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Green Economy – the Next Oxymoron?

No Lessons Learned from Failures of Implementing Sustainable Development

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The concept of a green economy has become the new buzz word in sustainability discourses, particularly in light of the approaching Rio+20 Conference. Because of the current economic crisis and the perception that sustainability politics cannot be implemented efficiently, politicians have set their hopes on greening the economy. But there are major problems with the aims and strategies linked to this concept. More specifically, if political, economic, and cultural constraints are not considered, green economy strategies, in particular an end to environmental degradation and successful struggles against poverty will not be successful.

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In his book, *Planet Dialectics*, Wolfgang Sachs (1999) called the concept of sustainable development an oxymoron given the fact that the concrete meaning of the term has always varied. The concept has served very different interests and policies and has tried to square the circle, i.e., "[h]ow can we protect nature while keeping on competing and growing economically?" (Sachs 1999, xii). In the following, and in light of the coming United Nations Conference on Sustainable Development (UNCSD) in Rio, I argue that the concept of a green economy might be the next oxymoron.

Green economy seems to have the potential to become the new leading strategy in political discourse – like sustainable development in Rio 1992. Looking back, it becomes clear that the concept of sustainable development was a political strategy of global environment and resource management and of ecological modernisation and, at least at the beginning, an attempt to reconcile environmental problems with those of development. It was, right after 1989, part of a prevailing optimism that global problems could be solved cooperatively. However, sustainable development has failed because of the absence of relevant socio-economic actors needed to significantly push this strategy; the "brown economy" has thus remained dominant. The worldwide use of resources, ecosystems, and sinks has dramatically increased within the last 20 years (Rockström 2009, Haberl et al. 2011). Sustainable development policies have largely failed, the most visible of which is the crisis of the Rio institutions, particularly the United Nations Framework Convention on Climate Change (UNFCCC) (Ott 2009, Kaufmann and Müller 2009, Conca et al. 2008, Wissen 2010).

In contrast to sustainable development, it seems that the green economy is attractive for relevant socioeconomic actors. Technologies to develop renewable sources of energy or electric vehicles

are available, and microelectronics play a much more important role today than 20 years ago. And there is another dynamic, i.e., the current financial crisis, the major cause of which is an enormous amount of over-accumulated capital that seeks new investment opportunities. Financial capital has discovered agriculture, soil, infrastructure, and environmental protection as a new field of investment, thereby creating opportunities for a few and threatening the living conditions of many, particularly in the Global South (Zeller 2010, Dörre et al. 2009). In sum, the concept of a green economy seems to promise an attractive orientation out of the crisis of neoliberalism that became manifest in 2008 and has since hit vulnerable countries and social groups.

The So-Called Green Economy

It is not possible to give a precise definition of the green economy. The United Nations themselves state the following in the first preparatory document for the Rio+20 Conference: "The green economy approach seeks, in principle, to unite under a single banner the entire suite of economic policies and modes of economic analyses of relevance to sustainable development. In practice, this covers a rather broad range of literature and analysis, often with somewhat different starting points" (UN Secretary-General 2010, p. 15, cf. also Röhr 2011). The concept of a green economy is, like sustainable development, rather an oxymoron which intends to bundle different, partly contradictory, interests and strategies and gives them a certain legitimacy and coherence.

Recently, several studies suggest that the economic and ecological crisis can be overcome by fostering a green economy. United Nations Environment Programme (UNEP) started its *Green Economy Initiative* in 2008. In 2011 UNEP stated: "[The] recent traction for a green economy concept has no doubt been aided by widespread disillusionment with our prevailing economic paradigm, a sense of fatigue emanating from the many concurrent crises and market failures experienced during the very first decade of the new millennium, including especially the financial and economic crisis of 2008. But at the same time, we have seen increasing evidence of a way forward, a new economic paradigm – one in which material wealth is not delivered perforce at the expense of growing environmental risks, ecological scarcities and social disparities" (UNEP 2011, p. 1).

