

# Capitalism Is Double-billing Us: We Pay from Our Wallets Only for Our Future to be Stolen from Us

By [Jonathan Cook](#)

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Theme: [Global Economy](#), [Intelligence](#)

*Here is a word that risks deterring you from reading on much further, even though it may hold the key to understanding why we are in such a terrible political, economic and social mess. That word is “externalities”.*

It sounds like a piece of economic jargon. It *is* a piece of economic jargon. But it is also the foundation stone on which the west’s current economic and ideological system has been built. Focusing on how externalities work and how they have come to dominate every sphere of our lives is to understand how we are destroying our planet – and offer at the same time the waypost to a better future.

In economics, “externalities” are usually defined indifferently as the effects of a commercial or industrial process on a third party that are not costed into that process.

Here is what should be a familiar example. For decades, cigarette manufacturers made enormous profits by concealing scientific evidence that over time their product could prove lethal to customers. The firms profited by externalising the costs associated with cigarettes – of death and disease – on to those buying their cigarettes and wider society. People gave Philip Morris and British American Tobacco their money as these companies made those smoking Marlboros and Lucky Strikes progressively unhealthier.

The externalised cost was paid – is still paid – by the customers themselves, by grieving families, by local and national health services, and by the taxpayer. Had the firms been required to pick up these various tabs, it would have proved entirely unprofitable to manufacture cigarettes.

Inherently violent

Externalities are not incidental to the way capitalist economies run. They are integral to them. After all, it is a legal obligation on private companies to maximise profits for their shareholders – in addition, of course, to the personal incentive bosses have to enrich themselves, and each company’s need to avoid making themselves vulnerable to more profitable and predatory competitors in the marketplace.

Companies are therefore motivated to offload as many costs as possible on to others. As we shall see, externalities mean someone other than the company itself pays the true cost behind its profits, either because those others are too weak or ignorant to fight back or because the bill comes due further down the line. And for that reason, externalities – and capitalism – are inherently violent.

All this would be glaringly obvious if we didn't live inside an ideological system - the ultimate echo chamber enforced by our corporate media - that is complicit either in hiding this violence or in normalising it. When externalities are particularly onerous or harmful, as they invariably are in one way or another, it becomes necessary for a company to obscure the connection between cause and effect, between its accumulation of profit and the resulting accumulation of damage caused to a community, a distant country or the natural world - or all three.

That is why corporations - those that inflict the biggest and worst externalities - invest a great deal of time and money in aggressively managing public perceptions. They achieve this through a combination of public relations, advertising, media control, political lobbying and the capture of regulatory institutions. Much of the business of business is deception, either making the externalised harm invisible or gaining the public's resigned acceptance that the harm is inevitable.

In that sense, capitalism produces a business model that is not only rapacious but psychopathic. Those who pursue profit have no choice but to inflict damage on wider society, or the planet, and then cloak their deeply anti-social - even suicidal - actions.

#### Psychopathic demands

A recent film that alludes to how this form of violence works was last year's *Dark Waters*, concerning the long-running legal battle with DuPont over the chemicals it developed to make non-stick coatings for pots and pans. From the outset, DuPont's research showed that these chemicals were highly dangerous and accumulated in the body. The science overwhelmingly suggested that exposed individuals would be at risk of developing cancerous tumours or producing children with birth defects.

There were huge profits to be made for DuPont from its chemical discovery so long as it could keep the research hidden. So that's exactly what its executives did. They set aside basic morality and acted in concert with the psychopathic demands of the marketplace.

Not every day a Hollywood movie - *Dark Waters*, on DuPont's intentional, profit-driven poisoning of America (and the planet) - concludes that the system is rigged to protect corporations from being held accountable for their psychopathic criminality <https://t.co/BMpjSins09>

— Jonathan Cook (@Jonathan\_K\_Cook) [January 19, 2020](#)

DuPont produced pans that contaminated its customers' food. Workers were exposed to a cocktail of lethal poisons in its factories. The company stored the toxic waste products in drums and then secretly disposed of them in landfills where they leached into the local water supply, killing cattle and producing an epidemic of disease among local residents. DuPont created a chemical that is now everywhere in our environment, risking the health of generations to come.

But a film like *Dark Waters* necessarily turned a case study in how capitalism commits violence by externalising its costs into something less threatening, less revelatory. We hiss at DuPont's executives as though they are the ugly sisters in a pantomime rather than ordinary people not unlike our parents, our siblings, our offspring, ourselves.

