

Time for a U-Turn: Advocating a European Strategy for Climate Justice and Alternative Development Models



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CONTEXT

This Briefing Paper is part of an attempt on the part of European Alternatives to directly contribute to the definition of alternative political, economic, and cultural directions for the European Union. We believe an innovative European approach to the environmental challenge must take seriously the question of economic reform, as well as the inescapable connection between environmental and social justice. Such an approach can only be devised and justified through the active collaboration of civil society, social movements, and citizens, democratising the definition of the political direction of the Union.

INTRODUCTION

The fight against climate change has reached a critical point. After the failure of the COP 15 in Copenhagen, most governments seem to be suffering from a negotiation fatigue. The economic crisis has further complicated the issue. Currently, public debate is all focused on the road to financial recovery, thereby sidelining any serious reform concerning the ecological degradation of the planet. The general impression is that the economic downturn has left little room for the bold actions needed to curb greenhouse gas emissions, as the relationship between climate change and societal well-being is increasingly portrayed in an either/or fashion: curb emissions or save jobs, slow down the melting of the ice caps or boost economic progress.

In this new framework, fighting global warming is often depicted as a noble cause requiring a series of “sacrifices” that our societies are not in the position to afford at a time of global economic crisis.

This briefing paper argues that such a deadlock is due to the mainstream approach to climate change, which frames it as an environmental problem. By contrast, it is argued that climate change should be described (and tackled) as a social justice issue, as it compounds the instability of our development model.

The challenge is not deciding whether to create jobs or curb CO₂ emissions. It is rather how to revolutionize the way in which our economies have been working so far. The traditional linkage between societal development and economic growth must be decoupled, first of all by abandoning GDP as an indicator of success and international power. As a consequence, future policies should not aim at simply increasing GDP, but they should exclusively promote tangible and equitable wellbeing for citizens and for the ecosystems in which they live. In this view, Europe appears to have the instruments, economic leverage and the credibility to lead the way.

THE COPENHAGEN FIASCO AND THE FAILURE OF MULTILATERAL NEGOTIATIONS

Rhetoric flew very high on the eve of the 15th Conference of Parties (COP 15) held in Copenhagen in December 2010. In the words of the conference host, Danish Prime Minister Rasmussen, “leaders do not come just to talk. They come to act.”

*And they come – not to agree to just anything - but to agree to an effective deal based on our fundamental principles, on our common resolve and on the political, social and economic reality in our countries throughout the world.*¹

The UN Secretary General, Ban Ki Moon, echoed a similar argument: “We are here today to seal a deal on climate change. To forge an agreement that all nations can embrace. An agreement that is fair ... ambitious ... comprehensive”.² Perhaps the most forward looking was Ivo de Boer, Executive Secretary of the United Nations Framework Conference on Climate Change, who argued that “the clock has ticked down to zero. After two years of negotiations, the time has come to deliver. [...] The time for formal statements is over”.³

In spite of such rhetorical remarks, *real politik* stroke back in the Danish capital leaving civil society, experts, the scientific community and millions of citizens around the world with little to hope for. Given the abysmal mismatch between expectations and results, it is not surprising that Mr De Boer presented his resignation as chief of the UNFCCC a few months after the adoption of the so-called Copenhagen Accord, the non-binding and non-prescriptive proposal put forward on the last day of the summit.

Contrary to the declarations of the UN secretary general and some world leaders, who have described the Copenhagen Accord as ‘a first step’, civil society organizations, environmental groups and the scientific community saw it as a mere face-saving exercise. Indeed, since the Kyoto Protocol entered into force in 2005, the emissions of greenhouse gases (GHG) have all but declined. The global temperature has steadily risen, weather patterns have changed dramatically and natural disasters have escalated throughout the globe, hitting poor countries as well as richer nations. It is not by chance that, in the past couple of years, experts and policy makers have shifted from focusing on mitigation policies to adaptation programmes. Climate change is no longer a future possibility. It has become a reality with which many nations are struggling every day.

The fight against climate change is a complicated matter, as it is hampered by all traditional dilemmas of collective action. Climate is a public good since all human beings can benefit from it and no one can be excluded from its ‘consumption’. Therefore, like all public goods, it presents a major challenge to traditional utilitarian behaviour: since a good and stable climate is beneficial to everyone, a self-interested actor is incentivised to ‘free ride’ on it by enjoying its

1. Inaugural speech by L.L. Rasmussen, Prime Minister of Denmark (available at <http://cop15.meta-fusion.com/kongresse/cop15/download/rasmussen20091207.pdf>).

