

# **BEAUTIFUL GREEN WORLD**

*«A green economy can be thought of as one which is low carbon, resource efficient and socially inclusive»<sup>1</sup>*

## **ON THE MYTHS OF A GREEN ECONOMY**

It will stop climate change and the extinction of species and in so doing will create high growth rates and millions of jobs: the *green economy*. It's seen as a miraculous weapon. Through it, global capitalism will be stabilised. And then it will be sustainable as well. But what is the *green economy*? In it, policy parameters are supposed to ensure the flow of capital to make markets and economy «greener» and create «green» jobs. Enterprises are to pay an «appropriate» price for environmental damage. And not least: The state is supposed to orient its public procurements to sustainability criteria and create sustainable infrastructures.

As of June 2012 in the UN's Rio+20 conference in Rio de Janeiro, the *green economy* is to become a new central concept of global policy. The conference is taking place on the 20th anniversary of the 1992 United Nations Conference on Environment and Development, where the magic formula «sustainable development» was coined. In 2012 the *green economy* is on everyone's lips. For 20 years now people have been rhapsodising over the greening of capitalism. At the same time it is clear that somehow sustainable development is not faring so well. CO<sub>2</sub> emissions are increasing. Biological diversity is contracting. Famine, impoverishment and social inequality are increasing in many countries. The much feted «conciliation of ecology and economy» is proving hard to construct. The *green economy* is not what many want to see it as: a magical formula which will offer solutions on a silver tray for many problems.

With this brochure we want to demonstrate that *green economy* is a contested term, which can be filled with many different contents – according to different interests. And we hope to show where the proposals fall short, seek a too hasty compromise with the ruling forces and suppress alternatives rather than promote them. It is clear that if the *green economy* does not break with the structures of the old economy and merely serves as a growth programme for the latter, it will quickly lead to disillusionment and lose its sheen.

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## «THE GREEN ECONOMY STIMULATES SUSTAINABLE DEVELOPMENT»

«Sustainable development» strategies have not made the world economy sustainable. By now the strain on the environment is threatening countries, regions, indeed the whole system. It is repeatedly claimed that the strategy of sustainable development is ineffective because there is a lack of political will and environmental policy institutions are still too weak. The *green economy* is supposed to remedy this defect, for it is supposed to be a new economic paradigm that finally concretises sustainable development.<sup>2</sup> The political conditions are supposed to be created by strong international political institutions in cooperation with national governments. Everyone is supposed to get something out of this: Enterprises get new markets, the employees attractive and meaningful work and the countries of the South opportunities in the «green sectors» of the world market. At the same time society and nature profits from a reduced consumption of resources.

### What truth is there in it?

The truth is that despite many single successes sustainable development policy has largely failed. The ecological, social and economic problems have not been solved. The causality analysis falls too short: The argument about «weak political institutions» points to the lack of political will to create strong institutions – thus institutions that have to bend to national governments and also the enterprises. The argument of «a lack of political will» is also no answer, but leads to the next question: Why is it that «politics» has no will? The reason is that the governments of the economically powerful countries do not question the western model of life and production and are holding on to a largely uncontrolled

<sup>2</sup> On the differences and commonalities between sustainable development and *green economy*, see Markus Wissen (2012): «Post-neoliberale Hegemonie? Zur Rolle des Green-Economy-Konzepts in der Vielfachkrise» [Post-neoliberal Hegemony? On the Role of the Green-Economy Concept in the Multi-crisis]. In: Kurswechsel 2 (forthcoming).

capitalist globalisation. Competition for world market shares prevails, which makes for the rapid increase of environmental pollution and resource consumption. This is due to the conflict between business calculation and the conservation of nature: For enterprises it has up to now mostly been more profitable to use nature as a cheap source of raw materials and as a waste dump. In the end raw materials are made available gratis, and nature requires no bin taxes. A short lifespan for raw-materials-intensive products is often more profitable than the environmentally friendly production of top-quality goods.

Added to the competition for world market shares is the competition of countries for the distribution of the costs and benefits of the *green economy*. «As expected, among the strongest blockers of transformative processes are those groups which can expect material or status loss from the intended change».<sup>3</sup> The *green economy*, however, is not a victory for all but only for the winners. The former chair of the Deutsche Bank, Josef Ackermann, puts it in a nutshell: «A new world order is dawning. The race for leadership has already begun. For the winners the benefits are clear: Innovation and investments in clean energies will stimulate green growth; jobs will be created along with a greater independence of national security on energy provision».<sup>4</sup>

The *green economy* therefore does not create a win-win situation. Instead, it will press ahead with capital-intensive mining and large-scale projects in the area of infrastructure, expensive offshore wind turbines and emissions trading. The *green economy* remains within capitalist rationality.<sup>5</sup>

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3 WBGU (Wissenschaftlicher Beirat der Bundesregierung Globale Umweltveränderungen [Scientific Council of the Federal Government on Global Environmental Change]) 2011: Welt im Wandel. Gesellschaftsvertrag für eine Große Transformation [A World in Transformation. A Social Contract for a Great Transformation]. p. 201. 4 Josef Ackermann (at that time chair of the board of Deutsche Bank AG) in December 2010, cited in: Carlos C. Jaeger et al. (2011): A New Growth Path for Europe. Generating Prosperity and Jobs in the Low-Carbon Economy. Synthesis Report. European Climate Forum e.V., Potsdam. 5 Christa Wichterich (2011): «Kapitalismus mit Wärmedämmung. Feministische Kritik und Gegenentwürfe zur *Green Economy*» [Heat-Insulated Capitalism. A Feminist Critique and Alternatives to a *Green Economy*]. In: Informationen für die Frau 5; S. 5–7; Achim Brunnengräber/Tobias Haas (2011): «*Green economy* – green new deal – green growth». Occupy Rio plus 20. W&E-Hintergrund November. [www.weltwirtschaft-und-entwicklung.org/wearchiv/042ae69e6d0b04602/042ae69f30de0101.php](http://www.weltwirtschaft-und-entwicklung.org/wearchiv/042ae69e6d0b04602/042ae69f30de0101.php) (accessed February 2012).

Access to power is had first and foremost by those who have capital and can invest it. The logic of being constantly oriented to new investments, profit and the dynamics of competition is not questioned. For corporations the story is still «maximise profits». And for countries it is «maximise national economic growth». The concrete ecological costs in many of the world's regions, and also the social costs of ecological modernisation, therefore remain of secondary importance. Problems are not solved, but only displaced, for example when cars in Europe are run on biofuels and in so doing small farmers in Indonesia, for example, are expropriated or rainforests cut down in order to establish plantations for oil palms; or when corporations in the north shift their especially ecologically harmful production to countries of the South.

4 The *green economy* therefore does not mean that the protection of people and the environment substitutes the drive for profit. Rather, in the world of the *green economy* the generation of profit remains the necessary condition of all economic activity, and environmental protection is subordinated to it. State regulation, too, has only limited possibilities of influence (see point 6: Environmental protection and sustainability need a strong state). Such being the case, the prospects for a *green economy* are fundamental no different from those of «sustainable development». This would only be otherwise if the focus were no longer on the modernisation of capitalism but on a fundamental transformation to a solidaristic mode of production and life, in which people and nature are no longer just the cheapest possible resources.

## «THE CRISIS IS AN OPPORTUNITY FOR A GREEN ECONOMY»

In many political discourses we hear that the crisis can be used for a fundamental reconstruction of the economy. In 2010 the EU Commission formulated a plan for sustainable growth in order to create a resource-light, ecological and competitive economy.<sup>6</sup> The crisis is seen as an opportunity for the *green economy* and the *green economy*, on the other hand, as a means against weak economic growth. In fact, solar-energy, biomass, wind power and recycling industries are showing a particularly strong growth. «In a phase of an economy-wide slump, environmental technology proves to be robust. This shows what the business outlook is of companies in this economic sector– for more than 80 % of all enterprises polled are expecting equal or better business prospects».<sup>7</sup>

### What truth is there in it?

Contrary to these hopes we see that the crisis is a rather bad environment for a *green economy*. In the course of the global financial crisis many countries have become highly indebted. Some are suffering from an authentic debt crisis. This crisis is being combatted in the first place by the attempt to promote economic growth by all means possible. This means relieving enterprises from costs. In this process policy does not bank on the wonder weapon of the *green economy*: In view of the costs of the crisis policy eschews the further expenditures occasioned by an ecological reconstruction or stricter environmental regulations. Already in 2009 economists Nicolas Stern and Ottmar Edenhofer advanced proposals as to how the G20 countries could introduce a «global green recovery». They were not implemented. Instead, many

<sup>6</sup> EU Commission (2010): Europe 2020 – A European strategy for smart, sustainable and inclusive growth, COM (2010) 2020. <sup>7</sup> Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit Reaktorsicherheit [Federal Ministry for the Environment, the Protection of Nature and Reactor Security] (ed., 2009): GreenTech made in Germany 2.0 – Umwelttechnologie-Atlas für Deutschland. Munich: Verlag Franz Vahlen, p. 16, [http://www.bmu.de/wirtschaft\\_und\\_umwelt/downloads/doc/43943.php](http://www.bmu.de/wirtschaft_und_umwelt/downloads/doc/43943.php).

countries followed the German model and introduced a car scrappage premium in order to boost the auto industry's turnover – with expected effects on the environment. A result of this anti-crisis policy is that in 2010 there were more emissions than ever before. «For the first time since the turn of the millennium the G20's emissions are growing faster than economic growth ... It is precisely because of the multiple crises that future prospects appear grim».<sup>8</sup>

6 Even if, to resolve the crisis, the individual countries were to switch entirely to «green» it is doubtful that the environment could profit from this. For a *green economy* does not end the growth drive. And what unhampered growth means becomes clear from the following example: in Germany at present for each 1,000 inhabitants there are about 700 cars. If the German level of automobility were to be generalised to the world, that would mean not only a massive – and hugely profitable – expansion of the transportation infrastructure but also an increase from today's approximately billion cars to about five billion. With the massive deployment of electric motors, this also entails an enormous increase in the consumption of resources, energy and sinks. Despite new paths of investment and development the inbuilt competitive logic between countries remains, and the current crisis of the solar industry in Germany pours water into the wine also here.

