

Green Capitalism Won't Work

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For the last twenty years, unions in the United States and internationally have generally accepted the dominant discourse on climate policy, one that is grounded in assumptions that private markets will lead the “green transition,” reduce emissions, and stabilize the climate over the longer term. Indeed, unions began attending the climate negotiations convened by the United Nations in the early 1990s, a time when the “triumph of the market” went unchallenged and the climate debate was awash with neoliberal ideas. Unions, therefore, focused on articulating the need for “Just Transition” policies to deal with the negative impacts on employment brought about by climate policies and to highlight the need for income protection, re-employment opportunities, education and re-training, and job creation.¹

In keeping with the policy discourse of the time, unions talked and acted as if the transition to a low carbon economy was inevitable—the science was, after all, definitive and a broad consensus was emerging among business, governments, and civil society that emissions reductions were urgently needed and made good economic sense. Few unions openly expressed the view that capitalism might be incapable of addressing climate change and that radical restructuring of political economy is necessary in order to stay within planetary boundaries.

The Financial Crisis and Green Keynesianism

When the financial crisis hit in 2008, unions became more assertive about the need for green investments as a means to fight rising unemployment and rising emissions levels.² Through the International Trade Union Confederation, unions joined with the United Nations Environment Programme (UNEP) and the International Labor Organization (ILO) to promote a “green jobs strategy” that pointed to employment opportunities in climate-friendly industries like renewable energy.^{3–5} Unions emphasized the reflationary value of green investments, hoping to turn the “green growth” agenda into a demand-side and more explicitly Keynesian project. This essentially social democratic version of the green economy provided a framework for core trade union concerns: workers’ rights, decent work (per the ILO’s Decent Work Agenda),⁶ “just transition,” job-centered growth, and a

strong role for the government and the public sector.⁷

Today, many unions (especially in Europe and the OECD countries more generally) still subscribe to the main assumptions of the green growth agenda and continue to try (with little success) to influence the debate. This remains the main orientation of the international labor movement, an orientation captured in three two-word terms—green jobs, just transition, and decent work.

But the entire green capitalist framework or “ecological modernization” (as it is sometimes known) was developed around a presumed certainty—that natural resource scarcity would make more efficient use of those resources the key to competitiveness and, therefore, success. This sense of certainty was captured by UNEP’s executive director’s statement in 2010 that “sustainable development is not a choice but an imperative and the only course possible for the future. A green economy will happen, either by design or default.”⁸

The inconvenient truth about resource scarcity is that it does not exist and certainly not in fossil fuels that feed an ever-expanding global economy. According to the International Energy Agency (IEA), more than 50 percent of new global energy demand is being met by coal, and fossil fuels are expected to meet more than three-fourths of total energy needs in 2035 on the basis of today’s policies. Exploitable coal reserves amount to one trillion tons globally.⁹ New sources of gas in shale formations have been identified. The Alberta tar sands have been described as the Saudi Arabia of “unconventional” oil. There are approximately 280 GW of new coal-fired power generation under construction at the present time.¹⁰ Energy companies are euphoric about the prospects of a new “golden age” for fossil fuels.¹¹ Since 2007, renewable energy has grown dramatically, but so, too, has energy demand. Modern renewable sources of power, such as wind and solar, still make up a tiny fraction of total energy consumption.

Therefore, green capitalism is not inevitable after all. It cannot rely on the logic of capital accumulation shaped by growing resource scarcity. Instead it, today, depends on *political* interventions that run counter to the logic of accumulation. In plainer terms, at a time when fossil fuels are both lucrative and abundant, market-based climate policy rests almost entirely on the ability to impose carbon pricing, pollution control regulations, policy support for renewable energy (including subsidies), and, perhaps most important of all, implementing a global agreement with mandatory emissions reduction targets and timetables.¹²

But if green capitalism depends on pricing carbon, incentives, and regulations, and the fossil fuel companies and other major polluters violently oppose these policies, then what? This raises the issue of power and the capacity of workers and their allies to challenge the political and economic power of the major polluters.

