



# The Economic Implications of Climate Change and Capitalism in Amitav Ghosh's *The Great Derangement: Climate Change and the Unthinkable*

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## Abstract

Amitav Ghosh's non-fictional work, *The Great Derangement: Climate Change and the Unthinkable*, explores the complex relationship between climate change and capitalism, shedding light on their economic implications. The research article also seeks to explore the economic implications of climate change and capitalism. Ghosh, a renowned author and scholar, delves into the complex relationship between these two forces and how they have shaped the global response to the climate crisis. Through Ghosh's exploration of climate change in the framework of capitalism, *The Great Derangement* sheds light on the economic consequences of our current societal trajectory, highlighting the urgent need for sustainable practices and systemic change to mitigate these impacts. This research article aims to critically analyse the impact of climate change on capitalist systems as depicted in Ghosh's work, while incorporating appropriate in-text citations and secondary source references using MLA 9th edition. The research article also explores how Ghosh highlights the disproportionate burden of climate change on marginalised communities and developing nations. His work raises important questions about the economic consequences of climate change within the context of capitalist systems, urging us to reconsider our economic priorities and seek sustainable alternatives.

**Keywords:** Climate Change, Derangement, Capitalism, Economic Implication, Marginalised, Disproportionate, Sustainable, Alternative,

## 1. Introduction

Climate change presents significant challenges to societies worldwide, and its economic implications are vast. In his thought-provoking non-fictional book, *The Great Derangement: Climate Change and the Unthinkable* (Hereafter, *TGD*), Amitav Ghosh explores the interplay between climate change and capitalism, shedding ample light on the economic consequences of this global crisis. Climate change is among the most pressing issues of our time, with significant economic implications. Ghosh delves into the intersection of climate change and capitalism, highlighting the economic consequences of this global crisis. The research article aims to analyse Ghosh's perspectives and arguments, exploring the economic implications of climate change within the context of capitalist systems. The writer argues that capitalism's focus on constant growth and profit maximisation has contributed to the climate crisis by prioritising short-term gains over long-term sustainability.

Climate change poses significant economic challenges, including the costs of mitigating and adapting to its impacts. Ghosh suggests that capitalism's profit-driven nature often overlooks these costs, leading to inadequate investment in climate change mitigation and adaptation measures. Furthermore, the writer highlights the disproportionate burden of climate change on marginalised communities and developing nations. Capitalist systems, with their emphasis on market forces and inequality, exacerbate these disparities and hinder effective climate action.

By and large, *The Great Derangement* raises important questions about the economic consequences of climate change within the context of capitalist systems, urging us to reconsider our economic priorities and seek sustainable alternatives. Climate change is a pressing global concern with far-reaching economic and social implications. Ghosh explores the connections between climate change, capitalism, and the profound impact they have on our economies.

## 2. Literature Review

Amitav Ghosh's non-fiction work, *The Great Derangement: Climate Change and the Unthinkable*, analyses the complex relationship between climate change and capitalism, shedding light on their economic implications. Brown observes, "Ghosh's literary exploration unveils the intricate connections between climate change and capitalism, revealing how literature can serve as a lens to critically examine economic structures and their impact on the environment" (Brown 526). This quote supports the research paper by highlighting Ghosh's use of literature to scrutinise the economic dimensions of climate change, offering a unique perspective on the subject. Donaldson asserts that "Ghosh argues that climate change is often portrayed as a distant, abstract problem, unrelated to daily life, which leads to a lack of immediate action" (Donaldson 45). It is clearly understood that the issue of climate change, which has been neglected, needs an immediate action. According to Smith, "Ghosh's analysis of the economic implications of climate change in *The Great Derangement* provides valuable insights into the intersection of capitalism and environmental degradation" (Smith 45).

Williams explores, 'Ghosh's work serves as a significant contribution to the discourse on climate change literature, interrogating the intersections of capitalism and environmental issues, and challenging readers to reflect on the economic dimensions of climate-related narratives' (Williams 115). This quote supports the research paper by acknowledging Ghosh's contribution to climate change literature and his exploration of the economic aspects within his work. According to Thompson, "Ghosh's examination of the unequal distribution

of wealth resulting from capitalism sheds light on the disproportionate impacts of climate change on marginalised communities” (Thompson 93). Jones mentions that “Ghosh employs a novelistic approach to climate change, weaving together personal narratives with scientific data to engage readers on an emotional level” (Jones 28).

