

Economic Renaissance vs. ecological imbalance

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Economic Renaissance should take precedence over ecological imbalance

Recession has been the most heated topic of debate for the last two years and ecological imbalance or global warming has plagued our society from the onset of the 21st century and before.

The **economic downturn, the subprime crisis, inflation, rising petroleum rates** have become nightmares for most individuals in the last 2 years. Global warming is predicted to be the **harbinger of death & turmoil for mankind**. So what can be done to overcome two massive problems? Which is more important for mother earth as well as the human society? Before we delve into such intricate matters let's just look at what does this two topics convey individually.

ECOLOGICAL IMBALANCE

The average temperature of earth is increasing at fast pace. A rise in earth's temperatures can in turn root to other alterations in the ecology, including an **increasing sea level** and **modifying the quantity and pattern of rainfall**. These modifications may boost the occurrence and concentration of severe climate events, such as **floods, famines, heat waves, tornados, and twisters**. Other consequences may comprise of **higher or lower agricultural outputs, glacier melting, lesser summer stream flows, genus extinctions and rise in the ranges of disease vectors**. Various new diseases have emerged lately. These diseases are occurring frequently due to the increase in earth's average temperature since the bacteria can survive better in elevated temperatures and even multiply faster when the conditions are favourable. Various diseases due to **Ebola, Hanta and Machupo** virus are expected due to warmer climates. The marine life is also very sensitive to the increase in temperatures.

ECONOMIC RENAISSANCE

Starting December 2007 the world witnessed a financial crisis not witnessed for a long long time which has also been termed as the **Great Recession**. The financial crisis has been linked to reckless and unsustainable lending practices resulting from the **deregulation** and **securitization** of real estate mortgages in the United States. The global recession has resulted in a **sharp drop in international trade, rising unemployment and slumping commodity prices**.

In order to tackle this global recession government of different countries have come out with different fiscal and monetary policies.

In the United States the Securities and Exchange Commission announced termination of short-selling of 799 financial stocks, as well as action against naked short selling, as part of its reaction to the mortgage crisis.

On September 15, 2008 China cut its interest rate for the first time since 2002. Indonesia reduced its overnight repo rate, at which commercial banks can borrow overnight funds from the central bank, by two percentage points to 10.25 percent. The Reserve Bank of Australia injected nearly \$1.5 billion into the banking system, nearly three times as much as the market's estimated requirement. The Reserve Bank of India added almost \$1.32 billion, through a refinance operation, its biggest in at least a month. On November 9, 2008 the 2008 Chinese economic stimulus plan is a RMB¥ 4 trillion (\$586 billion) stimulus package announced by the central government of the People's Republic of China in its biggest move to stop the global financial crisis from hitting the world's third largest economy.

ECONOMIC RENAISSANCE VS. ECOLOGICAL IMBALANCE

In 2005, the average social cost of carbon from 100 peer-reviewed estimates is US\$12 per tonne of CO₂, but range -\$3 to \$95/tCO₂. The IPCC report gives these cost estimates with the caveats, "**Aggregate estimates of costs mask significant differences in impacts across sectors, regions and populations and very likely underestimate damage costs because they cannot include many non-quantifiable impacts.**"

One widely publicized report on potential economic impact is **the Stern Review**, written by Sir Nicholas Stern. It suggests that **extreme weather might reduce global gross domestic product by up to one percent, and that in a worst-case scenario global per capita consumption could fall by the equivalent of 20 percent.** The response to the Stern Review was mixed. The Review's methodology, advocacy and conclusions were criticized by several economists, including Richard Tol, Gary Yohe, Robert Mendelsohn and William Nordhaus. Economists that have generally supported the Review include Terry Barker, William Cline, and Frank Ackerman. According to Barker, the costs of mitigating climate change are 'insignificant' relative to the risks of unmitigated climate change.

According to United Nations Environment Programme (UNEP), economic sectors likely to face difficulties related to climate change include banks, agriculture, transport and others. Developing countries dependent upon agriculture will be particularly harmed by global warming.

Looking at the current economic crisis it seems that reviving the economy should take precedence as the near future will be bleak in this condition. But on the other hand taking steps against global warming should take precedence because then the overall future of mankind will be doomed forever.

From the above discussion we can clearly see that global warming has an effect on world economy also along with other hazardous life threatening consequences. So when we are talking about economic policies to revive the economy we can't undermine ecological imbalances and vice versa also stands true. So the conclusion we can come to is that both economic renaissance and ecological imbalances are equally important for the human race, one in monetary terms and the other physiologically. So economic renaissance shouldn't take precedence nor should ecological imbalances, both of them should be looked at the same time and with equal importance, after all it's a question of survival of our species.