



Analysis

Promise and shortcomings of a green turn in recent policy responses to the “double crisis”

Olivia Bina ^{a,c,*}, Francesco La Camera ^{b,1,2}

^a Research Fellow, Instituto de Ciências Sociais da Universidade de Lisboa, Av. Professor Aníbal de Bettencourt, 9, 1600-189 Lisbon, Portugal

^b Ministero dell'Ambiente, della tutela del territorio e del Mare, Via C. Colombo, 44, 00144 Rome, Italy

^c GRM, The Chinese University of Hong Kong, HK SAR

ARTICLE INFO

Article history:

Received 26 January 2011

Received in revised form 8 June 2011

Accepted 17 June 2011

Available online 6 August 2011

Keywords:

Financial crisis

Growth

Mainstream economics

Ecological economics

Ecological sustainability

Justice

ABSTRACT

The paper analyses six international-scale responses to the financial and climate change ‘double crisis’ in order to: review how they define problems and solutions, analyse what underpins the policy choices revealed in these responses (the ‘green turn’), reflect on the implications of the proposed solutions in terms of sustainability and global environmental justice, and to suggest three elements for a paradigm shift towards an ‘alternative’ turn embedded in ecological economics theory. The analysis reveals that responses by leading international organisations continue to appeal to the precepts of neoclassical economy. We argue that from an ecological economics perspective, policy responses under the various labels of green economy, green growth, sustainable growth, green new deal, fall well short of what is needed to fight the environmental crisis and rising inequality across and within countries. The idea of justice and equity that underpins the mainstream approach seems inadequate in terms of sustaining our environmental base and global environmental justice. Based on this critical review, we propose an ‘alternative turn’, centred on three elements of a paradigm shift leading to a new economy where the environmental base and global environmental justice are at the centre of the discourse.

© 2011 Elsevier B.V. All rights reserved.

Without a sustainable environmental base, we will have little hope of attaining our objectives for reducing poverty and hunger and improving health and human well-being. (UN Secretary-General Ban Ki-moon’s message for International Mother Earth Day on 22 April 2010)³

1. Introduction

The new millennium has marked a return to the fore of the age-old question of the relationship between man and nature, between

society and the environment. The financial and climate change crises marking the end of the first decade of the 2000s are testament to the fastening pace, and scale, of an increasingly problematic relationship. Circumstances have changed significantly since the early stages of industrialisation, and pressure on the global environment is escalating, but as we will argue the ideas and values framing problems and solutions have barely shifted. In this light, given the repeated evidence of serious degradation of the biosphere and the urgent need for change, the UN Secretary-General Ban Ki-moon’s message for International Mother Earth Day on 22 April 2010 (above) seems at once essential, but woefully inadequate in the face of decades of failure to respond effectively to stem the loss of our ‘sustainable environmental base’.

This double crisis, as it is often referred to (Edenhofer and Stern, 2009), is perhaps the most significant challenge to the viability of current market-economy models. It focuses attention to the models’ growing impact on the environment (Rockström et al., 2009; Worldwatch Institute, 2010), on the ecosystems on whose services we ‘fundamentally depend’ (MEA, 2005; see also Nellemann and Corcoran, 2010; Neumayer, 2010), and to the widening inequalities within nations as well as between world regions (Foster and Magdoff, 2009; OECD, 2008a,b; UNDP, 2007; Worldwatch Institute, 2010). Political ideology, and primarily the ideologies underpinning mainstream economic policy choices, together with geopolitical and financial interests, have contributed to the crises (as discussed from

* Corresponding author at: Research Fellow, Instituto de Ciências Sociais da Universidade de Lisboa, Av. Professor Aníbal de Bettencourt, 9, 1600-189 Lisbon, Portugal. Tel.: +351 21 7804 787; fax: +351 21 7940 274.

E-mail addresses: o.c.bina.92@cantab.net (O. Bina),

francesco.lacamera@fastwebnet.it (F. La Camera).

¹ Tel.: +39 3298667299; fax: +39 0657225813.

² The views expressed here are the author’s, and do not reflect an official position of the Ministry.

³ Text of UN Secretary-General Ban Ki-moon’s message for International Mother Earth Day on 22 April, Secretary-General, SG/SM/12849, OBV/870, ENV/DEV/1118, Department of Public Information, New York, <http://www.un.org/News/Press/docs/2010/sgsm12849.doc.htm> (accessed: 20/4/10).

diverse perspectives in: Cooper, 2010; EuroMemo Group, 2010; Hulme, 2009; Skidelsky, 2010; Stiglitz, 2006; Turner, 2010) and, we will argue, continue to influence the definition of problems and solutions at the expense of real change needed to address the root causes of injustice.

The unravelling of the double crisis has triggered a proliferation of new policy responses, by national governments and international agencies. This paper focuses on the role of mainstream economics⁴ as the dominant model and belief system that underpins these responses. Economics as a discipline and as a sphere of government activity continues to enjoy a privileged position within the machinery of government, in line with Robert Skidelsky's (2009) observation that economics is the 'tutor of governments'. It is therefore crucial to understand how mainstream economics interprets the relationship between man and nature (or: the environment, institutions, society and the economy itself), to see how recent responses coincide or depart from such interpretation and to reflect on the implications this might have (1) for the sustainability of our environmental base, and (2) for the promotion of justice.