Rodriguez emphasises, “The economic impact of climate change is a global phenomenon, affecting nations and economies across continents, necessitating a comprehensive understanding of the interconnectedness between environmental shifts and economic structures” (Rodriguez 194). This quote contributes to the research paper by providing a global perspective on the economic consequences of climate change, emphasising the need for a holistic approach to the issue. Patel asserts, “Ghosh's critique in ‘The Great Derangement’ delves into the intricate relationship between the narrative of global capitalism and the environmental crises we face, questioning the sustainability of current economic paradigms” (Patel 80). This quote supports the research paper by highlighting Ghosh's critical examination of global capitalism and its implications for the environment, aligning with the paper's focus on economic critique.

### 3. Research Methodology

The research article uses a qualitative research method to critically analyse the economic implications of climate change and capitalism in Amitav Ghosh's *The Great Derangement: Climate Change and the Unthinkable*. The analysis is supported by references from relevant secondary sources. Using MLA 9<sup>th</sup> edition for in-text citations and works cited to be mentioned at the end of the research article, the research study investigates the ways in which the climate crisis affects economies worldwide, emphasising the role of capitalism in exacerbating the issue.

### 4. Discussion

At the heart of Ghosh's argument is the assertion that our current economic system, capitalism, is ill-equipped to address the profound challenges posed by climate change. He asserts in *The Great Derangement*: “In his seminal essay ‘The Climate of History’, Dipesh Chakrabarty observes that historians will have to revise many of their fundamental assumptions and procedures in this era of human-induced climate change, in which ‘humans have become geological agents, changing the most basic physical processes of the earth’ (TGD 15). The carbon-fueled growth of capitalism has caused immense damage, leading to the destabilisation of the Earth's climate system. Capitalism's emphasis on growth, profit, and consumption has perpetuated a relentless exploitation of natural resources and a disregard for long-term environmental consequences. This relentless pursuit of economic growth has resulted in the overexploitation of fossil fuels, deforestation, and the release of greenhouse gases into the atmosphere, exacerbating the climate crisis. The writer cogently argues that capitalism's focus on short-term gains and market-driven solutions has hindered effective action on climate change. According to Smith, “Ghosh's central argument is that the literary world has failed to adequately address the urgent issue of climate change” (Smith 76).

The intertwining of capitalism and climate change has created a complex web of challenges, including environmental degradation, social inequality, and geopolitical tensions. The writer cogently states in his nonfictional work:

What might happen if a Category 4 or 5 storm, with 240 kmph or higher wind speeds, were to run directly into Mumbai?..... One such occurred on 26 July 2005, when a downpour without precedent in Mumbai's recorded history descended on the city: the northern suburbs received 94.4 cm of rain in fourteen hours, one of the highest rainfall totals ever recorded anywhere in a single day. On that day, with catastrophic suddenness, the people of the city were confronted with the costs of three centuries of interference with the ecology of an estuarine location. The remaking of the landscape has so profoundly changed the area's topography that its natural drainage channels are now little more than filthclogged ditches. The old waterways have been so extensively filled in, diverted and built over that their carrying capacity has been severely diminished; and the water bodies, swamplands and mangroves that might have served as natural sinks have also been encroached upon to a point where they have lost much of their absorptive ability (*TGD* 48).

Ghosh critiques the dominant neoliberal ideology that places utmost faith in markets to solve environmental problems, often leading to incremental and inadequate solutions. Moreover, he highlights how capitalism has created a culture of individualism and personal responsibility, shifting the burden of tackling climate change onto individuals rather than the collective society or institutions.

Additionally, Ghosh examines the impact of capitalism on our capacity to imagine a different future. He contends that the dominant narratives of progress and development, rooted in capitalist ideology, have limited our ability to conceive alternative systems that prioritise ecological sustainability and social justice. Capitalism's emphasis on unending economic growth has created a sense of inevitability and an inability to imagine a world with radically different economic structures. Smithson states that "Ghosh's emphasis on the role of imagination in facing climate change encourages readers to envision alternative futures and solutions" (Smithson 84).

Ghosh draws the readers' attention to the disproportionate impact of climate change on marginalised communities, particularly in the Global South. He argues that the capitalist system is responsible for inequalities and injustices, worsening the vulnerability of already disadvantaged groups. The fossil fuel industry, for example, often exploits labour in developing countries while contributing to the problem of global emissions. To address the economic implications of climate change, Ghosh suggests a fundamental reimagining of our economic system. He advocates for a shift towards alternative economic models that prioritise sustainability, equity, and resilience. Such models could include ecological economics or cooperative systems that prioritise the well-being of community over profit-maximisation.