2. Ban Ki Moon, Opening Remarks at UNFCCC COP 15 High Level Segment. Copenhagen 15 December 2009 (available at http://cop15.meta-fusion.com/kongresse/cop15/download/091215_BanKiMoon.pdf).

3. Ivo de Boer, Opening of the Fifteenth Session of the Conference of Parties (COP 15), Copenhagen, 7 December 2009 (available at <http://cop15.meta-fusion.com/kongresse/cop15/download/ydb20091207.pdf>).

benefits while averting the costs associated with its maintenance. This is why such responsibility generally lies with public institutions, which are tasked with carrying the costs of the preservation of public goods. However, in the absence of a common global government, it is quite difficult to identify who should pay the 'climate bill' at the international level.

Imagine only a few countries agreed on a binding framework to curb GHG emissions. They would bear the burden of restricting their economic activities, while the potential benefits of their actions would impact on the whole community, including countries that refuse to sign up. In purely self-interested terms, whoever makes the first move is likely to lose out, at the advantage of potential free-riders. And as important as morality and justice can be, the economy is still a top priority in the agenda of all governments, at least those governments aiming to be re-elected in office.

Towards what ultimate point is society tending by its industrial progress? When the progress ceases, in what condition are we to expect that it will leave mankind? [...] It must always have been seen, more or less distinctly, by political economists, that the increase of wealth is not boundless.

John Stuart Mill, "Of the Stationary State", 1848

As a consequence, any little doubt or dent instilled into mainstream scientific thinking might serve the purpose of justifying inaction and delay the adoption of binding agreements. This is why powerful lobbies and so-called climate sceptics have been having the upper hand in the past few months. After the hacking into the server of the University of East Anglia, which revealed suspicious e-mail exchanges among scientists working for the UN International Panel on Climate Change (IPCC), climate sceptics have been working all out to achieve their longstanding objective: to discredit the evidence of global warming and rule out anthropogenic (that is, man-made) causes of climate change. This sceptical approach has been bearing fruit not only among political elites in the USA and in Australia, where the new governments have been struggling to pass progressive legislation on climate change, but also among European citizens, whose belief in man-made climate change has been diminishing.⁴

Such a grim conjuncture is not confined to the ranting of climate sceptics and the deterioration of public support. Governments have also undermined the effectiveness of the multilateral reduction process by pledging emissions cuts that are grossly insufficient by any standard. According to the January 2010 official pledges (as required by the Copenhagen Accord), Australia will reduce its emissions by a meagre %5 below 2000 levels by 2020 (up to %25 if a global binding agreement is reached), the USA will stick to its %17 below 2005 levels (emulated by Canada) and Japan has proposed a %25 reduction (on 1990 levels) contingent upon the establishment of a "fair and effective international framework in which all major economies participate". After Norway, which has promised a %40 cut on 1990 levels if a common agreement is reached (down to a %30 reduction *rebus sic stantibus*), EU member states have made the second most

4. In February 2010, a BBC poll revealed that 25% of Britons did not believe in global warming – a rise of 10% since a similar poll in November 2009. The percentage of those who thought climate change was a reality fell to 75% and, out of those who believed, one in three felt climate change had been exaggerated (up from one in five people in November). Only 26% of people thought climate change was "established as largely manmade" (<http://news.bbc.co.uk/2/hi/8500443.stm>).

significant pledge, with a reduction of %20 that would go up to %30 “provided that other developed countries commit themselves to comparable emission reductions and that developing countries contribute adequately according to their responsibilities and respective capabilities”.⁵

Perhaps the most striking paradox of this troubled multilateral negotiation is that, even if a global agreement is reached thereby pushing most countries to fulfil the upper end of their pledged emission cuts, the overall result will not be sufficient to avoid a rise of more than °2C in the average global temperature. Therefore, as things stand, the best case scenario (that is, all governments keep their vows with no exceptions) will not be enough to avert the so-called “runaway” climate change, with potential dramatic consequences for hundreds of countries and their populations. Not to consider that many civil society groups demand a containment of temperature rise to less than °2C and most tropical states and small islands have been demanding a °1.5C target.⁶

CLIMATE JUSTICE AND THE MARGINALIZATION OF EUROPE

The Copenhagen’s global summit on climate change was not just an international conference concerning the world’s ecological degradation. It was also a catalyst of tensions, rivalries and reciprocal accusations, accumulated over a long series of unsuccessful multilateral negotiations, from the Doha round of international trade to the reform of global governance. No wonder it quickly turned into a fight over who should pay the price for climate change, given the unequal distribution of resources and historically determined imbalances within the international community.