The European Commission (2010) attempted to develop a plan for sustainable growth: the promotion of a resource-light, ecological, and competitive economy. In a communication from September 2011, the commission considered it necessary to fundamentally transform the European economy within the time span of one generation. Reducing resource use and increasing resource efficiency are seen as key mechanisms for coping with environmental problems and resource shortages and, at the same time, strengthening European competitiveness (European Commission 2011).

The EU Commission's plan is largely in line with the *Green Growth Strategy* of the Organisation for Economic Co-operation and Development (OECD), which focused on mutually reinforcing aspects of economic and environmental policy and stresses innovation as a means to decouple growth from natural capital depletion (OECD 2011).

Finally, the United Nations Department of Economic and Social Affairs (UN DESA) argues for a great green technological transformation by scaling up clean technologies, waste reduction, and sustainable farming. It sees that the concept of a green economy "embodies the promise of a new development paradigm, whose application has the potential to ensure the preservation of the earth´s ecosystem along new economic growth pathways while contributing at the same time to poverty reduction" (UN DESA 2011, v).

Was this not – more or less exactly – the wording 20 years ago when the term sustainable development was first promoted? At that time the focus was not so much on economic growth but rather, since the publishing of the Brundtland Report in 1987 (World Commission on Environment and Development 1987), on the widely held assumption that economic growth was the basis for sustainable development. Today, strategy papers of important institutions can be read as offering the world an option in the midst of an economic crisis: green growth and green economy.

Problem Diagnoses

The problem diagnoses of the green economy contributions are quite similar: The dominant paradigm of economic and social development becomes problematic given the impossibility of the business as usual scenario and the globalization of resource-intensive Western production and consumption patterns. Also, the neoclassical argument that prices for products do not reflect the "true" environmental costs is often used. At the same time, the necessity of (lenient) political regulations is acknowledged: Not every situation lends itself to market instruments. In certain cases, well-designed regulation, active technology-support policies, and voluntary approaches may be more appropriate or an important complement to market instruments (OECD 2011, p. 12).

The goals and strategies are also common: a low-carbon economy, resource efficiency, green investments, technological innovation and more recycling, green jobs, poverty eradication, and social inclusion. Special emphasis is given to an adequate political framework. The UN Secretary-General (2010, pp. 15-16) summarizes political strategies towards a green economy:

- adjust prices to reflect the internalization of external costs, encourage sustainable consumption, and implement policies that promote the greening of business and markets more broadly;
- implement tax reforms that support environmentally-friendly and sustainable practices;
- Expand public support for sustainable, more energy-efficient infrastructural development to conserve and boost natural capital;
- enhance research and development programs focused on green technologies (e.g. clean energy);
- target public investment to create programmes and forge alliances that promote self-sufficient ecologically and socially-sound economic development, and
- implement policies that harmonize social goals with existing or future economic policies.

All the studies and strategy papers seem to consider economic growth as desirable and necessary. However, what is usually described is the potential of a green economy whereas the obstacles and opposing interests are hardly addressed. There is a belief, akin to the beginning of the sustainable development discourse 20 years ago, that comprehensive win-win situations should be promoted. And there is firm trust in existing political and economic institutions and elites that are able and willing to guide this process. Correspondingly, gender perspectives and their focus on social reproduction and reproductive work are largely absent in the debate about a green economy (Röhr 2011, Wichterich 2011).

Structural Constraints to a Green Economy

Two curious parallels exist between the debate at the beginning of the 1990s and today. One important global development that was overlooked in the 1990s was the growing role of military conflict in the world that, at least in part, was driven by resource competition (cf., Lander 2011, p. 5). Only 16 months before the first Rio conference in 1992, the Second Gulf War took place. But this was not at all an issue in Rio. The militarization of world politics has deepened since then. Another aspect that was downplayed around 1992 was the intensification of liberal globalisation with an enormous increase in the use of resources and the burdening of sinks. The Uruguay Round of the General Agreement on Tariffs and Trade (GATT) agreements moved towards the consolidation of liberal globalization and the establishment of the World Trade Organization in 1995. Again these developments were not included in the Rio deliberations. Today, problems of liberal globalization are considered but it remains an open question as to whether the related (dominant) economic and political forces can be weakened. However, we face a new historical situation which reflects structural constraints to the ambitious proposals of a green economy.

