Green Revolution 2.0: Pathway to Justice

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Dr. Puschra, The Organizers at the Friederich Ebert Stiftung, Under-Secretary General Mr Sha Zukang,

Excellencies, Distinguished Guests, Ladies and Gentleman,

I am very honored to be here this afternoon.

I want to especially thank the Friederich Ebert Stiftung for organizing this retreat and seeking my involvement.

<u>Context</u>

· As you know in 2009 the UN General Assembly decided that a UN Conference on Sustainable Development will be held in 2012.

The objective of the 2012 Conference is "*to secure renewed political commitment for sustainable development, assessing the progress to date and the remaining gaps in the implementation.***

The General Assembly agreed that one key focus would be:

"*a green economy in the context of sustainable development and poverty eradication and the institutional framework for sustainable development*"

The green economy is has the potential for revolution in the strict sense of the term:

So we might think of the Green Economy as a kind of Green Revolution or Green Revolution 2.0—to distinguish it from the first one that targeted agriculture.

To be truly revolutionary the Green Economy will have be rooted in a massive overhaul of the economy at both structural and ideological levels.

Since a true revolution, in the strict sense of the term, is both:

a fundamental change in political organization; *especially* **:** the renunciation of one government or ruler and the substitution of another by the governed

*and***:** a fundamental change in the way of thinking about or visualizing something

I could not agree more with many of the comments from yesterday:

The proposals for a green economy must be concrete.

They must recognize the looming issues of scarcity and the finite limits of the planet;

The structural and ideological changes now must be focused on the future, in short run to the MDGs, and further out towards the 2030 and 2050 horizon; and

There must be a deep commitment to tackle the worsening economic inequality and social immobility both between and within societies and generations.

It is this last point that I want to focus our attention over the meal.

The deep commitment to tackle the worsening economic inequality and social immobility both between and within societies and generations, is fundamentally a struggle to realize and institutionalize justice (which implies rooting out, delegitimatizing and constraining injustice).

This course is the proverbial Pathway to Justice.

Getting on the Pathway to Justice is means an easy one. What Revolutionary effort was "easy"?

Like an epic Sergio Leone film The "Pathway to Justice" as we build the next economy—call it green or great-- is shaped, at least by "The Good, The Bad and The Ugly".

(It's a fitting coincidence that the three gunslinger protagonists in "The Good, The Bad and The Ugly" were battling to find a lost fortune in buried Confederate gold amid the tumult and chaos of gunfights, hangings, and America's second revolution: The American Civil War.)

The Good

Green investments are growing.[1]

The Chinese invest 5-10 times the Americans—depending on whose data you believe. The Germans invest 2-3 the Americans. Even small countries like the Maldives are putting solar panels on all of their government buildings.

Last week (Sunday 25 Sept 11), China announced it will invest 2 trillion yuan (>$313 billion) in the area of "**green economy"** and "low-carbon development" in the next five years.

Such investments stand to cut 16% of per-unit GDP energy consumption compared to 2010.

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[1] http://www.eco-business.com/news/china-to-boost-green-investment/

“Green jobs” are growing. In the US by 3-4%. More than 100%, over all other jobs.

The Green economy is uniquely a place for growth in almost all countries. Rich, poor; large and small countries stand a chance to reap large benefits in the green economy, if its assembled and installed properly and justly it stands a chance to:

help some countries leap-frog over dirty technologies;

reign in dirty industries, like coal and petroleum; and

increase efficiency, promote genuine clean development, stave off unfolding climate catastrophe, and in the process address growing inequality.

