

Tag: Externalized Costs

<https://thecenterforglobalawareness.wordpress.com/2015/07/07/rise-of-externalized-costs/>

This site is dedicated to global awareness and tackles global issues including, but not limited to, political, social, environmental, and economical problems. The article “rise of externalized costs” within the site explains the impacts of externalized costs. The costs laid out by the author of the article include many that we talked about within our blog posts including social costs and environmental costs. The article explains these costs using the commonly used McDonald’s Big Mac example to show how social costs, environmental costs, and health care costs are all hidden within the retail price of a Big Mac. It then goes on to explain to show how a product like cigarettes inadvertently creates health care costs because the cheap price of cigarettes makes them a highly accessible product, which creates health issues for millions of people each year. The article also goes on to call out Walmart, as arguably one of “the all-time best poster child for externalizing costs to taxpayers is the world’s largest retailer”. As we talked about in our Geography 101 seminar, Walmart has taken globalization and externalized costs to an extreme. They have adapted an extremely in-depth system to be able to sell their products for as low as possible. This source does an extremely insightful because not only does it define each type of externalized cost, it goes above and beyond in an attempt to give examples to explain how these externalized costs are present in our everyday lives.

http://blog.mlive.com/green-blawg/2009/07/environmental_law_internalizin.html

This site explains how legislatures have attempted to create laws to tackle problems caused by externalizing costs. The main problem of externalized costs is that became a method that companies used to ‘cut corners’ to save money and increase profit and productivity. This website explains laws that have been put in place in an attempt to save the environment from externalized costs. Environmental laws have attempted to, “internalize external costs so that people pay for the true costs of their activities”. The site attempts to explain why environmental laws are so important, because “Before environmental legislation, there was no way a company or individual spoiling a common resource could be held liable for the harm they created”. The site then goes on to explain how these laws have held companies accountable for their pollution. For example, it explains how instead of allowing a company to discard all of their waste into a nearby river to avoid spending the money to get rid of it safely. The laws are put in place by the government, “to make sure potential polluters are not getting free rides on the backs of ordinary citizens or their commercial competition”. This site is a great resource for understanding externalized costs because it not only explains what they are and gives real life examples, it also explains ways our government is attempting to fix these issues through legislation.

<https://meatonomics.com/tag/externalized-costs/>

This source explaining externalized costs is definitely the most in depth source that I found to be very interesting. The title, “Are Big Macs Killing Bees”, is eye catching enough in itself. The article goes on to explain how McDonald’s production of Big Macs inadvertently kills bees due to the multiple hidden externalized costs including high rates of pollution. The article is written about the book the author wrote called *Meatonomics*. The book’s purpose is to highlight how “our nation’s obsession with animal foods – leading us to consume more meat per capita than any other country on the planet – costs us more than \$400 billion yearly in hidden, or

externalized, costs”. One of the main focuses of the book relates how our consumption of meat and dairy is causing bees to die. The book blames the fact that, “most US cropland is dedicated to GMO monocrops being raised to feed livestock. And the research shows that it is precisely these crops that are killing bees. So, it is fair to conclude that animal agriculture is largely responsible for the massive bee declines associated with CCD”. Although this article is clearly an ad for the author’s book, it is very informative, and explains the in extreme depth how much externalized costs can affect the world. This source is extremely insightful for anyone learning about externalized costs because it really highlights just how big of a problem they are, and how imperative it is that we work to eliminate them.