For about two decades, the global debate on climate change has mainly concerned technical issues. First, it was necessary to find the ultimate evidence of the rising trend in global temperature. Second, it was necessary to prove that such a ‘global warming’ was indeed caused by human activities. Finally, the 2007 Bali road map proved a corner stone insofar as it helped shift the debate from the scientific circles to the broader arena of politics. Moreover, the incidence and gravity of ever-more-frequent natural disasters has begun to capture the attention of the general public. Thus, in the past couple of years the issue of climate justice has taken centre stage: What countries are directly responsible for climate change? What countries will pay the dearest consequences? And, perhaps more importantly, who should pay the ‘bill’?

Climate justice was Copenhagen’s main stumbling block. Then it comes as no surprise that Europe, albeit presiding over the summit through its Danish presidency, was conspicuously marginalized by emerging powers and poor

5. For each country's details see: <http://unfccc.int/home/items/5264.php>.

6. “U.N. says emissions vows not enough to avoid rise of 2 degrees C”, Reuters, 23 February 2010 (available at <http://www.reuters.com/article/idUSTRE61M23G20100223>).

nations. The European Union's high-flying rhetoric (which included a perspective 30 per cent emission cuts by 2020 and millions of funds for adaptation policies and technological innovation in poor countries) did not warm hearts in the frozen Danish capital. To the contrary, European countries were blamed for sinking any chance to agree on a legally binding treaty.

The leak of a preparatory document sponsored by the Danish host on the eve of the Copenhagen summit was probably the best example of the distance between the European strategy and the interests of the so-called emerging/developing countries: to the disbelief of most participants, Europe's agenda included fixed targets for developing countries without a serious commitment to pay for the climate debt.

The document was immediately rejected and European countries were accused for wanting to scrap the special conditions afforded under the Kyoto Protocol, which excludes binding emission targets for all emerging and developing economies (the so-called non-Annex 1 countries)⁷. Even European commentators, such as the UK Economist Nicholas Stern, described the EU approach as utterly "arrogant", although it is likely that Europe's faux-pas was aptly used by some to actively derail the summit.⁸ Undoubtedly, the European arrogance offered an easy way out to the leading nations of the global 'South', primarily Brazil, South Africa, India and China (the so-called BASIC group).⁹ As remarked by the Indian government, "the EU drafts are clearly unacceptable to us", while other representatives added that any attempt to force such "unrealistic proposals" on the rest of the world would be thwarted.¹⁰

Among other problems, European proposal missed out on the all-important implications of 'justice issues' for the fight against global warming. Climate change did not occur over night: it is the outcome of about two centuries of industrial age further accelerated by the fossil-fuelled technological revolution of the 20th century. If one looks at the historical impact of polluting emissions (that is the quantity of GHG accumulated over decades), both Europe and the USA are far ahead of any other region. As scientists agree, it is indeed the accumulation of carbon emissions to exert the strongest impact on climate change, not the current aggregated levels.

The associated paradox is that the adverse effects of climate change will be most felt by countries that have not benefited from the intense exploitation of natural resources necessary to fuel Western industrialization. The poorest countries from sub-Saharan Africa, the Pacific Islands and South-East Asia will be arguably among the hardest hit regions of the world. Industrialized countries are also in pole position when it comes to per capita contributions to climate change: an American citizen is about 5 times more responsible for climate change than his Chinese counterpart, while the carbon footprint of a European is about 8 times higher than that of an Indian.¹¹

7. "Copenhagen climate summit in disarray after 'Danish text' leak," The Guardian, 8 December 2009 (available at <http://www.guardian.co.uk/environment/2009/dec/08/copenhagen-climate-summit-disarray-danish-text>).

8. "Copenhagen climate summit undone by 'arrogance'," BBC News, 16 March 2010 (available at <http://news.bbc.co.uk/2/hi/8571347.stm>).

9. "Copenhagen destroyed by Danish draft leak, says India's environment minister", The Guardian, 12 April 2010 (available at <http://www.guardian.co.uk/environment/2010/apr/12/copenhagen-destroyed-danish-draft-leak>).

10. J. Schall-Emden, "Back to the BASIC: Climate Change and Global Governance", European Alternatives (available at <http://www.euroalter.com/2009/back-to-the-basic-climate-change-global-governance-and-emerging-powers/>).

11. This data is an approximation of the 2006 figures published by the Carbon Dioxide Information and Analysis Center (available at <http://cdiac.ornl.gov/>).

