

The Economic Cost of Prevention

Modern economic theory seems to disregard many practices necessary for the implementation of such theory. The 2000 hit movie Erin Brockovich tells the story of the missing pieces of economic theory throughout the battle of the underdog. The movie itself begs the question what is the truth? Truths are hard to come by and with a malfunctioning economic system, even more of a challenge. Brockovich depicts two sides of the economic argument, each showing and disproving economic practices left in and out of the current system. Brockovich utilizes the juxtaposition of the good-guy-bad-guy story in order to shed light on themes of corporate greed, virtuous values, and the strength of numbers in unity. Throughout the film, these themes are tried and tested, creating an alternative economic story to the current economic perspective thrust upon the film and society.

Based on the true story of Erin Brockovich-Ellis, the film targets utility bigwig Pacific Gas and Electric Company (PG&E) based in San Francisco, California for lying to residents of Hinckley California about unhealthy amounts of hexavalent chromium in groundwater. The chromium was used to prevent corrosion in water towers on the Hinckley campus of PG&E since the 1950s. The chromium-laced wastewater was then released to unlined retention ponds that infiltrated the ground water of residents in the Hinckley area. This hexavalent chromium, also known as chromium 6, is known to cause medical problems such as uterine cancer, spinal deterioration, and Hodgkin's disease.

Claiming no correlation to these diseases, PG&E controlled the knowledge of the various effects of chromium and hid the truth from residents and lawyers alike. Erin Brockovich acts as the hero for the residents in Hinckley, winning them \$333 million in a class action suit with help of the law firm Masry & Vititoe. This reexamination of PG&E forces a second look at the policies enacted within the company and utility corporations alike, asking the question – what are the economic costs of preventing present economic costs?

Companies recently have shown the many effects of greed within corporate America. The need to earn more, to pay less, and get more bang-for-your-buck is evident in the present downturn economy. Economic thinkers Kevin Phillips and Richard Linklater explore the effects of corporate greed in Wealth and Democracy and Fast Food Nation, respectively. In analyzing the works of Phillips and Linklater, Brockovich similarly depicts the negative effects of such forces.

In Fast Food Nation, food restaurant chain Mickey's is found to have abnormally high amounts of feces in their pre-cooked hamburgers, which leads to investigation of said burgers. Fast Food Nation implores the viewer to witness the greed present from both the Uniglobe Meat Packing (UMP) plant and Mickey's. UMP employs cheap illegal labor causing untrained employees to be on the cut floor, which leads to unwanted feces in the meat patties. This need to cut-corners, employing cheap untrained labor for a risky job, creates a feces-loaded meat patty at 40 cents a pop to Mickey's, the ruler of the fast food kingdom.

Upon learning about the conditions of their meat patties, Mickey's turns a blind eye in order to continue production of low cost patties to produce a maximum profit going into the pockets of the corporate heads of state. The infiltration of money into the minds of corporate egomaniacs has caused serious ethical questions about the trust once found in public companies.

A similar idea is found in Phillips' argument in Wealth and Democracy, that wealth affects the politics of a country, a functioning national corporation. The vicious cycle of wealth affecting politics, politics affecting wealth, was shown in the recent election as many acknowledge that President-Elect Obama was named Chief-of-State due in part to the record amounts of money raised during this campaign. Phillips makes the realization that if you cannot afford to speak your thoughts, they will not be heard.

The residents of Hinckley, California were not the fortunate ones having money to voice their opinions regarding the toxic amounts of chromium 6 in their groundwater. Rather the monetary power is in the hands of PG&E. The company attempts to lower economics costs by using chromium 6 to prevent corrosion in the water towers rather than rebuilding new ones, then saving money in not lining the retention ponds that hold the chromium water. In their attempts to reduce costs due to the corporate greed of PG&E, they bring on larger economic costs from the multiple lawsuits that incur.