In truth, there is nothing exceptional about the DuPont story – apart from the company’s failure to keep its secret hidden from the public. And that exposure was anomalous, occurring only belatedly and against great odds.

An important message the film’s feelgood ending fails to deliver is that other corporations have learnt from DuPont’s mistake – not the moral “mistake” of externalising their costs, but the financial mistake of getting caught doing so. Corporate lobbyists have worked since to further capture regulatory authorities and to amend transparency and legal discovery laws to avoid any repetition, to ensure they are not held legally liable, as DuPont was, in the future.

### Victims of our bombs

Unlike the DuPont case, most externalities are never exposed. Instead they hide in plain sight. These externalities do not need to be concealed because they are either not perceived as externalities or because they are viewed as so unimportant as to be not worth factoring in.

The military-industrial complex – the one we were warned about more than half a century ago by President Dwight Eisenhower, a former US general – excels in these kinds of externalities. Its power derives from its ability to externalise its costs on to the victims of its bombs and its wars. These are people we know and care little about: they live far from us, they look and sound different to us, they are denied names and life stories like us. They are simply numbers, denoting them either as terrorists or, at best, unfortunate collateral damage.

The externalities of the west’s war industries are opaque to us. The chain of cause and effect is nowadays obscured as “humanitarian intervention”. And even when war’s externalities come knocking at our borders as refugees flee from the bloodshed, or from the nihilistic cults sucked into the power vacuums we leave behind, or from the wreckage of infrastructure our weapons cause, or from the environmental degradation and pollution we unleash, or from the economies ruined by our plunder of local resources, we still don’t recognise these externalities for what they are. Our politicians and media transform the victims of our wars and our resource grabs into, at best, economic migrants and, at worst, barbarians at the gate.

Exclusive footage of a beach landing at St Margaret's Bay, Kent. More illegal migrants hit the jackpot. [pic.twitter.com/BqNaWaTlzU](https://pic.twitter.com/BqNaWaTlzU)

— Nigel Farage (@Nigel\_Farage) [August 1, 2020](#)

### Snapshots of catastrophe

If we are entirely ignorant of the externalities inflicted by capitalism on victims beyond our shores, we are gradually and very late in the day waking up to some of capitalism’s externalities much closer to home. Parts of the corporate media are finally admitting that which can no longer be plausibly denied, that which is evident to our own senses.

For decades politicians and the corporate media managed to veil two things: that capitalism is an entirely unsustainable, profit-driven, endless consumption model; and that the environment is being gradually damaged in ways harmful to life. Each was obscured, as was the fact that the two are causally connected. The economic model is the primary cause of the environmental damage.

People, especially the young, are slowly awakening from this enforced state of ignorance. The corporate media, even its most liberal elements, is not leading this process; it is responding to that awakening.

Last week the Guardian newspaper prominently ran two stories about externalities, even if it failed to frame them as such. One was about micro-plastics leaching from feeding bottles into babies, and the other about the toll air pollution is taking on the populations of major European cities.

The latter [story](#), based on new research, specifically assessed the cost of air pollution in European cities - in terms of "premature death, hospital treatment, lost working days and other health costs" - at £150 billion a year. Most of this was caused by pollution from vehicles, the profitable product of the car industry. The researchers admitted that their figure was an under-estimate of air pollution's true cost.

## London the worst city in Europe for health costs from air pollution

**Study measured financial impact of car emissions on deaths, health and lost working days in 432 urban areas**



▲ Canary Wharf in London through the haze of air pollution, with diesel vehicles the main contributor to the damage. Photograph: Victoria Jones/PA

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**Stefano Valentino**

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But, of course, even that underestimate was arrived at solely on the basis of metrics prioritised by capitalist ideology: the cost *to the economy* of death and disease, not the

incalculable cost in lost and damaged human lives, and even less the damage to other species and the natural world. Another report last week alluded to one of those many additional costs, showing a steep rise in [depression and anxiety](#) caused by air pollution.

The other story, on baby bottles, is part of a much bigger story of how the plastics industry – whose products are derivatives of the fossil fuel industry – has long been filling our oceans and soil with plastics, both of the visible and invisible kind. Last week’s report [revealed](#) that the sterilisation process in which bottles are heated in boiling water resulted in babies swallowing millions of micro-plastics each day. The study found that plastic food containers were shedding much higher loads of micro-plastics than expected.

These stories are snapshots of a much wider environmental catastrophe unfolding across the planet caused by profit-driven industrialised society. As well as heating up the climate, corporations are [chopping down](#) the forests that don’t burn down first, ridding the planet of its lungs; they are destroying [natural habitats](#) and soil quality; and they are rapidly killing off insect populations.