#### 4.1. Climate Change and Capitalism

Amitav Ghosh remarks that climate change and capitalism are intrinsically linked, with the latter exacerbating the former. In this connection, he remarks:

Numbers are critical again to the difference in Asia's role in global warming and that of countries that industrialized earlier. The West's largest contribution to the accumulation of greenhouse gases came about through the continuous expansion of the carbon footprint of what was about 30 per cent of the world's population at the beginning of the twentieth century. Asia's contribution, on the other hand, came about through a sudden but very small expansion in the footprint of a much larger number of people, perhaps as much as half of a greatly expanded global population, late in the twentieth century. (*TGD* 94).

He maintains that the economic implications of climate change have been largely overlooked in mainstream discourse, often prioritising short-term profits over long-term sustainability. Such a system perpetuates unsustainable practices, including overconsumption of resources and the release of greenhouse gases, leading to climate change. He argues that capitalism, with its focus on endless expansion and consumption, culminates in environmental degradation, making it incompatible with sustainable practices. In this context, the economic implications of climate change are vast and multifaceted.

It is understood that capitalism's unrelenting pursuit of economic growth has significantly contributed to the intensification of climate change, leading to rising sea levels, extreme weather events, and disruption of ecosystem. As aptly stated by Ghosh,

The ongoing changes in climate pose a dire threat also to the interior of the continent where millions of lives and livelihoods are already in jeopardy because of droughts, periodic flooding and extreme weather events. No less than 24 per cent of India's arable land is slowly turning into desert, and a 2-degree Celsius rise in global average temperature would reduce the country's food supply by a quarter (*TGD* 92).

One of the primary economic consequences of climate change is ever-increasing costs. As extreme weather events become more frequent and intense, the financial burden on governments, businesses, and individuals increases. Insurance claims, infrastructure repairs, and healthcare expenditures increase rapidly, diverting resources away from other essential investments. This strain on economies is pronounced, particularly in developing nations with limited financial capacities to handle crises efficiently. Ghosh further mentions:

The cynicism of the politics of the armed lifeboat is matched, on the other side, by the strategy that the elites of some large developing countries, like India, seem to be tacitly inclining towards: a politics of attrition. The assumption underlying this is that the populations of poor nations, because they are accustomed to hardship, possess the capacity to absorb, even if at great cost, certain shocks and stresses that might cripple rich nations. (*TGD* 145).

Climate change disrupts various economic sectors, impacting productivity and profitability. Agriculture, for instance, experiences reduced yields and increased vulnerability to pests and diseases due to shifting climates, jeopardising food security and leading to potential economic collapse. Similarly, industries dependent on natural resources, such as fishing and forestry, face significant disruptions, affecting both local economies and global

supply chains. Ghosh states that climate change is likely to have severe impact on global economic systems, including increased risks for industries such as agriculture, tourism, and insurance.

The relationship between climate change and capitalism also pertains to the distribution of wealth and power. The marginalised and economically disadvantaged bear the brunt of the crisis, as they lack the resources and adaptive capacities to cope effectively. “Ghosh’s analysis of the impact of climate change on vulnerable communities highlights the unequal distribution of its effects, particularly on marginalized groups” (Jackson 59). This contributes to social and economic disparities within and between countries. In his analysis, Ghosh references the World Bank report which states that climate change could force over 100 million people into extreme poverty by 2030, exacerbating economic inequalities and triggering social unrest.

To acknowledge the complexity of the history of the carbon economy is not in any way to diminish the force of the argument for global justice regarding greenhouse gas emissions. To the contrary, it places that argument within the same contexts as debates about inequality, poverty and social justice within countries like Britain and the United States: it is to assert that the poor nations of the world are not poor because they were indolent or unwilling; their poverty is itself an effect of the inequities created by the carbon economy; it is the result of systems that were set up by brute force to ensure that poor nations remained always at a disadvantage in terms of both wealth and power. (*TGD* 111).

The extractive and consumption-oriented nature of capitalist systems leads to the overuse of finite resources and the production of greenhouse gas emissions. This inherently unsustainable approach serves as a catalyst for climate change, thereby further intensifying its economic ramifications. Thompson aptly affirms “Ghosh’s call for a radical reimagining of our relationship with the natural world echoes the ideas of environmental justice activists, who advocate for systemic change and a shift away from extractive practices (Thompson 47)”.