The *green economy* is the promise of a green modernisation of capitalism, but without changing capitalist logic such as competition and competitiveness or power relations, which up to now have been oriented to favour corporations.<sup>9</sup> The non-sustainable capitalist mode of life is indeed to become greener but not reconstructed into a solidaristic mode of life. It proposes to all social groups: «Let me have my cake and eat it too».

8 Achim Brunnengräber/Tobias Haas (2012): Rio+20: «Die grüne Beliebigkeit» [Green Arbitrariness]. In: Blätter für deutsche und internationale Politik 2/2012. 9 Christa Wichterich: Op. cit.



## «THE GREEN ECONOMY RECONCILES ECONOMY WITH ECOLOGY»

Independently of the current crisis, the proponents say: A *green economy* reconciles ecology and economy. «Environmental protection with economic growth is not a contradiction; rather they mutually condition each other». <sup>10</sup> The prominent scientist Ernst Ulrich von Weizsäcker argues: «A wave of new, fascinating technological innovations could become the greatest hope for a new upswing». <sup>11</sup> A strategy against increasing environmental destruction consists in recognising the economic value of nature and giving it a price. Nature, so goes the assumption, will be protected if it is included in the calculation as «natural capital». «The prices should express the ecological truth», – this sentence sounds quite sincere and straightforward.

The *green economy* is seen by its proponents as an economic growth engine: The United Nations predict higher growth rates in 2010 to 2050 for the «green investment scenario» than for «business as usual». «Business as usual» means upholding the non-sustainable path of development. For Germany, a growth rate of 2.4 % is predicted for 2020 in a *green economy* as against 1.8 % if business as usual continues; the respective predicted rates of unemployment are 5.6 % and 8.5 %. <sup>12</sup>

A few years ago it was estimated that environmental technologies in Germany are already responsible for 8 % of GDP and that this share will increase to 14 % by 2020. <sup>13</sup>

<sup>10</sup> Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit, Op. cit. , p. 10. <sup>11</sup> Ernst Ulrich von Weizsäcker/Karlson Hargroves/Michael Smith (2010): Faktor Fünf: Die Formel für nachhaltiges Wachstum [Factor Five: Transforming the Global Economy through 80 % Improvements in Resource Productivity], p. 25, Munich. <sup>12</sup> Martin Jänicke (2011): «Green Growth», Vom Wachstum der Öko-Industrie zum nachhaltigen Wirtschaften [«Green Growth»: From the Growth of the Eco-Industry to Sustainable Economy]. Forschungszentrum für Umweltpolitik, Berlin. <sup>13</sup> Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit (Hrsg., 2009), Op. cit., p. 2.

**Table 1**  
World-market volume  
for environmental technologies 2007  
(in billions of Euros)

<b>Energy efficiency</b>	<b>538</b>
<b>Sustainable economy of water</b>	<b>361</b>
<b>Sustainable mobility</b>	<b>200</b>
<b>Environmentally friendly energies</b>	<b>155</b>
<b>Efficiency of raw-materials and material use</b>	<b>94</b>
<b>Recycling</b>	<b>35</b>

Source: Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit (ed.): GreenTech made in Germany 2.0 – Umwelttechnologie-Atlas für Deutschland

«Especially the markets for photovoltaics, solar heat, wind energy and biogas will grow by about 20 % by 2020: If in 2007 exactly 31 million square metres of solar panels for heat production are installed the quantity will reach 340 million square metres in 2020. The market volume for the producers of solar panels is presently increasing by 25 % annually».<sup>14</sup>

**Table 2**World market projections in key sectors<sup>15</sup>

World market volume			Annual growth to 2020
	2007	2020	
Solar heat [million m <sup>2</sup> ] 2.	31	337	+20%
Photovoltaics [GWp] 1. 2.	3	65	+27%
Wind power [GW] 1.	20	137	+16%
Fuel cells [bill. Euro]	1	52	+39%

1. New installed capacity. 2. Gigawatt peak performance under test conditions  
 GW = Gigawatt, GWp = Gigawatt peak

Source: Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit (ed.): GreenTech made in Germany 2.0 – Umwelttechnologie-Atlas für Deutschland (Munich: Verlag Fraunz Vahlen, 2009)

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### What truth is there in it?

The importance of the German and global market for climate and environmentally friendly goods and services is indisputable and will continue to increase. However, **first of all**, such exact growth prognoses are fraught with great uncertainty. Even in normal periods – that is, without economic crises, without an unstable banking sector and without a fundamental reconstruction of the economy – economists often fail correctly to predict the economic growth of the next six months. In the year before the great crisis, a growth of 2.4% or 2.2% was predicted for 2008 – twice as high as the 1.1% that actually occurred. Still more striking are the incorrect prognoses in spring and fall of 2008: At that time a growth of 1.4% or 0.7% was forecast for

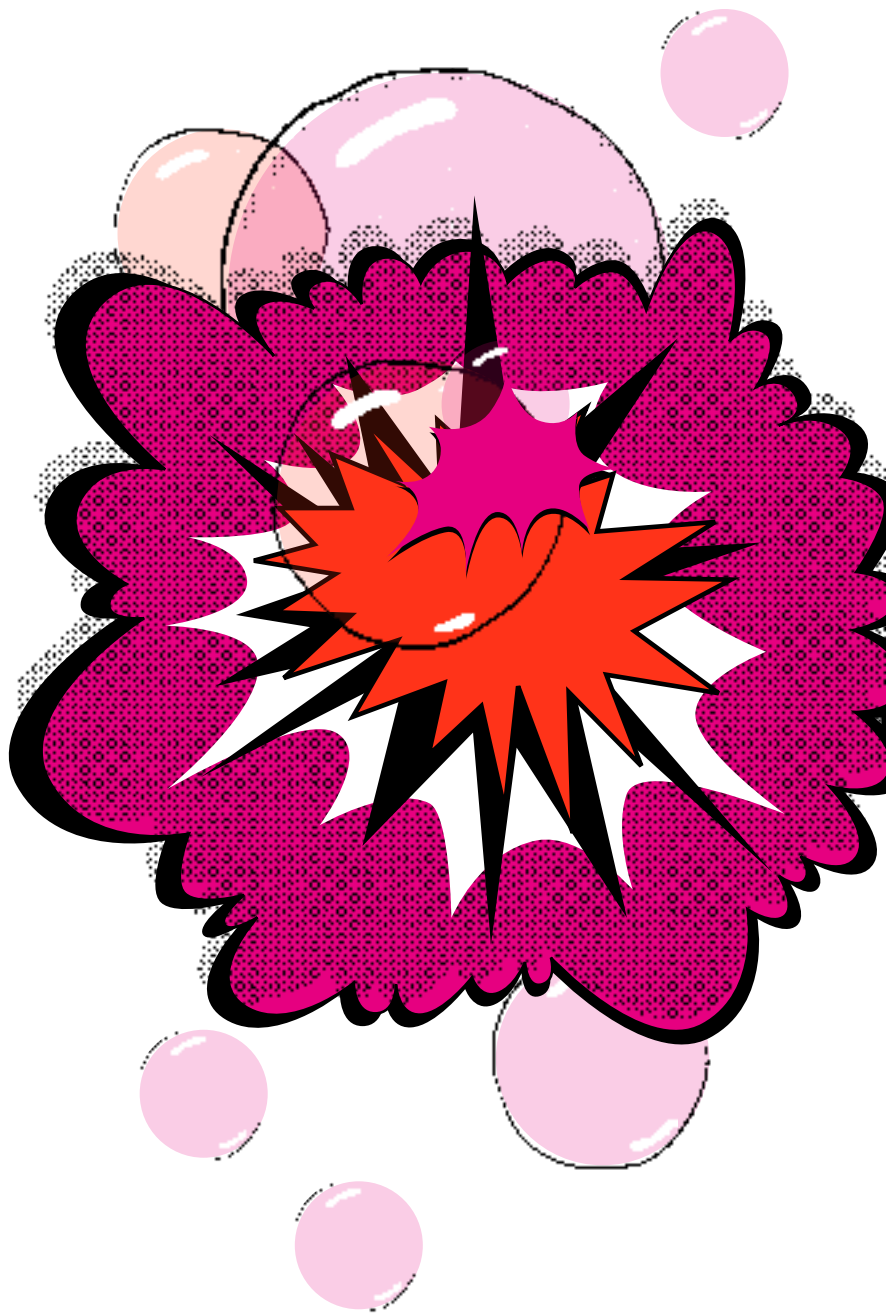
<sup>15</sup> Ibid. p. 63.