As should be obvious by now, the ecological destructiveness of capitalism is baked in: whether it's climate breakdown, pollution or the imminent extinction of most of the insect life on which wider life depends. Ignoring one doesn't make the others go away <https://t.co/1pEojqcBiy>

— Jonathan Cook (@Jonathan\_K\_Cook) [November 13, 2019](#)

These industries’ externalities are, for the time being, impacting most severely on the natural world. But they will soon have more visible and dramatic effects that will be felt by our children and grandchildren. Neither of these constituencies currently has a say in how our capitalist “democracies” are being run.

Perception managers

Capitalism isn’t only harming us, it’s double-billing us: taking first from our wallets and then depriving us of a future. We have now entered an era of deep cognitive dissonance.

Unlike a few years ago, many of us now understand that our futures are at grave risk from changes in our environment – the effect. But the task of today’s perception managers, like those of yesteryear, is to obscure the main cause – our economic system, capitalism.

The increasingly desperate effort to dissociate capitalism from the imminent environmental crisis – to break any perception of a causal link – was highlighted early this year. It [emerged](#) that counter-terrorism police in the UK had included Extinction Rebellion, the west’s main environmental protest group, on a list of extremist organisations. Under related “Prevent” regulations, teachers and government officials are already required by law to report anyone who they suspect of being “radicalised”.

Extinction Rebellion's demands are the very minimum rationale response to an imminent climate catastrophe, and yet UK security services have been outed internally classifying it as an ideological equivalent to terrorism <https://t.co/V9ijKSHEX2>

— Jonathan Cook (@Jonathan\_K\_Cook) [January 11, 2020](#)

In a guide explaining the purpose of the list, officials and teachers were told to identify anyone who speaks in “strong or emotive terms about environmental issues like climate change, ecology, species extinction, fracking, airport expansion or pollution”.

Why was Extinction Rebellion, a non-violent, civil disobedience group, included alongside neo-Nazis and Islamic jihadists? A whole page is dedicated to the threat posed by Extinction Rebellion. The guide explains that the organisation’s activism is rooted in an “anti-establishment philosophy that seeks system change”. That is, environmental activism risks making apparent – especially to the young – the causal connection between the economic system and damage to the environment.

Once the story broke, the police hastily rowed back, claiming that Extinction Rebellion’s inclusion was a mistake. But more recently establishment efforts to decouple capitalism from its catastrophic externalities have grown more explicit.

Last month England’s department of education [ordered](#) schools not to use any materials in the curriculum that question the legitimacy of capitalism. Opposition to capitalism was described as an “extreme political stance” – opposition, let us remember, to an economic system whose relentless pursuit of growth and profit treats the destruction of the natural world as an uncosted externality.

## Schools in England told not to use material from anti-capitalist groups

**Idea categorised as ‘extreme political stance’ equivalent to endorsing illegal activity**



▲ Guidance to schools issued on Thursday classed anti-capitalism alongside opposition to freedom of speech and antisemitism. Photograph: Andy Rain/EPA

**Mattha Busby**

Sun 27 Sep 2020 12:44 BST

Paradoxically, education officials equated promotion of alternatives to capitalism as a threat to free speech, as well as an endorsement of illegal activity, and – inevitably – as evidence of antisemitism.

## Suicidal trajectory

These desperate and draconian measures to shore up an increasingly discredited system are not about to end. They will get much worse.

The establishment is not preparing to give up on capitalism – the ideology that enriched and empowered it – without a fight. The political and media class proved that with their relentless and [unprecedented attacks](#) on Labour opposition leader Jeremy Corbyn over several years. And Corbyn was offering only a reformist, democratic socialist agenda.

The establishment has also demonstrated its determination to cling on to the status quo in its relentless and [unprecedented attacks](#) on Wikileaks founder Julian Assange, who is locked away, seemingly indefinitely, for revealing the externalities – the victims – of the west’s war industries and the psychopathic behaviour of those in power.

Efforts to end the suicidal trajectory of our current “free market” system will doubtless soon be equated with terrorism, as the Prevent strategy has already intimated. We should be ready.

There can be no escape from the death wish of capitalism without recognising that death wish, and then demanding and working for wholesale change. Externalities may sound like innocuous jargon, but they and the economic system that requires them are killing us, our children and the planet.

The nightmare can end, but only if we wake up.

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*This essay first appeared on Jonathan Cook’s blog: <https://www.jonathan-cook.net/blog/>*

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