

1. What attitudes and values on the part of business and others lead to the creation of areas like the "valley of death"?
2. Should the third world have more pollution, as Lawrence Summers argues? Assess his argument that dirty industries should move to poorer and less-polluted areas.
3. Some say, "Pollution is the price of progress." Is this assertion correct? What is meant by "progress"? Who in fact pays the price? Explain the moral and the economic issues raised by the assertion. What are the connections between economic progress and development, on the one hand, and pollution controls and environmental protection, on the other?
4. Do human beings have a moral right to a livable environment? To a nonpolluted environment? It might be argued that if people in the "valley of death" don't complain and don't wish to move, then they accept the risks of living there and the polluters are not violating their rights. Assess this argument.
5. Assess the contention that people in the third world should learn from the errors of the West and seek development without pollution. Should there be uniform, global environmental standards, or should pollution-control standards be lower for less-developed countries?
6. Even though they will probably be hit hardest by it, poor nations are less able than are rich countries to deal with the consequences of global warming. As a result, do rich nations owe to it to poorer nations to curb their own emissions more than they otherwise would be inclined to do? Do they have an obligation to provide poorer nations with, or help them develop, greener industries and sources of energy? Explain why or why not.



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