Utility companies such as PG&E hire lobbyists to support legislation in favor of utility firms, donating money to politicians and policy makers alike in order to save money in the end. While political lobbyists are not mentioned in Erin Brockovich, PG&E plays into the lobbyist roll in paying-off doctors, another loss in their economic costs, to ensure that false statements regarding chromium 6 are maintained to control the information given to Hinckley residents.

Erin Brockovich becomes Hinckley's corporate head, atypical to corporate America, and speaks for the lower-socioeconomic plaintiffs who do not have the money to be heard in order to make known the problems of PG&E. With the help of Brockovich and others, the plaintiffs gain money, simultaneously gaining the voice to an audience of PG&E, therefore impacting policies, construction, and the use of chromium 6. The corporate greed within PG&E ultimately leads to

demise within the company as the efforts of lowering costs inadvertently lead to a spike in monetary payments and ethical examination.

The aforementioned ethical form is not found in the teachings of Economics, the basic foundation for businesses and employees. The individual is seen as important, yet the interactions between all individuals seems to be left out of economic conversations. Deirdre McCloskey explains that morality and ethics are necessary to an economic conversation, that they must be present in a working capitalist society. Similarly focused on the individual, Adam Smith writes that it is the self-interest of the individual that leads to a total growth in the wealth of nations. The combination of these two ideas in The Bourgeois Virtues and The Wealth of Nations lead to the understanding of a virtuous individual seeking to further their own agenda in order to create an increase in the wealth of a nation. Erin Brockovich begs to differ.

Adam Smith explains the complex idea of naturalizing the propensity to truck, barter, and exchange as an individual acting in their own self-interest and such acting in a self-interested manner leads to an increase in the wealth of nations (22). Brockovich depicts what happens when the self-interested mega power company PG&E is solely interested in furthering their own economic agenda. PG&E looks to minimize the expenses of the utility plant in order to earn a higher net income, increasing total profits.

The corporate heads of PG&E may notice this initial increase in wealth, yet Hinckley residents far from realize the same wealth. As PG&E works toward lowering costs to increase profit, the residents of Hinckley find a decrease in their wealth as medical bills soar with the permeation of chromium 6 into their daily lives. Brockovich proves that the self-interest of the individual, PG&E, leads to a decrease in the wealth of nations, monetary and physically as

PG&E lost over \$333 million in legal fees and payments, and those on the receiving end have lifelong disabilities and diseases as a result.

On the other hand, these self-interested motives must be guided by virtues, McCloskey claims as a supplement to Smith. In The Bourgeois Virtues, McCloskey maintains that Western ethics come from secular and pagan traditions of the West, these include: prudence, temperance, justice, courage, love, faith, and hope (66). These virtues are therefore supported by capitalism, and McCloskey believes that these virtues are essential to a well functioning capitalist state.

Brockovich debunks this virtuous system McCloskey puts in place as Erin Brockovich herself points out the lack of virtue found within PG&E. Failing to follow key virtues love, justice, temperance and prudence, PG&E violates the private property of and degrades the knowledge of the residents of Hinckley by keeping information from them regarding the chromium 6 present in their groundwater.

In violating their own set of virtues, PG&E forces this violation on the doctors hired through the corporation. Doctors must take a Hippocratic oath to do what is right for a patient in all circumstances. A plaintiff describes the medical bills fully paid by PG&E, rather than helping the residents of Hinckley, PG&E pays the doctors to lie and treat the patients of Hinckley as if they do not have any chromium related symptoms, therefore violating their own virtuous laws. This lack of a moral compass proves the absence of virtues in the corporate system.

Whereas PG&E and the doctors of act as though they have no virtuous conscience, Erin Brockovich herself acts in a manner motivated by virtues. Fighting to sustain her life with her three children as a single parent, she is concurrently fighting for the rights of people who cannot fight for themselves. Far from the corporate world, the woman acting in her own self-interest

along with virtues of pagan and Christian values, she proves that the two ideas do work in unison to better the wealth of nations. From the depth of love, Brockovich finds strength to become more knowledgeable about chromium 6, effects of, and the workings of PG&E in her own self-interest and in the interest of others with the virtues found within her. As the corporate monsters act in selfish ways destroying land and lives, Brockovich makes use of self-interest and virtues proving Smith and McCloskey correct in their assumptions of a well-functioning capitalist society improving the wealth of a nation, or at least of Hinckley.