2009; the reality turned out to be minus 5.1%. Decade prognoses are thus to be read with caution. Rather, they express tendencies and an ambience. We are experiencing this in a spectacular way in the current economic and financial crisis. The capitalist economy is predictable only to a limited extent.

**Second**, the formula of the «reconciliation of economy and ecology» requires explanation. That is to say, it assumes an antagonism between economy and ecology that will no longer obtain in the harmonious world of the *green economy*. That this antagonism continues to exist is proved by all the difficulties countries are experiencing in ecological reconstruction. If dirty and cheap coal becomes increasingly important as energy sources, if companies are shifting their environmentally harmful production to other countries, if rain forests are cut down in order to produce biofuels («biosprit»), if governments decline emissions trading due to the costs to indigenous enterprises, this shows that economic growth and high entrepreneurial combined with a clean environment as a rule is a contradiction, even with a green cloak.

**Third**, we cannot assume that «green» goods are automatically produced «cleanly». Look at the example of electric cars: To produce them various metals – so-called «rare-earth elements» are needed. The quarrying of these rare-earth elements (which are not at all so rare), at present mainly in China, takes place under ecologically and socially catastrophic conditions: resettlements, often the destruction of nature over large areas, poisonous emissions and the employment of cheap migrant labour.

**Fourth**, *green economy* correlates positively to economic growth. What does this come down to? Economic growth means an increase of the production of goods and services measured in money. In so doing, the conditions under which these commodities are produced disappears behind the growth imperative – for all the commodities are produced by people who with their labour income reproduce themselves more or less completely, that is, pay rent, buy food, travel for a fee, and so on. Who produces the products, and under what conditions, plays a secondary role, if at all. The main



point is to produce and sell more goods and services in order to make profits. For social and ecological reasons, but also for economic ones, our societies should gear themselves to lower growth rates.<sup>16</sup> Still more: The pressure to grow and the interests connected to it must be overturned.

**Five**, until the latter is accomplished it is not enough to aim abstractly at «green growth». The decisive question, rather, is: Under what conditions is this green growth taking place? Under the control of energy corporations who are more interested in large-scale projects like offshore wind farms and monopolistic energy nets? Or in the form of decentralised energy generation under democratic control? Who decides what can be recycled and how – and why does waste prevention not come first? Who therefore controls the *green economy*? Whose interests does it serve? What are the different kinds of growth pressure that are embedded in the economy?<sup>17</sup>

**Six**, the claim that «prices should tell the ecological truth» masks the fact that many functions of nature can by no means be expressed in prices. And, moreover, it is better that way, for if the destruction of nature gets a price then its destruction ceases only if its protection is cheaper than its destruction. Common goods should therefore not be subjected to the logic of value and price but be protected and sustainably used – not according to business calculations but according to social-ecological criteria.<sup>18</sup> Proposals for a *green economy* are at risk of intensifying the capitalist valorisation

**16** Norbert Reuter (2007): «Wachstumseuphorie und Verteilungsrealität. Wirtschaftspolitische Leitbilder zwischen Gestern und Morgen» [Growth Euphoria and Distributive Reality: Economic-policy Concepts Past and Future], Marburg; more detailed and with more comprehensive theoretical attempts at an explanation in: Norbert Reuter (2000): Ökonomik der «Langen Frist». Zur Evolution der Wachstumsgrundlagen in Industriegesellschaften [Economics of the «Long Term»: On the Evolution of the Basic Principles of Growth in Industrial Societies], Marburg. **17** Hans Christoph Binswanger (2011): «Die Wachstumsspirale in der Krise – Ansätze zu einer nachhaltigen Entwicklung» [The Growth Spiral in the Crisis – Approaches to Sustainable Development]. In: Martin Held et al. (eds.): Institutionen ökologischer Nachhaltigkeit [Institutions of Ecological Sustainability]. Marburg, 183–200. **18** Silke Helfrich/Heinrich-Böll-Stiftung (eds. 2009): Wem gehört die Welt? Zur Wiederentdeckung der Gemeingüter [Whose World Is It? On the Rediscovery of Common Goods]. Munich; Elinor Ostrom (2011): Was mehr wird, wenn wir teilen. Vom gesellschaftlichen Wert der Gemeingüter [What Increases If We Share. On the Social Value of Common Goods]. Munich (English: «The Challenge of Common-Pool Resources». In: Environment: Science and Policy for Sustainable Development, 50, no. 4 (2008), pp. 8–21).

of nature. This is becoming very relevant in the area of climate policy in the case of REDD (Reducing Emissions from Deforestation and Degradation), the new magic tool for cash flows if emissions from deforestation and destructive exploitation of forests are reduced, or in the case of the international research undertaking «The Economics of Ecosystems and Biodiversity» (TEEB), which is aimed at economising biological diversity.

4.

## «THE GREEN ECONOMY CREATES GOOD JOBS»

The shift toward a *green economy* is supposed to generate new jobs. Thus the increase of the EU-wide CO<sub>2</sub>-reduction goal from 20 to 30 % can create six million additional jobs in Europe, so we are told.<sup>19</sup> At the beginning there could indeed be loss of employment in non-sustainable sectors, but these are to be offset at least by 2030.<sup>20</sup> In addition, the new jobs are predicted to be especially attractive and well paid, for: «Low-carbon industries ... tend to employ a higher-skilled labour force».<sup>21</sup>

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### What truth is there in it?

Many people are indeed already employed in the «green sector». While in Germany in 2009 more than 230,000 people worked in the conventional energy sector there were about 366,000 people working in the area of renewable energies in 2010.<sup>22</sup> This number is rapidly increasing. Environmental technology is creating jobs in Germany. «More than 1.8 million employees are by now earning their living through

**19** Carlos C. Jaeger et al. (2011): A New Growth Path for Europe. Generating Prosperity and Jobs in the Low-Carbon Economy – Synthesis Report. European Climate Forum e.V. Potsdam. **20** UNEP (United Nations Environment Programme). (2011): Towards a *Green economy*: Pathways to Sustainable Development and Poverty Eradication. p. 505, also p. 533. **21** ILO (International Labour Organization) (2011): Towards a Greener Economy: The Social Dimensions. p. 5. **22** «Von Forschung und Entwicklung über Exploration, Förderung und Verarbeitung bis hin zur Versorgung und Vermarktung von Energie» [On Research and Development to Exploration, Promotion and Processing to the Supply and Marketing of Energy]; <http://www.thema-energie.de/energie-im-ueberblick/daten-fakten/marktzahlen/beschaeftigung-im-energiesektor.html> (Februar 2012).

it – more than ever before.» This emerges from the first «Environmental Economic Report» of the Federal Ministry for the Environment. According to the Report, every twentieth job in Germany depends on goods and services related to ecology.<sup>23</sup> The workforce in this sector grew by an average of 14 % from 2005 to 2007. In the future, too, rates of 10 % or more are expected to be reached. However, what concretely do such prognoses mean?

**First**, the equation «green jobs = good jobs» is not valid. In the aspiring eco-sectors work conditions are often bad and the level of union organisation low. Many of the medium-sized companies have no collective agreements: In the case of the biogas producers collective agreements are in effect in only 14 % of the plants; in the solar branch it is 15%; in wind power, by contrast, it is already 53 %.<sup>24</sup> Below-average wages are widespread. IG Metall has the following assessment for the wind-power branch: «In the view of the works councils questioned, the work conditions of the employees are not more attractive than average and in many respects could be better. High performance requirements, limited income prospects, necessary but often absent training opportunities and an increase in subcontracted labour are characteristic».<sup>25</sup> Workers come into contact with highly toxic materials such as epoxy resin in the production of rotor blades, for example.

**Two**, not all workers profit from the conversion to «green technologies». A displacement to the detriment of less skilled and older workers tends to occur. «For those currently employed in specific parts of the chemical and energy sector a structural transformation to «green technologies» or renewable energies does not mean that they will simply move from one branch to another or that the conversion of the automobile sector to electric cars will take place in the same plant, that is, without job losses and without relocation of produc-

23 «Öko-Industrie: Umweltschutz schafft Jobs wie nie», Süddeutsche Zeitung, January 16, 2009.

24 IG Metall Vorstand [IG Metall directorate] (2007): Windkraft-Industrie 2007 Aktuelle Branchentrends. Frankfurt am Main. In retail the situation is no better: «I know no chain of organic food stores, where there is union scale – or which has a works council». Janet Dumann, Ver.di, cited according to Tip 5/2012. 25 Ibid. 26 Mario Candeias, «Konversion – Einstieg in eine öko-sozialistische Reproduktionsökonomie» [Conversion – First Steps to an Eco-Socialist



tion to other countries».<sup>26</sup> Without suitable accompanying measures, conversion will not be socially just. Here it is clear that what is decisive is who sets the conditions of conversion.