Scepticism

As previously stated, the upcoming debate about a green economy prior to Rio+20 can be seen as the attempt to reformulate sustainability. In the following I highlight some structural elements that have in some way impeded the implementation of truly sustainable changes and therefore need to be considered – and which should be changed if the necessary socio-ecological transformation is to be taken seriously. The assumption of the following argument is that there is a certain and empirically-evident scepticism that the stated aims of a green economy cannot be realized. This scepticism rests on: 1. existing – and even slightly changed – political strategies including the orientation of national states towards global competitiveness and geopolitical interests as well as the promotion of free trade by powerful international institutions; 2. economic institutions like the capitalist market and the profit-driven development of technologies which in principle do not promote sustainability; 3. dominant societal orientations like growth at any cost and the increasing exploitation of nature; and 4. power relations under the dominance of elites who aim to maintain their status.

First, with the emergence of countries like China, India, and Brazil as strong and self-conscious economies, we observe in fact new geopolitical rivalries for scarce resources. The Chinese government, for example, prohibited the export of certain rare minerals in order to push up prices and use them for production processes in China. The EU is promoting the Europe 2020 strategy and the European Commission (2011) refers explicitly to growing resource competition as well. I do not see this as a driving force for a progressive reconfiguration of society-nature relations in light of the problems of environmental degradation despite the fact that geopolitical rivalry might lead in some cases to technological innovation.

Second, the proposals to promote a green economy demand strong regulatory frameworks. However, the existing regulatory frameworks mainly promote unsustainable production and consumption practices. Economic and political strategies focus on the cheap and stable availability of resources. And on the national and international level, financial and economic policies are usually more powerful than environmental policies. Up to now, the plea for an adequate regulatory framework seems blind against dominant power relations. Moreover, in the

current crisis, regulatory frameworks tend to develop in an authoritarian direction to secure access to resources for particular countries or regions.

Third, the notion of a green economy in most analyses and strategy papers also means "green" growth. Especially since 2008, policies are heavily concerned with the maintenance of economic growth and employment. Unsustainable growth in capitalist societies secures not only profits for the owners of assets and jobs for wage earners but it also constitutes the tax base of the state. We saw in 2008 and 2009 that crisis strategies did *not* go hand in hand with the reorientation of production and consumption patterns. A severe conflict exists due to the fact that business as usual strategies and official crisis management do not function.

Fourth, liberal politics of open markets and fierce competition have led to deindustrialisation in many countries of the Global South. What is reasonable from a neoclassical perspective — production that takes place where it is most efficient — has pushed many countries into the new old strategy of resource extractivism (Svampa and Antonelli 2009, Gudynas 2011). In most countries in Latin America, even in Brazil and in Mexico, this seems to be the only viable development strategy to alleviate poverty. For example, the US-dependent maquiladora industry[1] of Mexico lost its competitive advantage with the accession of China to the WTO in 2000. Today, most economic dynamics in Mexico take place in the mining sector. Resource extraction is the other side of the coin for a resource-intense economy in industrialized and industrializing countries. And it is the other side of the green economy since precious metals for high tech products mostly come from countries of the South.

Finally, beside the universalization of a Western model of production, globalization implies what can be called an "imperial mode of living" (Brand and Wissen 2011). Globalized liberal markets are inscribed in everyday practices within which the access to cheap and often unsustainably produced products and labour are normalized. This is not particularly disputed in the crisis and is actually universalizing among the global upper and middle classes (Kent and Myers 2004, Wuppertal Institut für Klima, Umwelt, Energie 2005).