Our aim is fourfold: to review a selection of responses to the crises by international institutions – 'the green turn', namely how they define problems and solutions (Section 2); to analyse what underpins the policy choices (Section 3); to reflect on the implications in terms of sustainability and justice; and to suggest three elements for a paradigm shift towards an 'alternative' turn (Section 4). The analysis draws on a range of disciplinary perspectives, but centres on mainstream and ecological economics.

2. Responding to the Double Crisis

A wide range of policies has been promoted with the aim to address the double crisis. Sedlacko and Gjoksi (2010) provide a comprehensive overview of European (member states and the European Commission) and international initiatives. Our analysis focuses on a range of policy documents by five major international governmental institutions: the European Commission (EC, 2010), the Organisation for Economic Co-operation and Development (OECD, 2009, 2010a,b), the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, 2008), and United Nations Environment Programme (UNEP, 2009a,b). Together, these represent three macro geo-political areas (Europe, the Asia-Pacific and the world's richest countries-OECD) and two global perspectives: from the United Nations and from an organisation representing the business perspective (World Business Council for Sustainable Development, WBCSD, 2010). The coverage is not intended to be comprehensive, but to reflect recent thinking in the rich world, in the private sector, as well as in the Asia Pacific region, widely credited for lifting the world out of recession.

2.1. The International Green Turn

Europe's response to the double crisis, the European Commission's 2020 strategy, begins by outlining Europe's predicament: '[t]he recent economic crisis has no precedent in our generation... 10% of our active population – are now unemployed. The crisis has been a huge shock for millions of citizens and it has exposed some fundamental weaknesses of our economy' (EC, 2010). It leaves no doubts about the problem framing that underscores this agenda-setting document: there is a problem with Europe's economy. More specifically, the strategy reveals a number of related concerns, if not fears: (1) rising competition for resources and geo-political influence, for example with reference to the G20, (2) insufficient jobs, rising poverty and insufficient territorial cohesion, and (3) ageing population. The

environmental question, and the link between the problem of the economy and the 'environment' are less developed. Virtually all debate on the environment centres round the issue of climate change and energy. The 'resource challenges' requiring 'drastic action' are primarily a concern over energy security (and lack thereof), loss of competitiveness and structural problems and long-term challenges of globalisation also in terms of pressure on resources (EC, 2010).

Three priorities should be the heart of Europe 2020:

- Smart growth-developing an economy based on knowledge and innovation.
- Sustainable growth-promoting a more resource efficient, greener and more competitive economy.
- Inclusive growth-fostering a high-employment economy delivering economic, social and territorial cohesion.

These three priorities are mutually reinforcing; they offer a vision of Europe's social market economy for the 21st century' (EC, 2010).

The theoretical framework for this agenda is firmly grounded in ecological modernisation. In this sense, there is surprisingly no mention of the fact that the Commission's 1993 White Paper (EC, 1993) had already acknowledged that (1) there had been insufficient use of labour resources in the corporate sector, due to high taxes on labour, and (2) an excessive use of environmental resources for the converse – and arguably perverse – reason of low or zero taxation on pollution and resource use. The current strategy adds little to the insight of 1993.

Moving to the broader outlook for industrialised nations, we turn to two responses by the OECD. At the 2009 meeting, OECD Ministers embraced the notion of 'green growth', and placed particular emphasis on technological solutions, stating that: '[i]n order for countries to advance the move towards sustainable low-carbon economies, international co-operation will be crucial in areas such as the development and diffusion of clean technologies, ... and the development of an international market for environmental goods and services' (OECD, 2009). In the follow-up document: Green Growth Strategy Interim Report: Implementing our Commitment for a Sustainable Future (2010b), market mechanisms are considered central to solving the double crisis, facilitating the operationalisation of policy responses: '[s]ome of the most effective tools include getting the prices right, encouraging investments and green technologies and eliminating harmful policies, like fossil fuel subsidies. Promoting these instruments is among the smartest options'. Similarly, in its Innovation Strategy, the OECD (2010a) emphasises the importance of technology, and the need for greater resource efficiency and, in a clear reference to the climate change agenda, the urgency of systemic change towards low-carbon economies. The solutions therefore lie in price signals and the adoption of policies that can facilitate innovation and technological diffusion.

Moving even more broadly, we consider the work of the United Nations, through UNEP and UNESCAP. UNEP is more openly critical of the economic model pursued to date (the market and capitalist economy), building on the ample evidence of conflict between economic growth and the environment, the old man and nature tension. UNEP thus promotes sustainable economic growth, seeking to maximise the chance of turning a crisis (the financial one) into an opportunity to address climate change, and environmental damage more generally, through a Global Green New Deal (GGND) – a clear echo of Roosevelt's New Deal but at a 'global scale, and embracing a wider vision' (UNEP, 2009b):

'At the first level, the objectives of a GGND should represent a common desire to restore to health a disrupted financial system, an economy in recession, and severe job losses. Our objectives must also address the vulnerability of the poor, which is especially acute at such times of crisis. Secondly, we must ensure that our "post-crisis" economy follows a sustainable model and does not continue to add to the two most significant risks faced by society: ecological scarcity

⁴ See for example the schools of thought being discussed as part of the analysis of the latest financial crisis in: <http://ineteconomics.org/>.

Download English Version:

<https://daneshyari.com/en/article/5050496>

Download Persian Version:

<https://daneshyari.com/article/5050496>

[Daneshyari.com](https://daneshyari.com)