When it comes to proposing a political strategy to deal with the economic and political power of the fossil fuel companies and their “business as usual” agenda, the UNEP and ILO have almost nothing to say. The boldest policy proposal, by far, pertains to the removal of government subsidies for fossil fuel companies that are calculated to be in the realm of \$400 billion to \$650 billion per year globally.¹³ This would be a positive step, but it would not address the fundamental question of who owns and controls energy resources and for what reason energy is generated and used.

Unions moving toward engaging the climate issue, therefore, need to be aware that the influence of the UNEP and ILO over global trade union climate policy remains considerable. And as long as trade union climate policy operates in the shadows of the ILO and UNEP’s green economy framework, the struggle against the fossil fuel companies’ economic and political power and their “business as usual” agenda will be impeded.¹⁴

A low carbon and truly sustainable political economy will not be “incentivized” into existence. Regulatory and market-based approaches—including carbon markets and taxes—have failed because they do not confront the power of the corporations and their control over energy resources, infrastructure, and markets. They do not challenge the financial system that charges high interest rates to renewable energy companies, the impact of which is high prices for those who purchase renewable power. And these approaches have not been able to impede the rush toward rising energy demand, rising fossil fuel use, and rising emissions.^{15–21}

A New Climate Politics for Unions

A progressive global-level trade union climate policy can be built around five pillars: it must be independent, it must be science-based, it has to be internationalist, it must aspire to be transformative, and it must engage union members.

Independence

An independent trade union approach at the level of global discourse means putting some daylight between the interests of liberal capitalist institutions like the UNEP, and also the ILO and its institutional commitment to “tripartism.” The dominant “green growth” agenda as articulated by the UNEP was always essentially neoliberal and aimed at driving private-sector investment. This is echoed by the ILO, which sees government climate policy as a means to “influence the market and encourage the private sector toward a green transition and overcome the problems of missing private price signals. In this sense, public investment plays a complementary role to larger market-based mechanisms.”²²

An independent trade union approach is therefore needed, one that gets out from underneath institutions that still have illusions of the “green growth” agenda.

Science-Based

Most unions, and certainly the ITUC, acknowledge the need to adopt and pursue science-based emissions targets. But the full implications of a science-based agenda require a *different set of solutions* that go beyond the green economy framework as understood by the UNEP and ILO.

The IPCC’s emissions reduction scenario calls for nothing less than complete transformation in production and consumption patterns. Taking the science seriously also requires taking the solutions seriously, and the green economy framework can do neither. It is time to reject the illusion that a new phase of green capitalist accumulation is what is either likely or desirable.

Internationalist

The ITUC has been solid on the science and equally steadfast regarding the need for an internationalist approach. This approach is embodied in the United Nation’s Framework Convention on Climate Change (UNFCCC), which recognizes that those most affected by climate change today and in the future are largely not responsible for the emissions that caused it—and any new UN agreement needs to take full account of this reality.

U.S. unions have for the most part brushed these concerns aside, preferring instead to promote a “rebuild America with green jobs” discourse. This also needs to go. It is no accident that this “economic nationalist” perspective led the AFL-CIO to describe the Copenhagen Accord (which put forward “voluntary commitments” in place of mandatory ones) in glowing terms.^{23,24} The AFL-CIO has never supported the IPCC’s timetable for emissions reductions and is the only major national trade union federation not to do so. The Blue Green Alliance also applauded the Copenhagen Accord because it fit with its liberal industrial policy agenda and the perceived need to enhance U.S. competitiveness.²⁵

U.S. unions are not the only ones that tend to support their government’s position in the UN process and other multilateral venues. The Japanese unions affiliated to RENGO rarely break ranks with the Japanese government, for example. But there are instances where unions put the interests of the international working class above national considerations, as with the case of the Canadian Labour Congress, the Congress of South African Trade Unions (COSATU), the Korean Confederation of Trade Unions, and others.

Most unions believe the United Nations offers the best means of reaching a global agreement that is fair and inclusive. The UN/Kyoto process long ago acknowledged that rich nations owe an “ecological debt” to the poor ones as a result of the impact of their cumulative emissions. There are many flaws in the UN/Kyoto approach,

but most unions support it and reject voluntary or bilateral agreements that are often aspirational rather than binding and exclude small poorer countries from participating.