**Third**, in the promises of green jobs there is no discussion of who will actually decide on investments and the associated jobs – because it will be capital and company directors who do so. In times of crisis, which has for example gripped the solar-energy branch,<sup>27</sup> the employees become the plaything of corporate managements. In this the *green economy* is no different from the traditional economy.

And, finally, **four**, the promise of green jobs overlooks that fact that on the path to a solidaristic and sustainable society it is not just that specific branches, and employment within these, must grow – for beyond this social labour – paid and unpaid – must be organised in a fundamentally different way. At present we see a trend to poorly paid work contracts without social security benefits, to the flexibilisation of working times and the substitution of fixed salaries by variable salaries. This serves to put pressure on the wage costs of enterprises and to increase profits. At the same time the insecurity tied to flexibilisation and precarisation decreases people's ability to deal with questions of the future. People have to be socially secure, and their activities have to have meaning. To achieve this goal the relations of domination, which are rooted in the division of labour of a society, have to be called into question.

In this the relations between the genders and classes and ethnic divisions as well as the position of countries in the world economy are important. The socially necessary and desirable labours – salaried work and other forms of labour – should be solidaristically and democratically organised and carried out.<sup>28</sup>

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Reproduction Economy], in: Mario Candeias et al. (eds., 2011): *Globale Ökonomie des Autos*, Hamburg, p. 260. 27 «There is no end in sight to Germany's solar-energy sector's downswing. The international price war and subsidy cuts in Germany are the sector's main problems. [...] Things are difficult for German companies with insufficient capitalisation». <http://www.handelsblatt.com/unternehmen/industrie/solarworld-mit-verlust-goetterdaemmerung-in-der-solarbranche/6359602.html> (March 2012). 28 Adelheid Biesecker/Andrea Baier (2011), «Gutes Leben braucht andere Arbeit» [A Good Life Needs A Different Kind of Work]. In: *Politische Ökologie* 125, p. 54–63.

## «GREATER EFFICIENCY LEADS TO MORE GROWTH WITH LESS RESOURCE CONSUMPTION»

A condition and consequence for the *green economy*, so argue its proponents, is a sharp increase in resource efficiency: through improved technologies and organisation of production we will arrive at a «revolution in efficiency». For every Euro of economic output continually less raw material should be consumed and continually fewer pollutants emitted. The magic formula is the «decoupling» of economic growth or prosperity from resource consumption and the overtaxing of the ecosystems and sinks. «An 8% increase in resource productivity is not only thinkable but also possible». <sup>29</sup> In this way limitless growth is supposed to be feasible despite all.

### What truth is there in it?

The decoupling of economic growth from resource consumption sounds good. However, this decoupling is far from being a self-starter – the German example demonstrates this: Here it is true that for every unit of GDP continually fewer resources are needed. In addition, CO<sub>2</sub> emissions have sharply declined between 1992 and 2008. But the reason for this has less to do with increasing resource efficiency and more with the de-industrialisation of East Germany after 1990 as well as with the relocation of energy-intensive production to other countries.

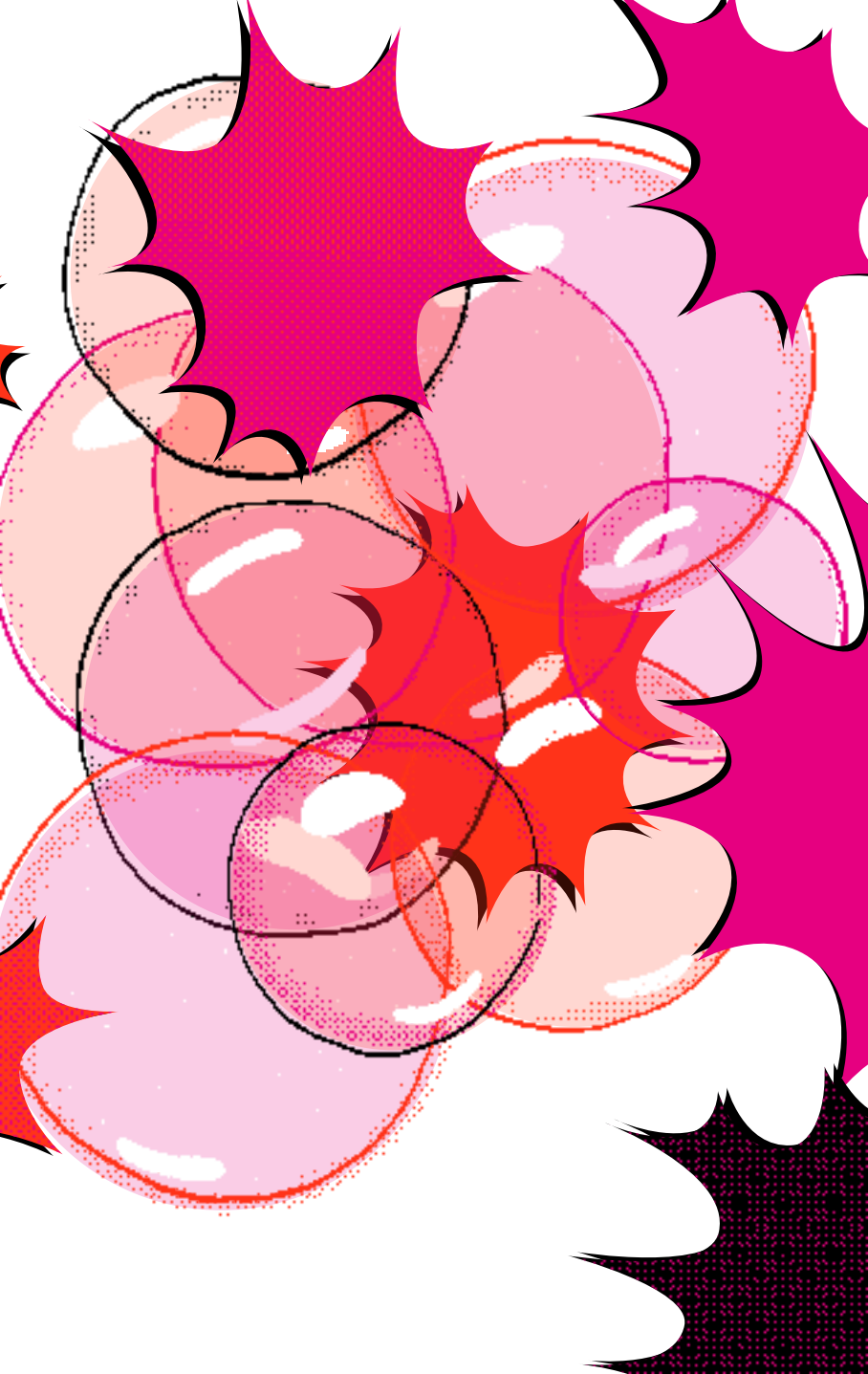
The fact that an increase in efficiency does not automatically rescue the climate has several causes:

**First**, in advocating greater resource productivity the argument is used that it saves costs, for example the costs of raw materials, for the users of new technologies. From this it is to be assumed «that countries that increase the productivity of scarce resources will gain significant advantages over those who disregard these scarcities».<sup>30</sup> Greater efficiency is thus to increase profits. This may well be in certain cases, but it is often not so. In certain circumstances, «dirty» production methods are more profitable for an enterprise. If environmental protection via increase in efficiency were so automatically in the interests of corporations, why does politics then have so zealously to make a case for it? In the *green economy* environmental protection via an increase in resource productivity remains coupled to the profit interest of companies. If it doesn't pay, then it doesn't happen. Environmental protection thus always falls behind what is technically possible and ecologically necessary.

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**Two**, with this the proponents claim that greater efficiency will create gigantic profits for those corporations that sell technologies to increase efficiency. In the global race to produce energy-saving technology it is especially German companies that are ahead: According to the Federal Ministry for the Environment, Protection of Nature and Reactor Security, «The greatest single lead market of energy efficiency has a global volume of almost 540 billion Euros. A doubling of about 1,030 billion Euros by 2020 is predicted. German firms, especially in heating and climate technology and energy-efficient household appliances, are among the most important producers worldwide; their share of the world market is about 10 or 15 %».<sup>31</sup> Also «the growth of the lead market for raw-material and material efficiency is mainly driven by the increasing importance of biotechnology ... The world market share of German corporations in the

30 Ibid., p. 33. 31 Bundesministerium für Umwelt, Naturschutz und Reaktorsicherheit [Federal Ministry for the Environment, the Protection of Nature and Reactor Security] (ed., 2009), Op. cit.



biodiesel sector is already notably high today at 40 %.»<sup>32</sup> This sounds impressive. Yet here too the same objection has to be raised: As long as environmental protection is only a strategy for profit maximisation it remains subject to the moods of the markets and the calculations of corporations.

