

Squeezed by inflation



In the ongoing cost-of-living crisis, voters' support for environmental protection seems to be dropping, even though we need it now more than ever before.

Last month we wrote about the multiple environmental impacts of the ongoing conflict in Ukraine, but the ripple effects obviously don't stop there¹. The global economy is still recovering from the effects of the COVID-19 pandemic. Supply-chain issues led to shortfalls in critical components for everything, from gaming consoles and household appliances to cars, tractors and building construction, leading to price hikes as people scrambled to get their hands on whatever was available.

The Russian military action in early 2022 only exacerbated an already difficult situation, as markets tried to determine how much this action could further destabilize global trade and for how long. Countries dependent upon Ukrainian wheat have struggled as exports have been difficult to get out, while the oil and gas resources of Russia have been an ongoing source of tension for Western Europe and beyond over the past winter. It is in this context that many countries have been grappling with inflation and cost-of-living crises, even if the local conditions and national policies (such as Brexit in the United Kingdom) also play their role. By the latest numbers², inflation in the United States remains at nearly 5% as last year, 7% across the Eurozone and nearly 9% in Britain, with even more dire numbers for developing economies: 44% in Turkey, 37% in Pakistan and an eye-watering 109% in Argentina. And with the rise in prices comes a reduction in goods, or so-called shrinkflation, where shoppers report the amount of food in a package being smaller despite paying more.

While the economic pain of the past few years is itself an enormous burden for countless families around the world, this also has ramifications for the global environment in several ways. A [Brief Communication](#) by Trost and Dunn featured in this issue of *Nature Sustainability* looks at just one of the provisions of the Inflation Reduction Act (IRA)

passed by the US government last year. Shortly after taking office in 2021, President Biden and his party conceived the Build Back Better Act to help spur economic activity after the pandemic, but after this effort failed to be passed by Congress, components of that bill were folded into the IRA that, among many things, tries to incentivize the purchase of electric vehicles through tax credits. However, to be eligible for the credit, most of the value of the minerals in the battery must be produced within the United States or come from its free trade partners; the authors find that while this is possible for some types of battery, other types may never be eligible for the credits, which could hinder the switch to electric vehicles and leave more internal combustion engines on the roads than if this provision were left out or modified. And, not discussed by the authors, beyond this ramification for American car buyers is the fact that such a protectionist idea could also negatively impact other countries that mine and produce these minerals for export as well as slowing down worldwide development of electric vehicles.

A second dimension of the cost-of-living crisis is to do with public support for policies that prioritize environmental health. It is well established in political-science research that environmental issues tend to be a 'luxury' for voters; over the past few decades, broad majorities in Western countries expressed support for environmental health and climate policies but that support is usually ranked below other issues, and that support also waxes and wanes in times of economic prosperity or recession.

A series of recent YouGov surveys in the United Kingdom reflect how the British public now views the environment. When asked about increasing the use of coal power to avoid winter blackouts or to lower heating bills, clear majorities expressed support³ just one year after most Britons also expressed support for phasing out coal altogether. Two years ago, the British public were almost evenly divided on paying additional carbon offsets⁴ on plane tickets amidst ongoing discussion about the climate impacts of air travel; now, support for the offsets has stalled and those who say they would refuse to pay has gone up from 28% to 39%. And despite newsworthy events by groups such as Extinction Rebellion, Just

Stop Oil and Ultima Generazione, their actions do not seem to be translating into increased public support for climate change measures.

In April, Germany shut down the last of its nuclear reactors that were meant to shut down last autumn but given a reprieve through the winter due to fears of an energy crisis. The long-planned, and popular, phase-out of nuclear energy in Germany coincided with the construction of natural-gas pipelines and deals with Russia, but in recent months public opinion has shifted so much that most voters, including many from the Green Party that was founded on anti-nuclear sentiment, were against the immediate shutdown⁵. Environmentally conscious respondents were probably more concerned about the climate impacts of switching from nuclear power back to fossil fuels, but in the absence of a clear plan for more affordable and plentiful energy, the overall situation could be just the inflection point for a movement to push against renewable energy in favour of 'cheaper' fossil fuels.

While there are hopeful signs that inflation may be slowing down and the cost-of-living crisis could begin to recede, the impacts on environmental policies could be with us for years if many voters continue to see the environment as a luxury issue rather than a critical one that intertwines with energy prices, food availability and every other aspect of daily life. Without better communication with the public, and courage from politicians and policymakers to stand for the environment even if not immediately popular, we'll be locked into this same downward spiral in every future recession and inflation crisis, and ultimately find ourselves with nothing left to save.

Published online: 22 June 2023

References

1. *Nat. Sustain.* **6**, 479–480 (2023).
2. Economic data, commodities and markets. *The Economist* <https://go.nature.com/42MaS8h> (1 June 2023).
3. Smith, M. What impact is the cost of living crisis having on support for tackling climate change? *YouGov* <https://go.nature.com/3N1pc6I> (12 October 2022).
4. Are Brits considering paying an additional carbon offsetting fee when buying a flight to reduce the impact of their travel plans on the environment? *YouGov* <https://go.nature.com/3qvfnNF> (18 July 2019).
5. Weise, Z. & Cooper, C. Shutting down, but not shutting up: Germany's nuclear debate rages on. *Politico* <https://go.nature.com/3oTmU1t> (14 April 2023).