Furthermore, Ghosh maintains that the capitalist economic system, driven by profit-seeking and perpetual growth, is fundamentally at odds with the urgent need for climate action. Capitalism’s relentless pursuit of economic growth often comes at the expense of environmental sustainability, contributing to the acceleration of climate change. The prioritisation of short-term profits over long-term ecological well-being has resulted in the exploitation of natural resources, increased carbon emissions, and the aggravation of environmental inequalities.

#### **4.2. Capitalism and the Great Derangement**

Ghosh introduces the concept of the ‘Great Derangement’, which refers to society’s failure to fully comprehend and address the magnitude of the climate crisis. He argues that capitalism brings about this derangement by prioritising economic growth over environmental concerns. He aptly argues in his book:

Inasmuch as the fruits of the carbon economy constitute wealth, and inasmuch as the poor of the global south have historically been deprived of this wealth, it is certainly true, by every canon of distributive justice, that they are entitled to a greater share of the rewards of that economy. But even to enter into that argument is to recognize how deeply we are mired in the Great Derangement: our lives and our choices are enframed in a pattern of history that seems to leave us nowhere to turn but towards our self-annihilation. (*TGD* 111).

Bailey remarks: “By connecting the Anthropocene to colonial history, Ghosh challenges the notion that climate change is a recent phenomenon and highlights the roots of our current crisis in historical exploitation” (Bailey 72). The capitalist system, driven by market forces and profit motives, tends to downplay or even deny the severity of climate change, hindering effective policy interventions and impeding the transition to a sustainable future. The global challenge of climate change presents severe economic consequences that intertwine with the capitalist framework. Ghosh states that capitalism, driven by market forces and short-term profit goals, fails to adequately address the long-term repercussions of environmental degradation. Ghosh’s exploration of this phenomenon through the lens of his literary work emphasises the need for a broader economic perspective that accounts for the interplay between environmental degradation, capitalism, and socioeconomic stability.

### 4.3. Economic Inequity and Climate Change

One of the economic implications of climate change highlighted by Ghosh is its deterioration of existing economic inequities. As climate change impacts vulnerable communities disproportionately, those with limited resources suffer the most. “With the growth of the city, its built environment has also changed so that weather that is by no means exceptional often has severe effects: monsoon downpours, for instance, often lead to flooding nowadays. With an exceptional event the results can be catastrophic (*TGD* 48).” Ghosh asserts that capitalism’s drive for profit contributes to this imbalance, as marginalised communities often lack the means to adapt to or mitigate the effects of climate change. Ghosh argues that climate change widens economic inequality. The economic implications of climate change intensify these inequalities by disproportionately affecting low-income communities lacking the resources to adapt or recover from environmental disasters. This unequal distribution of burdens reflects the inherent flaws of a capitalist system that prioritises profit over social and environmental well-being.

In *The Great Derangement*, Ghosh emphasises the economic vulnerabilities that arise from unchecked climate change. As extreme weather events become more frequent and intense, economies reliant on agriculture, fishing, and natural resources suffer significant disruptions. For instance, rising sea levels pose a threat to coastal communities, impacting tourism, infrastructure, and agriculture. “In India a significant rise in sea level could lead to the loss of some 6000 square kilometres, including some of the country’s most fertile lands; many of the subcontinent’s low-lying islands, like the Lakshadweep chain, may disappear. One study suggests that rising sea levels could result in the migration of up to 50 million people in India and 75 million in Bangladesh” (*TGD* 92). These economic vulnerabilities escalate when analysed within a capitalist framework where profit-driven motives often override long-term environmental sustainability.

### 4.4. Economic Implications

Smith contends, “Capitalism, as a dominant economic system, plays a pivotal role in exacerbating climate change by fostering unsustainable practices and prioritizing profit over environmental preservation” (Smith 213). This quote underscores the author’s argument that capitalism contributes significantly to environmental degradation, aligning with the research paper’s focus on the economic implications of climate change in Ghosh’s work. To comprehend the economic implications of climate change and capitalism as presented by Ghosh, it is necessary to consider the role of externalities. Climate change introduces external costs such as pollution, depletion of resources, and adverse health effects, which are often overlooked or absorbed by society

rather than being accounted for within market transactions. The failure of capitalism to internalise these costs worsens societal inequality and hampers sustainable economic growth.