Transformative

Along with a science-based approach, the reassertion of social ownership is a crucial policy component of a trade union program to address climate change and the unsustainable character of today's political economy. Social ownership will never be endorsed by the likes of UNEP and the ILO—absent a major and unprecedented ideological shift within those bodies.

Many social movements in the North and South—among them some key allies of the trade unions—have rejected the “green growth” framework and propose a more radical set of policies and approaches aimed at restoring the “social and ecological commons.” In some parts of the left, the call for “system change” is every day getting louder. But the details of the transition are often unclear even at the level of theory. But this is beginning to change through debate and movement building.²⁶

A medium-term goal, therefore, is to secure a qualitative shift toward public and social ownership of key economic sectors, particularly electrical power generation, major transportation services, energy conservation, and food production, distribution, and retail. The need for action now, within the existing system, in no way negates the push for transformational system change. On the contrary, it hastens the tipping point, whether economic and/or political.

Engaging Members

An important part of the effort to mobilize union members, workers, and individuals is for unions and their social movement allies to identify a series of bold interventions that can begin to address not just climate change but also the full spectrum of unsustainable and unjust features of political economy. A trade union approach to “system change” is both transitional and transformative in nature, a perspective elaborated, for example, by COSATU in its 2011 submission to COP 17 in Durban, and the International Transport Workers at its 2010 World Congress.²⁷

This approach needs to be grounded in the historical traditions of economic democracy, worker cooperatives, credit unions, etc. and it is these traditions that can now be deployed in the effort to reclaim the economy and protect human civilization from certain destruction.

Organizing and mobilizing union members will be easier if unions embed climate protection into the work they are presently doing to defend and promote workers' rights, fight privatization, austerity, and defend public services—a message delivered with unique power by activist and writer Naomi Klein at the founding convention of the Canadian union UNIFOR in Toronto in early September 2013.²⁸

By integrating climate protection into their present battles, unions can broaden the social base of support for what they presently regard as their “core agenda.” Furthermore, they can play a role in articulating a clear and inspiring alternative that amounts to a new ecological and economic development paradigm.

Addressing climate change and all of the socially barbarous and unsustainable features of the system will require a deep restructuring of economic life and a shift in political power toward workers and communities. This is not “reform vs. revolution” *redux*. Both radical reform and revolutionary agendas have traditionally been contingent on more economic and political democracy and a qualitative expansion of the public sphere. Both are needed now—and efforts should be directed toward advancing social ownership of the carbon-intensive sectors and the financial institutions.

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- ↩ 2. David Coats, ed., “Exiting from the Crisis: Toward a Model of More Equitable and Sustainable Growth, Report of a Trade Union Task Force,” European Trade Union Institute, 2011, available at www.ituc-csi.org/IMG/pdf/Exiting_from_the_crisis_Washington.pdf.
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- ↩ 6. ITUC, “Growing Green and Decent Jobs,” International Trade Union Confederation, January 16, 2014, available at www.ituc-csi.org/IMG/pdf/ituc_green_jobs_summary_en_final.pdf.
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- ↩ 10. Pilita Clark, James Wilson, and Lucy Hornby, “Energy: The Toll on Coal,” *Financial Times*, October 1, 2013, 13.
- ↩ 11. “Are We Entering a Golden Age of Gas?” World Energy Outlook 2011: Special report, International Energy Agency, available at www.worldenergyoutlook.org/goldenageofgas.
- ↩ 12. One of the main champions of green capitalism Lord Stern, author of the landmark 2006 study *The Economics of Climate Change: The Stern Review*, has stated that a climate-friendly green capitalism largely depends on politically imposing a price on carbon, and activating this through emissions trading schemes (or “cap and trade”) that would, over time, cohere into a global carbon market. See Nicholas Stern, *The Economics of Climate Change: The Stern Review* (Cambridge: Cambridge University Press, 2007).
- ↩ 13. Achim Steiner, “Climate Lecture by UNEP Executive Director Achim Steiner at the Berlin Technical University,” United Nations Environment Programme—Environment for Development, November 14, 2011, available at www.unep.org/newscentre/default.aspx?DocumentID=2660&ArticleID=8938.