**Third**, hopes for efficiency come into conflict at still another point with the capitalist growth drive. «It is simply a misconception that the tendency of capitalism to efficiency will stabilise the climate or protect us from the scarcity of resources», according to the British environmental economist Tim Jackson.<sup>33</sup> It is true that in history production has become ever more efficient. However, at the same time economic growth was stronger, so that in the end the total resource consumption and environmental pollution increased. This so-called rebound effect has meant as a rule up to now that gains in efficiency have been eaten up by increased consumption: Accordingly, the more resource-efficiently produced cars become cheaper, and therefore bigger ones are often bought. «All-terrain vehicles or SUVs are continuing to gain ground (+20.6 %). Every tenth new registration by now involves this market segment ... The upper middle class of cars? showed an increase of 12.2 %. All other passenger cars were on the decrease».<sup>34</sup>

19

An increase in efficiency is of course nevertheless necessary. Still, it is only half the battle. Let us stay with the example of automobiles: For true environmental protection further reaching social-policy decisions would be needed – for example, a fundamental reconstruction of the transportation system. Instead we see the worldwide expansion of the road infrastructure for individuals and goods, and in many countries even the demolition of rail. This is combined with an increasing intensity of traffic. In 2010, after a drop-off conditioned by the crisis, 58 million private cars were produced worldwide; in 2000 the level had been 41 million.<sup>35</sup> The prognoses take as a starting point that the global stock of

<sup>32</sup> Ibid., p. 4. <sup>33</sup> Quoted from the Berliner Zeitung, April 7, 2011. <sup>34</sup> <http://www.kba.de> (February 2011). <sup>35</sup> OICA – International Organization of Motor Vehicle Manufacturers (2011) Production Statistics 2010. <http://oica.net/category/production-statistics/> (accessed February 2012).

automobiles will, from today's level of a good billion cars, go up by 2030 to 1.6 billion. This is catastrophic for the environment – and lucrative for Germany's competitive economic position – for in Germany «car-manufacturing is the most important or second most important German industrial branch by investment in plant and equipment, by imports and exports, by foreign direct investments, by value added, by research and development as well as by employment».<sup>36</sup>

The question therefore is how efficiency gains can be achieved, which do not only lead to a *relative* decoupling from the development of prosperity and resource consumption, but to an *absolute* reduction of resource consumption. For this the received political instruments, which do not brake the drive to growth, are clearly insufficient. The effects of a «decoupling» hoped for by green parties represent «wishful thinking rather than a realistic assessment of the situation», thus Tim Jackson.<sup>37</sup> Alongside a critical questioning of the prospects for efficiency, the many concrete possibilities for *sufficiency* should also be bolstered.<sup>38</sup>

<sup>36</sup> Stephan Kaufmann, «Globale Ökonomie des Autos», in: Mario Candeias et al. (eds., 2011), Op. cit., p. 20. <sup>37</sup> [http://ec.europa.eu/environment/etap/inaction/interviews/725\\_de.html](http://ec.europa.eu/environment/etap/inaction/interviews/725_de.html) <sup>38</sup> Uta von Winterfeld (2011), «Vom Recht auf Suffizienz» [On the Right to Sufficiency]. In: Rätz, Werner et al. (eds.): Ausgewachsen! Ökologische Gerechtigkeit. Soziale Rechte. Gutes Leben [Fully Grown! Ecological Justice. Social Rights. Good Life]. Hamburg, pp. 57–65.

## «ENVIRONMENTAL PROTECTION AND SUSTAINABILITY NEED A STRONG STATE»

On the one hand, the proclaimed «reconciliation of economy and ecology», asserts that environmental protection lies in the self-interest of enterprises. At the same time many people clearly see: Entrepreneurial calculation still often turns out to be to the detriment of nature. Or: You can't rely on economic calculation alone. The paradigm of economic growth is not questioned and remains the policy basis of the *green economy*. However, in order to mitigate the ecological consequences of growth the state is now to establish strong regulations. Additionally, the state is to create or guarantee property rights to nature, so that companies can plan and calculate. One argument used for this is: Only if regulations are binding for all companies will there be no competitive disadvantage for those companies that produce ecologically. On the other hand, the companies improve their technology through this and become more competitive. «We insist that the market cannot induce a determined transition to a resource-efficient and sustainable economy and society and that it needs strong state involvement».<sup>39</sup>

21

In many domains the individual nation-state is regarded as insufficient for effective environmental and resource protection policies. It has been found that global common goods – above all the common good of a stable climate – have been overused because there are too many free riders. Many countries derive benefits from the use of common goods without having to take responsibility for their protection. Many problems, it is said, are therefore global and have to be dealt with globally, in other words through international cooperation. Stronger international agreements are, the argument continues, important in order to establish binding regulations.

## What truth is there in it?

In fact, state regulations (and financial resources) are important in order to guarantee an orientation, security for planning and in some cases concrete support to companies and employees, research institutions, associations and the public sphere. International agreements, for example in the domain of climate policy, impede not only free-riding but also reinforce learning processes: Other countries can orient themselves to the most innovative trendsetter countries. Nevertheless there are some questions and doubts.

On a «strong state»: In the proposals for a *green economy* it is often overlooked that the state does not establish its regulations on the basis of a neutral position. In the state we see how the relations of power in a society are structured and what the orienting principles are. This becomes perfectly clear when we look at the subsidies of non-sustainable economic sectors that are powerfully supported. It could be observed during the crisis that economic stimulus packages do not boost «green» areas per se but work rather in a structurally conservative way – the shining example being the car scrappage premium in Germany. The state acted here not as the agent of a *green economy* but in the interests of companies and employees in strong sectors. In liberal democracies with party competition, policy is moreover oriented in a structurally short-term way – it is oriented to elections. This makes longer-term orientations difficult.

The strongest of states is of no help if it does not deploy its power in the interests of people and the environment but only aims at competitive capacity and growth. However, this is increasingly the case: In the last decades we have experienced the transformation from welfare states to «national competitive states» (Joachim Hirsch), whose main concern consists in securing the competitive capacity of its «own» corporations in the global competition between competitive national positions. This also goes for regional policies, as for example those of the European Union. It has decided to become the most competitive region of the world by 2020. In view of the increasing scarcity of resources and the competition for resources countries – and regional federations



like the EU – are increasingly securing access to resources. The global «war for resources» is in no way equivalent to a protective way of dealing with people and nature.

On international agreements: Here too countries act as national «competitive states» against each other; there is no cooperation. Agreements on the protection of the environment are accordingly difficult. International climate policy especially is in danger of failure because there are few commonalities internationally. The countries of the South and especially the emerging countries insist that their emissions must be allowed to increase and that global warming has principally been brought about by the industrialised countries. The northern countries level their criticism at the «dirty industries in the South». And all adjust to environmental protection on condition that it does not harm economic growth. The result: Instead of working out common solutions at international conferences, at the latter a struggle occurs for the distribution of the costs and benefits of climate protection.

23

**The lesson:** Naturally the state and international policy are important for the path to a solidaristic and sustainable mode of production and life. However, the state is not a neutral protagonist. Up to now the German state – despite all individual sensible policies – mainly supports the by no means sustainable profit interests of corporations. The recent concept of «raw-material diplomacy» covers over the frankly imperial ambitions of German and European policy. If there is truly to be an orientation to the needs of people and the environment, the relations of power and the dominant orientations in society must change.

## «CORPORATIONS ARE THE MOTORS OF THE GREEN ECONOMY»

In the model world of neoclassical economics and of the neoliberal economic doctrine there are two actors in «the economy»: enterprises and consumers (private households). For them the state prescribes rules, for example in regard to competition or environmental and social standards. In this world businesses are the actual motors of social innovation – and so too for the *green economy*. Under pressure of competition with other companies and the demand for certain products on the part of consumers, but also on the basis of political frameworks, they behave in a more or less sustainable way.

### What truth is there in it?

24

Without enterprises there is in capitalist market economy no environmental protection and no sustainable use of nature – this much is clear. Completely new enterprises arise in branches like solar and wind energy. The big energy corporations promote research and development around resource-saving technologies and products. And in fact enterprises absolutely do react to the changed behaviour of consumers. However, market-economy enterprises first of all play a quite decisive role in the non-sustainable mode of production and life and consequently also impede alternatives – for in particular private enterprises are compelled, simply in order not to go under within capitalist competition, to reap profits in their own interests and those of their shareholders. And the diktat of profitability often does not permit them to adopt more expensive, environmentally compatible production methods. As a result, not too much should be expected from them. British Petroleum (BP), the world's third largest oil corporation, has been trying to give itself an environmentally conscious image for more than a decade now. But company policy itself has hardly changed. For 45 million dollars in 1999 BP absorbed the photovoltaic company Solarex and celebrated itself as the «world's largest solar enterprise». The green image campaign for the project cost more than

four times more than the project itself. As a whole, from 2005 to 2009 the company put 2.9 billion dollars into its «alternative energies» line. This sum, however, represents only 4.2 % of its total investments in those years. So far the renewable energy BP produces daily is one-tenth of one per cent of its oil and gas production.<sup>40</sup> In the meanwhile, the corporation got involved in the especially environmentally harmful exploitation of oil sand in Canada and through the environmental catastrophe in the Gulf of Mexico has surely completely lost any credibility as far as its ecological ambitions are concerned.