The Bad

· In 1992 in Rio we were warned by my long time colleague and peer youth delegate in UNCED, albeit from Kenya, Ms. Wagaki Mwangi:

> “The United Nations Conference on Environment and Development deserves commendation for being able to gather over 100 heads of state, not for a state funeral, but for the resolution of a world crisis. But the question is, will this event mark the death and burial of several injustices and practices which are the fundamental causes of environmental degradation and underdevelopment?”
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> “UNCED has been recognized as the most democratic process of the United Nations. Democratic because it has attempted to involve otherwise powerless people of society in the process. But by observing the process we now know how undemocratic and un-transparent the UN system is. As youth our vision of a sustainable future is one that empowers people through genuine popular participation, which is ostensibly one of UNCED's recommendations for sustainable development.”
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> “Given how little has been achieved since Stockholm, it is evident that the system will not even solve the ecological crisis without itself conforming to popular participation and democracy.”
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> [“There are those who have said UNCED has failed. As youth we beg to differ. UNCED has been a success - for the all-time wielders of power. Transnational corporations, the United States, Japan, the World Bank and the International Monetary Fund have gotten away with what they always wanted - carving out a better and more comfortable future for themselves. The business community under the guise of the Business Council for Sustainable Development has succeeded in institutionalizing itself as a non-governmental organization.”]

Far beyond full commendation or outright condemnation of the process Wagaki's words were an admonishment against enlarging market mandates over ecosystems and social systems.

Yet this caution has not been fully heeded to date, by many leading authorities who are seeking to shape a transition to a green economy.

"The Economics of Ecosystems and Biodiversity" (TEEB) and a "Green Economy Report" (GER) are two leading problematic cases in point. Both argue, with scant empirical evidence, that nature, akin to an industrial contractor, *should (and can) be* precisely measured and valued according to the natural "services" that it provides -- such as water cleaning, carbon sequestration, and nitrogen cycling. Such services can then be paid for, offset, or securitized in the form of invented credits that can be traded to raise conservation money.

The operative phrase is "should be".

This claim is wedded to older 20th century, neoliberal thinking that does add up empirically.

My offices' myriad reviews (and numerous studies) of 20th century biodiversity prospecting reveals that it did not pay—for communities or firms; our ongoing work on carbon markets reveals that they are beleaguered at best and outright corruption rackets rife with fraud and malfeasance in the worst cases.

· We have learned on the road to Rio+20 that markets alone are not enough.

The paradox of the 20th century market is that while it ostensibly delivered so-called "freedom" by expediting the collapse of the socialist system, it has aided and abetted worsening inequality and social mobility.

Just before coming to Cancun, in November 2010, a report from the Bank's Independent Evaluation Group (IEG) poignantly revealed:

> "The World Bank's Carbon Finance Unit (CFU) has led, through its extensive activities in Clean Development Mechanism markets, to expanding the role of, and the infrastructure for, carbon trading between developed and developing nations. However, there has been criticism of the environmental quality of many projects that the WBG [World Bank Group] has supported, including industrial gases, hydro-power, and fossil (gas and coal) power plants, which may well have been either profitable in themselves or were pursued primarily for the purpose of national energy diversification and security policies. In addition, although the CFU was promoted as a market maker that could act as a carbon offset buyer until the private market flourished, the WBG continued to build up its trading after that private market was fully established. Finally, as a vehicle for catalytic finance and technology transfer, the IEG finds the CFU's record is at best mixed. The Panel

> suggests that the WBG has a public responsibility to ensure that its behavior advances the quality of international institutions that regulate carbon finance markets, rather than acting principally as a pure market player profiting from expanding market scale."

Markets may deliver efficiencies--sometimes.

Markets alone have never been designed to deliver justice.

Markets cannot deliver equity and socio-cultural harmony.

The Ugly

All Environmental indicators are down. Climate catastrophe is unfolding. Biodiversity is in rapid decline. Those on the margins are being harmed first and worst—especially in the Arctic, Africa, on small islands and even in poor and marginalized communities in some of the richest countries.

The ugliest part, may also be: We live in times of contradictions. Your task on the road to Rio+20 and beyond will be to sort through them.

On one morning a few years ago the Ecuadorian President announced his country's commitment to turning off oil drilling in the Ecuadorian Amazon at a cost of $6 billion; alas he joined the Venezuelan President later in the afternoon to announce a new $6B refinery.