- ↩ 14. It is worth remembering the dominant “green growth” agenda as articulated by the UNEP and, to some extent, the World Bank, was always essentially neoliberal and aimed at driving private-sector investment. This is echoed by the ILO, which sees government policy as a means to “influence the market and encourage the private sector toward a green transition and overcome the problems of missing private price signals. In this sense, public investment plays a complementary role to larger market-based mechanisms.” ILO/UNEP, “Working towards Sustainable Development: Opportunities for Decent Work and Social Inclusion in a Green Economy,” International Labour Organization, June 12, 2012, 156, available at www.ilo.org/global/publications/books/WCMS_181836/lang-en/index.htm.
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- ↩ 20. Sean Sweeney, “Resist, Reclaim, Restructure: Unions and the Struggle for Energy Democracy,” Trade Unions for Energy Democracy, 2012, available at <http://energydemocracyinitiative.org/wp-content/uploads/2013/12/Resist-Reclaim-Restructure.pdf>.
- ↩ 21. According to CUPE, “We will work to keep energy generation and transmission public and promote public renewable energy, including advocating for bringing energy generation and transmission back into public ownership and control where it has been privatized.” See, “Working Harmoniously on the Earth, CUPE’s National Environment Policy.” CUPE SCFP, available at http://cupe.ca/updir/Working_harmoniously_on_the_Earth_-_FINAL.pdf; According to NUMSA, “We believe a just transition must be based in worker-controlled, democratic social ownership of key means of production and means of subsistence . . . Without this struggle over ownership, and the struggle for a socially owned renewable energy sector, a just transition will become a capitalist concept, building up a capitalist “green economy.” Statement by National Union of Metalworkers of South Africa (NUMSA), December 2012, NUMSA central committee meeting (CC), held December 11-14, at Vincent Mabuyakhulu Conference Centre, Newtown, Johannesburg, South Africa.
- ↩ 22. ILO/UNEP. “Working towards Sustainable Development,” 2012, 156.

- ↩ 23. AFL-CIO, Report from COP 15: “The AFL-CIO, ITUC, and the Copenhagen Accord,” unpublished.

The AFL-CIO’s delegation leader wrote, “We found ourselves closely aligned with the State Department negotiators on issues critical to U.S. unions such as border adjustments, the participation of advanced developing nations such as China and India in setting emission targets, and transparency in verification of emission reductions. The AFL-CIO, and environmental and business organizations, were all prepared to hold joint press events in support of the U.S. government negotiating position but it never came to that.”

It also stated, “The primary international opponents of the Copenhagen Accord are oil states. Venezuela, Sudan, Bolivia, Nicaragua, and Cuba voted against the Accord. The first three nations are oil-producing states that would lose major revenue if countries reduce their global warming pollution by using less oil. Sudan also acted as a proxy during negotiations for China’s opposition. The latter two nations are clients of Venezuela . . . The ability of a handful of petro-states to block the accord from being endorsed by the entire U.N. Framework Convention on Climate Change at Copenhagen suggests the flawed nature of the United Nations process that requires unanimity among 193 nations. Opposition will not stop those signing onto the accord from moving forward but many observers believe that the outcome of this meeting suggests that alternative venues will play a larger role in the design and implementation of future agreements.”

- ↩ 24. “The AFL-CIO, ITUC, and the Copenhagen Accord” (unpublished report, AFL-CIO, Report from COP 15).
- ↩ 25. Leo W. Gerard, Michael Brune, David Foster, Larry Cohen, Frances Beinecke, Mary Kay Henry, Terence M. O’Sullivan, D. Michael Langford, Warren S. George, Michael J. Sullivan, “The Honorable Todd Stern Special Envoy for Climate Change U.S. Department of State,” Blue Green Alliance, June 4, 2010, available at www.bluegreenalliance.org/news/publications/document/BGA-Bonn-letter-FINAL.pdf.
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