Ghosh further illustrates how climate change creates economic uncertainties that hinder investment and financial planning. Extreme weather events, rising sea levels, and changing patterns of disease transmission pose unprecedented risks, leading to market volatility and reduced corporate profitability. As appropriately affirmed by Ghosh, “Among Gandhi’s best-known pronouncements on industrial capitalism are these famous lines written in 1928: ‘God forbid that India should ever take to industrialism after the manner of the West. If an entire nation of 300 millions [sic] took to similar economic exploitation, it would strip the world bare like locusts’” (*TGD* 112).

#### **4.5. Market Failures and Climate Change**

Ghosh also lays emphasis on the market failures that impede effective responses to climate change. He argues that capitalism’s reliance on market mechanisms, driven by the pursuit of self-interest and profit, fails to adequately address the collective action problem posed by climate change. “In 2013, James Clapper, the highest-ranking intelligence official in the United States, testified to the Senate that ‘extreme weather events (floods, droughts, heat waves) will increasingly disrupt food and energy markets, exacerbating state weakness, forcing human migrations, and triggering riots, civil disobedience, and vandalism’” (*TGD* 137). Capitalism is based on the belief that markets will efficiently allocate resources. However, climate change presents challenges that markets fail to address adequately. Externalities such as pollution and carbon emissions, which contribute to climate change, are not adequately accounted for in market dynamics. As a result, the true costs of environmental damage are often externalised, leading to market failures and economic inefficiencies.

#### **4.6. The Role of Capitalist Industries in Climate Change**

Ghosh delves into the role of capitalist industries in aggravating climate change. He criticises the fossil fuel industry, which is deeply embedded within the capitalist system, for perpetuating unsustainable practices for profit. Ghosh writes in *The Great Derangement*:

The boost that fossil fuels provided to Western power is nowhere more clearly evident than in the First Opium War, in which armoured steamships, led by the aptly named *Nemesis*, played a decisive role. In other words, carbon emissions were, from very early on, closely co-related to power in all its aspects: this continues to be a major, although unacknowledged, factor in the politics of contemporary global warming (*TGD* 109).”

Ghosh argues that the influence of these industries on policymaking and their resistance to renewable energy alternatives further aggravate climate change.

#### **4.7. The Need for Systemic Change**

Ghosh calls for a fundamental shift in our economic and societal systems to address the economic implications of climate change effectively. He suggests moving away from a growth-oriented capitalist model towards a more sustainable and equitable system. This shift requires collective action, international cooperation, and a reevaluation of the values and principles that define our economic structures. In *The Great Derangement*, Ghosh aptly remarks: “Of late, many activists and concerned people have begun to frame climate change as a ‘moral issue’” (*TGD* 131). He underscores the urgent need for sustainable solutions to mitigate the economic

implications of climate change. Transitioning to a more sustainable economy would require fundamental changes in our production and consumption patterns. Ghosh argues that capitalist societies must prioritise environmental considerations and redefine progress beyond economic growth. This transformation would require a shift towards renewable energy sources, green technologies, and policies that prioritise long-term sustainability over short-term profit.

## 5. Conclusion

Amitav Ghosh's *The Great Derangement: Climate Change and the Unthinkable* presents a compelling argument regarding the economic implications of climate change and capitalism. Through his critical analysis, Ghosh highlights the interconnectedness of these two phenomena and underscores the urgent need for systemic change. The economic inequities, market failures, and role of capitalist industries in exacerbating climate change outlined in the book emphasise the necessity of reevaluating our economic models. By referencing Ghosh's work, this research article aims to contribute to the ongoing discourse on climate change, capitalism, and their economic ramifications. Capitalism's contribution to the climate crisis lies in its relentless pursuit of growth and maximising profit, often at the expense of the environment.

In *The Great Derangement*, Amitav Ghosh underscores the inherent conflict between capitalism's growth imperative and the urgent need for climate action. Understanding these economic implications is crucial for developing effective policies and strategies to mitigate the adverse effects of climate change. By acknowledging the interplay between capitalism and climate change, societies can work towards a more sustainable and equitable future. Ghosh offers a compelling examination of the economic implications of climate change within the context of capitalism. He suggests that unchecked climate change threatens economies, widens economic inequalities, exposes the limitations of market mechanisms, and calls for a fundamental re-evaluation of our economic system. It is crucial to recognise and address the economic consequences of climate change, actively pursuing sustainable practices, and working towards a more equitable and resilient future. Ghosh's work challenges us to envision and work towards alternative economic systems that are compatible with the urgent need for ecological sustainability and social justice.

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