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**Environmental & Economic  
Inequality**

Shi-Ling Hsu  
Florida State University College of Law

- **Environmental inequality will exacerbate economic inequality**
- **Economic inequality will exacerbate environmental inequality**
- **This is a *true* tragedy of the commons, not a large-group externality**
- **This is not going to end well**

- **Environmental inequality will exacerbate economic inequality**
  - **impacts of pollution on health**
  - **unequal distribution of scarce natural resources will be more economically significant**

- **Economic inequality will exacerbate environmental inequality**

- **hoarding staples (food, water, land/shelter, energy & security) degrades the environment**



- **This is a *true* tragedy of the commons, not a large-group externality because everyone will be worse off**

○ **comparative advantages of violence**



- **This is not going to end well**

- **comparative advantages of violence**
  - **security spending crowds out good economic spending and investment**
  - **weaker economy increases the cost of staples**
  - **higher cost of staples further weakens economy, further worsening poverty**
- **This is not going to end well**

## **Climate change as a trigger:**

- 1. climate change is going to get worse**
- 2. worsening climate change is going to exacerbate inequality**
- 3. exacerbated inequality is a positive feedback loop**
- 4. this is not going to end well**



# Capital

***How did inequality get so extreme?***

***Why aren't negative feedbacks more effective in reducing inequality?***

***Why is climate change so hard to solve?***

# **Capital**

**Ex ante framework for capital investment**

**Stop privileging physical capital**

**Stop privileging "expectation interests"**

**Fund climate technologies**