Paper Submission for an Accepted Session at ESEE 2015

**Session Title**:
"From incremental to radical transformation: reconciling energy systems with 2°C carbon budgets"

**Paper Title**:
Failures of Green Growth as a Means for Addressing Climate Change

**Extended Abstract**
The debate over how to address greenhouse gas emissions reduction remains unresolved. The basic conflict between the environment and economic growth is fundamental to the problem but is something now being denied. Green Growth has been put forward as resolving the issue. Such a growth path is being heavily endorsed in Europe and by major international players in the global economy.

In September 2014 a high profile report called "Better Growth Better Climate: The New Climate Economy Report: The Synthesis Report" specifically aimed to promote this approach (GCEC, 2014). The report is backed by people working at the highest levels in international community from organisations such as the World Bank, United Nations, OECD, and IEA, who combine their knowledge with five ex-heads of state, experts from the banking and finance world and a committee of economics professors. The economists are led by Nicholas Stern who has written a covering essay justifying economic growth and the approach being employed (Stern, 2014).

This powerful elite has stated that all the countries of the world can have better growth and a better climate, and indeed strong growth is how to reduce poverty. The arguments presented are an apologia for the continuity of a capital accumulating political economy that reeks environmental destruction, mass dislocation of people and creation of urban poverty. The rhetoric is one of concern for climate change and the poor, but the essence is to maintain business as usual in a structurally unchanged political economy of war, imperialism and exploitation.

The energy sector faces a major turn-over in physical capital stock that provides an opportunity for a change away from fossil fuel dependency. The economy does need serious restructuring and is in danger of continuing down a totally destructive path. However, the restructuring is not merely a matter of transition to more nuclear, gas, solar and wind rather than coal in electricity generation, or more electric and hybrid cars, or more subsidies for R&D, or more free trade to spread new technologies. Avoiding climate change means the fossil fuel sector is dead, and its assets are toxic.

Their numerous references to market failure, calls for government intervention and changing all the prices in the economy mean recognising the need for planning. That many governments are not trustworthy and are removed from accountability to the people is far from encouraging for a new phase of planning. However corporations are themselves undemocratic institutions and their promotion a threat to democracy. What goes unrecognised is the need for new and accountable democratic institutions and the role of civil society in representing the people against the vested interests of corporations. Instead the top down recommendations aim to empower corporations and a technocratic elite.

The whole new economy report is framed in a way that avoids the problem of climate change. The time horizon is less than 15 years, the policy goal is minimizing risk, the target is 2°C, the aim is managerial control using metrics and models, the ethic is consequentialist and utilitarian, harm of the innocent is equated to lost output, and the core issue is reduced down to a market failure correctible by 'getting the prices right'. This methodological

reductionism is a standard mainstream economic approach (shared by the Stern et al., 2006 report). That is, talking about the problems in grand terms and then reducing them down to something else, something that fits within a standard economists frame of thought. Strong uncertainty becomes weak risk assessment, cost shifting becomes externalities, Nature becomes capital, poverty becomes income level, intergenerational ethics become discounting, catastrophic disaster becomes a benefit of pollution control to trade-off with a cost. This report follows suit.

There is so much that is left out, readily dismissed or just not discussed in this report. The oil industry, transportation besides new cars and buses, the EROI, the power of corporations, the contribution of industry to greenhouse gases, the impossibility of decoupling, the Jevons paradox, urban poverty driven by growth, other environmental problems created by growth, resource extraction, rare minerals, resource wars, the role of the military, the losers in the competitive race for more, the imperial mode of living, quality of life, and so on. There is in short more left-out than put-in.

What all this points towards is that if the COP meetings continue down this route they will never address the fundamental causes of climate change. Indeed, much of the financial and economic thrust of the report is already on the UN agenda for Paris. This is a discourse captured by the rhetoric of a growth economy left unquestioned and unanalysed. COP will then produce policy recommendations for sure, and it will produce actions to spend trillions of euros, dollars, yuan, rupees, reals and roubles. The actions will indeed maintain “strong growth” by investing in R&D for new technologies, implementing financial mechanisms to salvage the value of toxic assets, creating new financial instruments for trading on the market, making loans available for more debt, replacing old products and production processes with new ones stimulating more production and consumption.

This presentation analyses how the climate issue is framed in a narrow reductionist fashion that fails to address the fundamental contradictions of a growth economy and its model of development. The paper covers the framing of the debate, getting the prices right, energy and material throughput, growth versus human health and the environment, the ethics of a growth society, and the conflicts between corporate interests, government and civil society. One conclusion is that planning is back on the agenda, but this raises serious questions of governance that are not being addressed. Another is that little can be expected from the Conference of the Parties (COP) on climate change as long as they ignore the wider implications of the growth society, its institutions and structure.

**Literature Cited**

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