The non-sustainable interest of companies has a retroactive effect on society and shapes the latter: Large corporations and the employers' associations do not just react to consumer demand, but shape it actively. Product development and marketing in turn are carried out under the diktat of profitability. Decisions regarding new products are not reached through an economic-democratic process: neither the employees nor other social groups participate in investment decisions. On the contrary, where there is still social co-determination in the production of goods and food, these are often reduced to nothing by companies. The fixation on private enterprise is also part of a large-scale privatisation offensive. For example, for more than 15 years the genetic-engineering corporation Monsanto has been trying to stamp out any competition by farmers who retain their own seeds. For Monsanto and other giants of the seed industry the target markets are precisely such regions in the global South where farmer communities supply their own seeds.<sup>41</sup>

And, finally, companies do not simply react to the rules established by the state, but as a result of their economic power have major political influence. In short, enterprises are important for environmental protection and for the sustainable use of resources. However, in order not to be oriented solely to the profit principle of proprietors, banks and asset holders, there is a need – beyond politically established rules --

for strict social controls as well as ecologically sensitive work forces that participate in the fundamental decisions of the enterprises. It is also necessary to have conscious consumers who have possibilities of choice, as well as broad societal public space in which the problems are aired, companies are criticised and alternatives discussed – in other words there needs to be a comprehensive «production public sphere».

8.

## «GREEN MONEY FACILITATES THE GREEN ECONOMY»

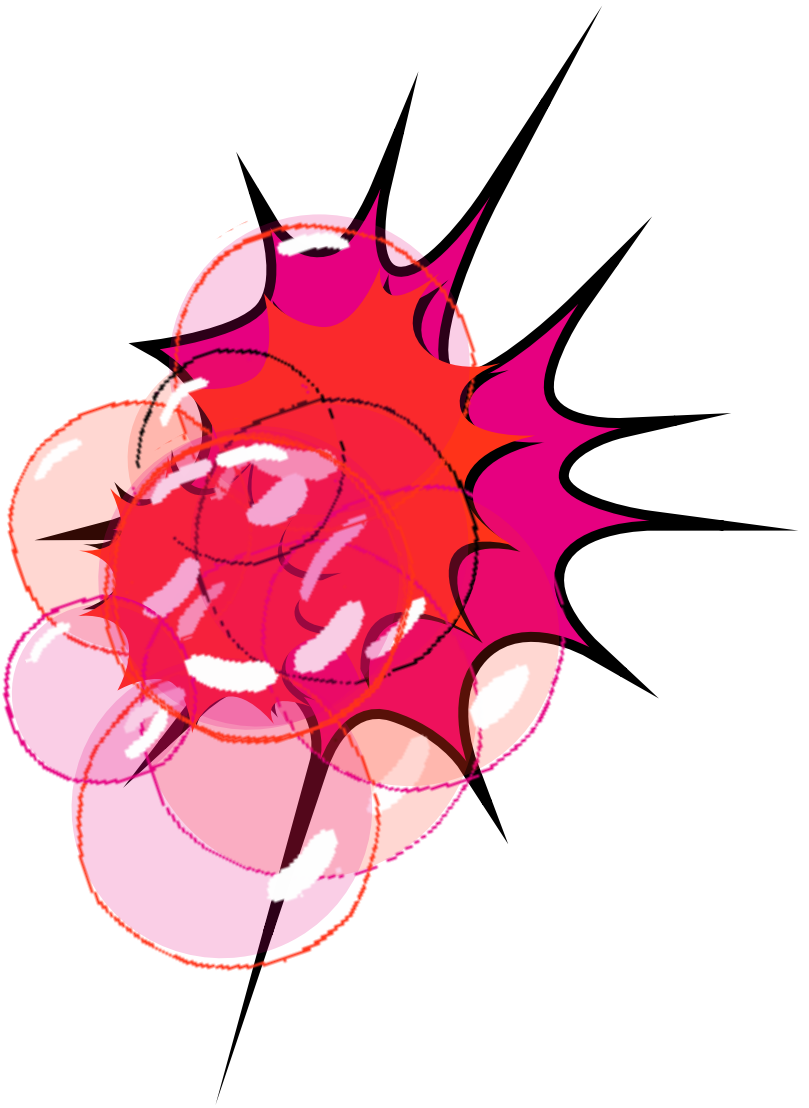
In the *green economy*, so it is promised, capital will be steered away from the «dirty» sectors toward the «green» domains. For this, massive investments in the energy sector and infrastructure and the development of sustainable industrial goods and agriculture are needed. The money for this should be supplied by banks and investment funds – via credits or as their own projects. Alongside the useful investments in renewable energy and building refurbishment, they should buy land for the cultivation of plants such as oil palms, sugar cane, soya or corn for biofuels; they should finance the mega-project Desertec (estimates total an investment volume of 400 billion Euros),<sup>42</sup> hydroelectric plants, dams or high-voltage transmission lines throughout Europe, etc.

26

### What truth is there in it?

In fact, investment capital increasingly appears to be going toward the new sectors.<sup>43</sup> This development must, however, be placed in a broader context: the financialisation of the economy, which has been increasing since the 1980s. The term financialisation designates not only the increase of speculation, but more generally «the growing role of

<sup>42</sup> <http://www.wiwo.de/unternehmen/energie/erneuerbare-energie-desertec-holt-die-sonne-aus-tunesien/6106178.html> (March 2012). <sup>43</sup> Christian Zeller (2010), «Die Natur als Anlagefeld des konzentrierten Finanzkapitals» [Nature as an Investment Field of Concentrated Finance Capital]. In: Falko Schmieder (ed.): Zur Kritik der politischen Ökologie [Critique of Political Ecology]. Bern/Berlin. pp. 103 ff.



financial subjects – of financial markets, financial actors and institutions»<sup>44</sup> – in the economy and in economic policy. Investment-seeking capital has sharply grown in the course of the deregulation of the financial sector. New «financial products» have been introduced, which (partly) privatise old-age care. The soaring profits of many companies, the swollen private fortunes and the giant foreign-trade surpluses of the emerging countries – all this money is searching for profitable investment. Financialisation is also occurring in the areas of resources and ecology. Capital is increasingly invested in raw-material and energy enterprises as well as in commodity futures exchanges, even by investors considered conservative such as pension funds, life insurances and foundations.<sup>45</sup> «From 2003 to 2008, for example, institutional investors increased their investments in raw-material markets from 13 billion Euros to 170 – 205 billion Euros».<sup>46</sup> Emissions trading is also a sphere of investment. The World Bank estimates the absolute value of the global carbon market in 2011 to be 124 billion US dollars.<sup>47</sup>

Not only the economy of the «old» resources, but also the *green economy* appears to be good business for investment capital. The power of finance capital related to this will in the future pose the question more sharply of whether politics governs the economy or the markets are using politics to carry out their own interests. In addition, the powerful tendency to the financialisation of nature is marginalising alternatives: If capital pours into buying up land in order to cultivate plants for «clean» biofuels, it is hard for small farmers to stand up to it. The strategies of the *green economy* must be conscious of the fact that capital seeking valorisation possibilities exerts economic and social power. It aspires in most cases to higher returns and not to dealing with the enormous ecological, social and economic problems.

44 Gerald A. Epstein (ed.) (2005): *Financialization and the World Economy*, London, p. 3.

45 Antje Schneeweiß (2011), «Spekulation im Schatten. Nachhaltigkeit und Investitionen in Rohstoffe» [Speculation in the Shadows. Sustainability and Investments in Raw Materials]. Siegburg: Südwind.

46 EU Commission (2011): *Sustainable Industry: Going for Growth & Resource Efficiency*, Brussels: EU Commission, DG Enterprise and Industry, p. 3. 47 <http://web.worldbank.org>

## «GERMANY CAN EXPAND ITS POSITION AS A WORLD-MARKET LEADER THROUGH GREEN TECHNOLOGIES»

The Federal Ministry for the Environment finds that German enterprises in the environmental technology sector now have world-market shares of from 6 to 30% and that these are even expanding. «On a worldwide scale in 2007 a turnover of about 155 billion Euros could be realised in the lead market of environmentally friendly energy and energy storage, and thus 40% more than was predicted in 2006. By 2020 the market will grow to about 615 billion Euros. German companies have excellent prospects of profiting from these great market potentials by 2020». <sup>48</sup>

### What truth is there in it?

The development of environmental technologies is important and desirable not only for a country like Germany with its strong industry. The idea of the *green economy* consists in the principle of greening world-market and innovation competition and supporting them through state policies.

29

However, **first** we need more sharply to pose the question: What products are actually being celebrated here? Are electric motors considered components of the *green economy*, although they do not call into question the principle of automobile?

**Second**, we now see that in a central branch of the energy sector, the solar sector, despite German high-tech industries the production of solar energy panels is increasingly occurring in China. Because production is more favourable there. Clearly, what is at stake is not just technologies but also wage levels and the availability of resources. That China is outstripping Germany here is seen as a defeat for Germany. From the point of view of climate protection the country

from which the solar panels come is not an issue. Clearly, German policy is less interested in climate protection than in the success of German exports.

