

8.6 Upper-Class Benefit Analysis

THE POORER YOU ARE, THE HIGHER YOUR RISK OF exposure to pollution. Industries that pollute create profits for their owners and lower prices for consumers. When the industries' owners and consumers live in clean areas, they don't realize or don't care that other people suffer negative environmental side effects.

If polluters have more power than their victims, government is less likely to protect the environment. In the U.S., states with a more equal political participation tend to have lower levels of environmental stress (measured, in part, by the strength of state environmental policies).



Inequalities in the sharing of benefits and burdens can be masked by cost-benefit analysis. Cost-benefit analysis assumes that a policy is a good idea if estimated benefits outweigh estimated costs. Government agencies often ask economists to use this technique to judge a project or regulation. When the analysis is oversimplified, the fact that some people pay the costs (dollar, health, and so on) while others receive the benefits is ignored.

Equality of power distribution vs. environmental stress within U.S. states