While the US has exceptionally high green job growth. In the last month alone, ore than 1500 young people and students were arrested in front of the US White House challenging President Obama's commitment to sustained petroleum development in the form of the Keystone XL pipeline.

(Unlike the Swedes the US lacks (like many –or most?—countries) a plan to "End Oil Dependence" The Swedes assembled theirs across 2005 and published it in 2006.)

Time does not allow a proper parsing of the IEG report. We can say, however that the Bank itself, at its most honest, recognizes its role in climate finance to date is "at best mixed."

Yet the true contradiction begins when we put this in the context of the World Bank's investment ratios in fossil fuels over renewables. Some peg the ratio at 15:1 on the high end; 5:1 on the low.

The kicker is there is no real plan to reverse these subsidies. The first stab at a plan, that was leaked last week (See G20 Confidential Draft), argues that fossil fuel subsidies must decrease while the remaining capital might provide liquidity for self-confessed ailing carbon markets!

We must resolve these ideological and structural contradictions.

So after "The Good, The Bad and The Ugly"…

There is Still Hope, Hope for a Pathway to Justice

In the face of "The Good, The Bad and the Ugly": hope remains in justice—something further than equity, per se.

Hope remains with those of you in this room to deliver on the green economy.

The Pathway to Justice rest upon at least three trajectories:

Speed, Size and Substance

The Pathway to a real Economic transition—one that must be green and just—must be relatively fast, be formidable in coming to scale; and be rooted in fairness, or justice.

Speed - Fast

Size - Formidable

Substance – Fairness/Justice.

To get the speed, size and substance that will be fast, formidable and fair is the Pathway to Justice…

Let us consider three moves:

One. Think boldly and move earnestly and deliberately. Discussions of institutional reform have sometimes been described as an exercise in "rearranging the deck chairs on the *Titanic*." Any institutional reform process must begin with a recognition of the urgency for action. It must also begin with a commitment to the proposition that we need fundamental shifts in our political and economic practices if we are to avoid significantly accelerated ecological damage with disastrous consequences (already experienced by many) for people and societies. The enormity of the challenge calls for bold thinking, but it should not paralyze action just because big change is often difficult to achieve quickly.

Two. Take new economic policy seriously. The proposition that the world needs to move towards a "green" economy implies that the economy we have is not working, at least not for the environment and future generations. Change is required, therefore, in economic policy institutions as much as in environmental ones. But change is also required in neoliberal belief systems. That change means those systems must be abandoned.

Three. Take action certainly, but Take action on behalf of justice. Act for environmental justice. Act for climate justice.

"Injustice anywhere is a threat to justice everywhere." Your actions must primace justice. Green economic solutions must primace justice. The planet is not even. A shrinking number of people control the vast majority of the planets resources. The pollution and waste of a few threatens humanity writ large.

Ideas for green-GDPs, for gross national happiness indicators, for a green economy must be rooted in a commitment to justice. This means disproportionate resources must flow from those that have gained the most to help those that have gained the least to prime the green economic pump.

- We have to have more rigorous financial transaction taxes

[In many places where this is on the table, small FTTs are already in place. Where there is a concern on the impact of finance, we must recognize that it might be socially beneficial to curtail finance as presently configured given the staggering amount of social havoc it has wrecked on humanity. $1.7T went to Bankers, when the FAO estimated $30B would be needed to end hunger. That represents 600 years of a hunger free world.]

- We have to foster a just transition for workers; as we shift subsidies not to ailing carbon markets but to assist workers in transition.

- Countries in the north have to share technologies with those in the south. (This will be easier said that done given the legacy of the battle over anti-retrovirals.)

Fundamentally we will have to force a bold break with the idea(l) that:

There is never enough for those that have nothing; and there is always enough for those that have everything. This is the logic that enable

We can be bold. We must Be Bold. Be Bold for a Just Green Economy. Be Bold because: "Boldness has genius, power, and *magic* in it" Thank you.