**Third**, in all the praise for competitive capacity it should not be forgotten that competition produces not only innovation but also losers. Many societies and people in countries with less innovation are forced into the position of resource suppliers for the GreenTech industries of countries like Germany. They remain poor and stuck in a semi-colonial condition. The out-competing of other national economies, as we currently see in Europe, leads to crises the devaluation of productive structures, unemployment and poverty. Behind the talk of «technological leadership» is the striving for global dominance. For the proponents of a *green economy*, environmental protection is to be put at the service of Germany's or Europe's leadership role – not the other way round.

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**Four**, as important as the development of new technologies is, they nevertheless remain, under conditions of world-market competition, a central component of competitiveness. This can hinder their cooperative circulation. For environmental protection it would be best if all countries had access to the cleanest technology of the day. However, technology, its price and when possible the monopoly of it are themselves part of global competition, and the intention is to deploy them profitably. The economically powerful and their political representatives tend to favour big capital-intensive technologies that they can control. Frequently soft and locally adapted technologies and non-technological orientations such as sufficiency, from which German exporters can hardly earn anything, are impeded.

**Five**, specific raw materials are necessary for the production of high-technologies. This aggravates the geo-economic and geopolitical competition for resources, which can in turn lead to conflicts. The most recent raw-material agreement between Germany and Kazakhstan shows that German technological leadership is also promoted through cooperation with authoritarian governments.



## «CONSUMER POWER FORCES ENTERPRISES TO PROTECT THE ENVIRONMENT»

Many articles advocating the *green economy* point out that there has long since been a change of values in society toward ecological products and modes of life and that this should be built on. «The age-old cultural understanding that it is possible to be very happy with little consumption of commodities has almost disappeared». <sup>49</sup> Even the federal government's Scientific Council for Global Environmental Changes (WBGU) sees in the evolving «post-material values» <sup>50</sup> an important basis for the transition to a sustainable economy. And, finally, the consumers are supposed, through their purchases, to force the enterprises to produce «cleaner» products. The key word in all this is «consumer sovereignty».

### What truth is there in it?

Individual behaviour, responsibility and the learning processes connected to them are important. This also involves choices of what to consume – Is the latest cell phone always necessary? How often is air travel necessary? And so forth. However:

**First**, before celebrating the power of consumers we need to pause and think: In the capitalist economy corporations determine what research and development is done and what is produced and what production procedures are used. Under what social and ecological conditions a mobile phone, for example, is produced and what components are assembled in it – all this is governed by the decisions of the companies.

**Second**, the commodity that confronts the consumer is often the result of a long production chain with many suppliers firms spanning the entire globe. How sustainable the

<sup>49</sup> Ernst Ulrich von Weizsäcker/Karlson Hargroves/Michael Smith (2010): Op. cit., p. 355.

<sup>50</sup> WBGU (Wissenschaftlicher Beirat der Bundesregierung Globale Umweltveränderungen) (2011), Op. cit., p. 100.

production is in all this is often not readily discoverable, and as a rule there is no or little information on this.<sup>51</sup> Consumer power is also limited by the fact that companies strive to give their products a «green» veneer – that this is frequently no more than a veneer is shown by the many food and other scandals.

**Third**, responsible consumption is often equated with self-denial. Why? Frequently simply because sustainably produced goods are more expensive and overstrain the finances of consumers. The power of consumers is thus largely determined by the content of their wallets. The person who has more money can buy ecologically produced products. Poor people have to forego doing so – unless they get a higher wage. However, this too is not to happen, because it would endanger the «competitive capacity» of the international competitive position of each country.

**32**

**Four**, the consumers cannot always choose. If local rail service is cut back then one mostly has to switch to cars; if daily work becomes denser then less time is left for preparing meals; if industrially produced and expensively packaged food is cheaper then certain parts of the population clearly have less choice than others.

A socio-ecological transformation means a different kind of distribution, another mode of production and life and not least also other means of life, which are consumed. However, this amounts to much more than hyping the consumer as a self-determined customer-king.

<sup>51</sup> This is so even in the case of the simplest products: «The question of how ecological this is in the end is continually harder to answer – for a New Zealand apple that reaches the shelf of an organic food store in Berlin by container ship does not necessarily have a worse ecological balance sheet than the Jonagold from Brandenburg, which is also sold in winter». From: TIP 5/2012 «Wie fair ist Bio wirklich?» [How Fair is Organic Really?].

## «THE GREEN ECONOMY CREATES OPPORTUNITIES FOR DEVELOPMENT FOR THE SOUTH»

According to the environmental programme of the United Nations (UNEP), a *green economy* is not only a means against climate change and energy insecurity but shows the countries of the Global South the way out of poverty, because it reduces CO<sub>2</sub> emissions, promotes resource and energy efficiency and alleviates environmental destruction. If economic growth and investments are less dependent on the destruction of environmental goods and the sacrifice of environmental quality then the rich and poor countries can equally achieve a more sustainable development.<sup>52</sup> At least this is the hope.

### What truth is there in it?

33

Even the UNEP senses that things are not that simple.<sup>53</sup>

**First**, the upswing in many countries of the South has indeed lifted millions of people out of poverty, but the impressive economic growth of the South is also based on non-sustainable modes of production and life, namely on its catch-up industrialisation. Countries such as China have achieved their enormous growth rates by competing in the world market with lower wages and often under ecologically poor conditions – also in the production of solar panels for the *green economy*.<sup>54</sup>

**Second**, since the structural adjustments of the 1980s many African and Latin American countries have been relegated to the status of raw-material suppliers to the North (this is the phenomenon of so-called «extractivism»). The *green economy* does not alter this, for it too needs resources – for example,

52 UNEP (United Nations Environment Programme) (2011a), *Towards a Green economy: Pathways to Sustainable Development and Poverty Eradication*, p. 16. 53 Ibid. 54 Jutta Blume/Nika Greger/Wolfgang Pomrehn (2011), *Oben hui, unten pfui? Rohstoffe für die «grüne» Wirtschaft: Bedarfe – Probleme – Handlungsoptionen für Wirtschaft, Politik & Zivilgesellschaft* [All Show and No Substance? Raw Materials for the «Green» Economy: Needs – Problems – Courses of Action for Economy, Politics and Civil Society], Berlin.

«sustainable» biofuels from corn, soya or palm oil. In addition, extractivism, which predominantly takes place in countries of the Global South, makes possible the continuation of a non-sustainable mode of life in the Global North.

**Third**, raw-material production for the *green economy* historically and currently leads in some regions of the world to severe conflicts – thus in countries such as the People’s Republic of the Congo many raw materials, for example coltan which is used in electronics for mobile phones and laptops, are illegally quarried and moreover serve to finance bloody wars.

**Four**, in the countries of origin it is especially the small middle and upper strata which profit from raw material extraction. The local population, on the other hand, get little from the exploitation of resources but as a rule must substantially bear the negative ecological consequences. The result?

34 Despite all achievements in the emerging countries in the areas of health and education, social inequality, according to a current report on human development, is on the increase. And growing social inequality fosters non-ecological behaviour.<sup>55</sup> It should be clear that the production of more raw materials for «green» branches does not automatically free the Global South from its misery. Representatives of the southern countries warn that the strategies for a *green economy* are dropping behind the aspiration expressed in 1992 in Rio – namely that of seeing development as the nexus between economic, social and ecological perspectives. There is a danger that *green economy* proposals ignore questions of distribution. Furthermore, northerners can point to environmental standards in justifying trade barriers vis-à-vis southern countries and at the same time compel the opening of markets to «cleaner technologies». And, finally, the strong state support for research and development in the northern countries lets the technology gap between north and south grow larger.<sup>56</sup>

55 UNDP 2011: HDR, p. 28. 56 Martin Khor (2011), Risks and uses of the *green economy* concept in the context of sustainable development, poverty and equity. South Centre, Research Paper No. 49, Geneva.

Freeing the weaker regions and countries from their dependency and strengthening alternative modes of production – the *green economy* does not deliver all of this free to our homes. It could only happen through a more democratic shaping of the world market and of international policy.

12.