Prospects

Some observers argue that strategies of a green economy are going to meet the same fate as sustainable development, i.e., to remain something for policy talks and not gain momentum (e.g., Brunnengräber and Haas 2011). I am not so sure. A selective greening of the economy is already taking place. However, given the outlined constraints, it is probable that a green economy will be realized in a highly selective manner sectorally and regionally, that it will not effectively address the problems of environmental degradation and poverty, and that it will not deal with the necessary development of new understandings and forms of wealth. The danger is that strategies of a green economy are going to be realised at the expense of other sectors and regions, e.g., the increase of renewable forms of energy at the cost of destructive palm oil production in Indonesia or biofuels in Brazil. The important questions are: What are the dynamics behind a selective greening of the economy? Whose interests are at stake? Whose interests are excluded or even repressed? Which forms of exclusion will be linked to a green economy (from a gender perspective, see Wichterich 2011)?

[1] A maquiladora is a manufacturing operation in which a factory imports materials and equipment on a duty-free and tariff-free basis for assembly, processing, or manufacturing and then re-exports the product.

I do not argue not to use natural resources at all (for a differentiated account, cf. Gudynas 2011) or to ask resource-rich countries not to export elements of nature as inputs for economic processes and well being in other parts of the world. The point is to ask under what conditions a greening of an economy takes place, which societal interests are strengthened, and which understanding of the economy and well being is promoted.

Another crucial question is whether the concept of a green economy and related strategies develop not only political-institutional coherence but also an economic coherence. Will the interests in research and development, production industries, and the financial sector be strong enough to counter the "brown industries" and related political forces? Or will there be compromises between the brown and the green industries and between capital and labour organizations that imply, in a sense, a "green corporatism"? Is the promise of skills for green jobs, at least in some countries and branches, attractive and viable?

Therefore, one should not downplay a specific function of the concept of a green economy: Given its broad meaning, it might orient manifold and specific strategies — i.e., to function as an oxymoron or, as Edgardo Lander (2011, p. 1) puts it, have "a tranquilizing dispositive" to silence doubt and criticisms (Arkonada and Santillana 2011).[2]

If my arguments about structural constraints are taken seriously and if my normative position — the necessity to effectively deal with questions of wealth and social justice, environmental degradation, and poverty — is acknowledged, then it is not enough to create adequate governance mechanisms to avoid resource conflicts, to reduce greenhouse gas emissions, or to stop the erosion of biodiversity. These have already been reflected in the era of sustainable development (Conca et al. 2008, Brand and Görg 2008). The underlying drivers of unsustainable production and consumption patterns need to be reshaped (Biesecker and Hofmeister 2006). A first step is to acknowledge those drivers.

A second step should be to link the debate about the drivers and structural forces with questions of democracy. This means not only considering actual problems of participation, but it also means asking who decides today about the dominant and mainly problematic norms of production and consumption; about forms of mobility and communication, housing and cities, agriculture and food; and about overall development paths. ETC Group[3], a nongovernmental organization, asks, "Who controls the Green Economy?" and names many companies which are already controlling and intend to expand control over renewable energy production, agriculture and food production, and the health sector.

The current constellation is quite open. It is not clear what direction socio-economic processes will take. This creates space for more fundamental alternatives constructed around the following issues: democratizing control over society-nature relations (instead of leaving this control to unleashed market forces), equitable access to the earth's resources and sinks (instead of the externalisation of ecological costs from the Global North to the Global South and from wealthier social groups to those that are marginalized), strengthening the notion of sufficiency (instead of focusing primarily on efficiency), linking questions and practices of decoupling with a comprehensive and democratic understanding of wealth, well-being and social quality (and not focusing on economic growth), and considering alternative experiences, approaches, and concepts in other regions of the world, i.e., in countries like Bolivia or Ecuador with their attempts to

[2] Some prefer to talk more explicitly about "green capitalism" (Kaufmann and Müller 2009).
[3] www.etcgroup.org

acknowledge and strengthen different approaches to nature and society´s relation to it. Given the depletion of resources, the overloading of sinks, and the increase of socio-ecological conflicts on various spatial scales, the conditions to pursue these issues and to politicize them successfully seem to be given.

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