Brockovich works to better herself as an individual, educating herself to be an asset and acting for others who cannot afford to act for themselves. Harlan County U.S.A., the 1976 documentary, traces the actions of coal miners forming a union to work for better conditions in and out of the mine. Barbara Kopple's work to educate the outsider of the inhuman conditions of coal miners in Kentucky sparks a conversation of the safety and power in numbers. This conversation is also prevalent in Karl Polyani's The Great Transformation as he explains that the society must be re-embedded into the economic system to have a successfully operating capitalist economy. These economic ideas work together to reform social thought within the economy, forcing the community into capitalism.

As members of the Harlan County community, the coal miners put trust in the Duke Power Company to create jobs to add to their community. This trust was ruined, as wages were pitiful, benefits worse, and the black lung, or coal workers' pneumoconiosis, attacked most. As a result, the workers from Harlan County formed a union to protect themselves against the poorly self-interested, virtue-less, corporate system of Duke Power Company. In creating such unity, the members of the union found strength in their numbers against the heads of the Duke Power

Company and coal mines across the country. By making their knowledge public of the mistreatment of workers and the tyrannical rule over these employees, justice was the result.

Justice is another virtue simply not found in the current functioning economy. The protection of private property and the honor of labor are solidly ignored as of recent with exploitation of workers and exploitation of property with the existing economic meltdown. A similar meltdown is presented in The Great Transformation, the collapse of the nineteenth-century civilization (3). This collapse is blamed on the failure of four institutions, the balance-of-power system, the international gold standard, the self-regulating market, and the liberal state (3). Polanyi goes on to place the main responsibility on the collapse of the self-regulating market, that the attempt to commodify noncommodities such as land and labor has therefore excised the society from the economy and caused the destruction of the golden age.

This same excise of community from economic matters is prevalent in the story of the Harlan County coal miners and the plaintiffs from Hinckley, California. The coal miners come together to fight for their respect, their lives as coal workers, and subsequently are reentered into this important economic conversation between corporate head and employee. In Erin Brockovich, these plaintiffs are eliminated from the economic problems and control of Hinckley, forcing them to find another means to take action against the oppressor of PG&E. As PG&E misled the community to understand that chromium 6 was in fact good for them, they lost their trust, and it took banding together to fix this broken trust. The lower socioeconomic group of coal miners created a union in Harlan County U.S.A., and the same socioeconomic group of plaintiffs came together to form and fight a class action suit.

In forming this bond, Brockovich united these plaintiffs and society could no longer ignore their small voices. It takes the strength of knowledge and numbers to right the wrongs of

corporate America, to give them a conscience. Through fighting the battles of property, life, and labor, the residents of Hinckley re-embedded their social group into the economic conversation within Hinckley and the greater California population using PG&E. PG&E paid over \$300 million in direct payment, the largest amount ever paid in a class action suit, and forced demolition of the Hinckley plant. This fight caused repercussions as the plaintiffs forced PG&E and users of to realize the truth behind the matter, that these horrible things cannot be ignored as corporate America solely finds a way to increase their pocket book.

The claims made in Erin Brockovich apply further than the mainstream utility corporations of the world. Brockovich herself revolutionized the way Hinckley residents viewed lawyers, viewed PG&E, and ultimately how they viewed themselves as people deserving equal opportunity to medical treatment, moreover moral treatment. The themes of Erin Brockovich resonate in an economical viewpoint and in the greater viewpoint of ethical interactions between individuals. Topics of corporate greed, importance of virtues, and the authority of numbers raise significant concern with daily economic practice. Brockovich proves that a capitalist society can exist with virtues, that the group strengthens the argument of the individual, and that personal greed leads to disproportionate allocations of wealth. The practice of these theorems can offset the malfunctioning capitalist economy and create the equal economy once dreamt of by those fighting for a voice.

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