## «THE GREEN ECONOMY FIGHTS POVERTY»

The UN officially speaks of a *green economy* «in the context of sustainable development and the fight against poverty». «Environmental destruction and poverty can be dealt with simultaneously by the applications of green agricultural methods». <sup>57</sup> Sustainable forestry and ecological agriculture are especially significant for subsistence economy, on which depends the livelihood of 1.3 trillion people. <sup>58</sup>

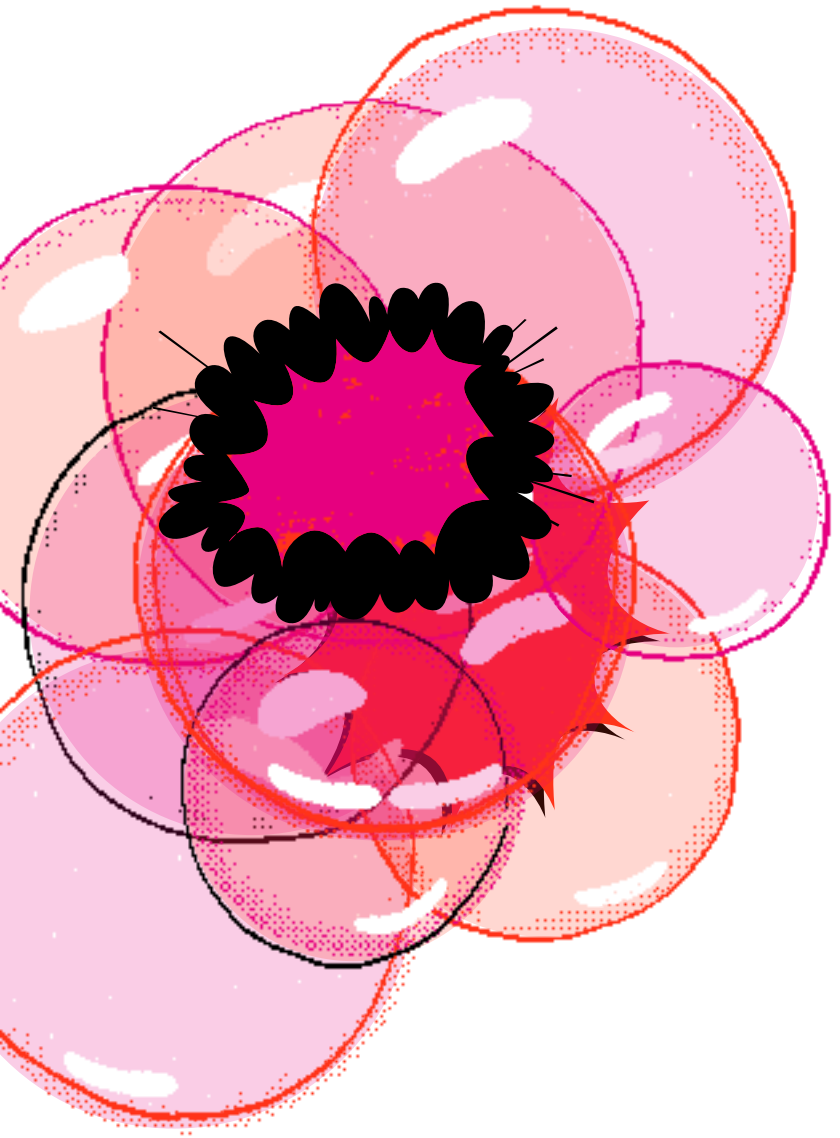
35

### What truth is there in it?

Here too there is a big problem, since the reasons for poverty continue to exist in the *green economy*: unequal access to education and health services, unequal income possibilities and unequal access to credits. There is a lack of investments in agriculture for the purpose of raising productivity, feeding farmers and paying the appropriate prices for their products. All this is the result of political and economic relations of power in many countries and at the international level. <sup>59</sup>

The experiences with «sustainable development» are not positive everywhere. It is not just that the extinction of species, deforestation and desertification are proceeding. Due to the continued existence of the given power relations, the many well-intentioned initiatives have often led to an increase of poverty. Indeed, there are cases in which indigenous peoples have been driven from their land (allegedly because their mode of economy is designated as non-sus-

<sup>57</sup> UNEP (United Nations Environment Programme). 2011a, Op. cit., p. 36. <sup>58</sup> Ibid. <sup>59</sup> Edgardo Lander (2011), El lobo se viste con piel de cordero. América Latina en movimiento 468–469. Special issue of El cuento de la economía verde: 1–6.



tainable). Nature reserves are established in which absolutely no further interference in natural processes is to occur – and in some of these areas people must consequently leave their land (instead of being allowed, for example, to carry out a sustainable economy). People are also driven out because companies want to get access to natural resources.

Whether «green» or not – the decisive question remains whether the causes of poverty and inequality are being confronted and whether the economic and political structures are changed accordingly. A kind of development still prevails which most easily leads to a concentration of power on the part of companies in the agriculture and food sectors. Under the label of green technology we are experiencing the introduction of genetically modified seeds. People are expropriated and robbed of their possibilities of action. Small farmers lose their land and sink to the level of day labourers on big plantations where plants for biofuels are cultivated.<sup>60</sup>

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The reduction of poverty is thus a question of political and economic relations of power. At the same time the powerful political and economic instances do not seem to take poverty reduction so seriously. Thus the German federal government in its raw-materials strategy also considers fair opportunities for development on the part of the extracting countries important. The main motive for this strategy, however, is the securing of the raw-material basis of the German and European economy. This is shown by the most recent cooperation with Kazakhstan: 50 contracts at a total volume of 4.5 billion Euros were signed on the occasion of the most recent state visit by Chancellor Merkel. «Kazakhstan is an ideal partner for the provision of raw materials to Germany. This Central Asian country has nearly all needed industrial metals».<sup>61</sup> The fight against poverty and human rights ranks very low on the list of political priorities of Kazakhstan's authoritarian government. In December 2011 a protest by oil workers against the non-payment of wages was crushed by the police

60 IAASTD – International Assessment of Agricultural Knowledge, Science and Technology for Development (2009): Global Report. Washington, D.C.: Island Press. 61 <http://www.heise.de/tp/artikel/34/34457/1.html> (February 2012).

and military in the western Kazakh city of Zhanaosen. At least 16 people lost their lives.<sup>62</sup>

## CONCLUSION

**In the light of the false promises of the *green economy*, a social-ecological transformation is necessary (and possible)!**

38 The *green economy* is supposed to institute general harmony. Economy and ecology are to be reconciled: Nature will be protected and poverty reduced, economic growth will be strengthened and with it will come good jobs. But the ongoing destruction of nature as well as the increasing conflicts and social inequality show that it does not at all work so seamlessly – and especially because the capitalist compulsion to grow and the dominance of the profit principle repeatedly puts a spoke in the wheels. The *green economy* – as it is now being conducted in practice – does not reconcile corporations with the climate and the upper strata with the lower.

The *green economy* is thus not a win-win game but carries within it dozens of conflicts; it already excludes people, and it too is based on relations of power and domination. Consequently, what is important is to observe accurately the concrete forms of a *green economy* as well as the forces and interests driving it. In this it becomes clear: The currently dominant interest is in expanding capitalist market structures, and here too more growth is involved.

In capitalism there is indeed a response to problems such as environmental destruction, but largely under the control and according to the needs of corporations and the wealthy. It is therefore true that a fundamentally different energy

62 <http://www.sueddeutsche.de/politik/bundesregierung-schliesst-abkommen-mit-kasachstan-merkel-hebt-den-schatz-aus-der-steppe-1.1278456> (February 2012).



basis and higher efficiency of production and products is completely conceivable – if there is something to be earned then investors do not stand by the wayside. However, it is very much to be doubted that this incentive alone will lead to fundamental changes.

Abstract appeals to people to live modestly will yield little. Instead more fundamental questions have to be posed: What do sustainable cities look like? According to what criteria is food produced and distributed? How do we want to live?

The question of the *green economy* must not be reduced to CO<sub>2</sub> concentrations, solar-energy subsidies and large-scale technologies. More is involved. It is a question of how the concrete relations of people and of society to nature are shaped. Today this all too often takes an unsolidaristic and nature-destroying form. If this is to change fundamentally then social relations must be changed in the direction of a solidaristic and really sustainable mode of production and life.<sup>63</sup>

Such a change will only be possible if there are socially secured employment opportunities in which socially meaningful products are produced and if paid labour is not the only content of life («live in order to work») – paid labour must not only secure income but also be meaningful. The discussion of a «good life», as it is currently so productively being carried on in Latin America, offers stimuli here.<sup>64</sup> There is thus much to be done. Only if the capitalist growth compulsion and profit logic cease to be dominant does the path open to a world in which people shape their own relations of life and their relation to nature according to democratic, solidaristic and truly sustainable standards.

63 See several approaches in Ulrich Brand et al. (eds.) (2012), *ABC der Alternativen 2.0*, Hamburg. 64 Thomas Fatheuer (2011), *Buen vivir – Recht auf gutes Leben*. Berlin [Buen vivir – The Right to a Good Life], Heinrich-Böll-Stiftung. Also: Eduardo Gudynas (2012), *Buen Vivir – Das Gute Leben jenseits von Wachstum und Entwicklung* [Buen vivir – The Good Life Beyond Growth and Development]. Analysen der Rosa-Luxemburg-Stiftung, Berlin.

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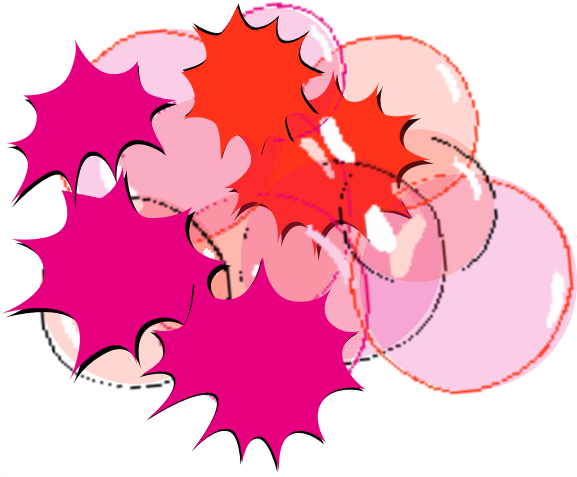
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