These wide differences and inequalities explain why the rest of the world has been rejecting any agreement levelling the ground between rich and poor countries in the fight against climate change. Emerging powers, we have been told, do not want to agree on binding targets even though they have recently become significant contributors of CO₂ emissions. Having adopted our economic model linking social development to GDP, they have indeed mastered the master by arguing that fossil-fuel powered economic growth is necessary to eradicate poverty and modernize their societies. Not surprisingly, all emerging economies have endorsed a socio-economic approach to climate change. In their eyes, they should not be asked to curb the emissions of GHG if this compromises their developmental performances. Following the GDP-based philosophy exported by Western nations, they invariably link economic growth to social well-being, thus underlining the right of developing economies to bridge the gap with industrialized nations.

President Lula of Brazil, for instance, has been one of the most vociferous advocates of a socio-economic justice approach to climate change: “(Developed countries) should not only cover initiatives to reduce their emissions, but all the other harm they have already inflicted on the planet. We have to draw a line between rich countries, which have had an industrial policy in place for more than 150 years, and the poor ones which only now are beginning to develop. With respect to global warming, the responsibility of the rich countries is much greater than that of emerging countries.”

Similarly, the Indian government has often repeated that “[i]f the question is whether India will take on binding emission reduction commitments, the answer is no. It is morally wrong for us to agree to reduce when 40 percent of Indians do not have access to electricity”.¹²

The South African government admitted that “we know we are culprits in emitting carbon because we generate our energy from coal, but South Africa is a country with [...] socioeconomic issues. A sizeable amount of our population is without electricity so you have to factor all those issues before you can move away from coal completely.”

12. “India Rejects Calls for Emission Cuts: Officials Say Growth Will Be Compromised”, The Washington Post, 13 April 2009 (available at <http://www.washingtonpost.com/wp-dyn/content/article/2009/04/12/AR2009041202452.html>).

THE PITFALLS OF MARKET-BASED SOLUTIONS

At a closer look, the European strategy to combat climate change has so far been grossly rhetorical and decisively contradictory. The European Emission Trading Scheme (ETS), which the EU is particularly fond of and would like to see incorporated into a future international agreement, has so far shown inefficiencies and numerous dark sides.

The ETS was launched at the start of 2005 as a 'cap and trade' scheme whereby Member States define the yearly amount of 'allowances' (equivalent to 1 tonne of CO₂) made available to the market, which companies can then trade at prices established by traditional supply-demand processes.¹³ In theory, the cap on the overall quantity of allowances should create the scarcity needed for trading, but the experience has so far shown that the system is rigged with flaws. The evaluation of the ETS' first phase (2007-2005) has highlighted that most national 'caps' were too lenient and, in some cases, more allowances were distributed to the market than needed under a business-as-usual scenario, thereby implying that no 'real' efforts to reduce emissions would be required. As a consequence, the carbon trading sector was inflated with a significant amount of 'hot air' (that is, residual allowances not generated by any emission cuts) that crashed the market price of each allowance from about 30€ in 2005 to an all time low of 0.03€ at the end of 2007. A preliminary assessment of the proposed caps for the ETS second phase (2012-2008) reveals a new surplus of allowances (compared to business-as-usual scenarios), with few Member States having proposed caps requiring a substantial abatement of GHG emissions by participants.¹⁴

The auctioning process was also rigged with flaws. Member states were allowed to auction up to 5% of their allowances during the first phase of the ETS, but only four countries decided to embark on the auctioning process given that the volatility of the markets made the whole sales process more expensive than the expected financial returns. Hungary's experience very well illustrates the pitfalls of the market: it sold 1.2m tonnes in December 2006 at 7.42€, while a similar amount sold three months later in March 2007 fetched only 0.88€. The uncontrollable distortions of free market dynamics were also confirmed by the behaviour of utilities, which were given their allowances for free in the first phase, but passed on the cost of the carbon to customers, earning windfall profits in the process.¹⁵

In spite of the EU's official rhetoric, the European ETS has been a major disappointment according to most environmental NGOs worldwide.¹⁶ Not only has it not been able to enforce strict caps on affected industries (with some important emitting sectors such as aviation thus far left out of the scheme), but it has also allowed European polluting companies to 'outsource' their cuts to developing countries rather than carry out significant economic transformation within the EU. By incorporating the Kyoto-based Clean Development Mechanism (CDM) and Joint Implementation (JI), the European ETS has indeed relied on an additional flow of 'carbon credits' deriving from the sponsoring of allegedly 'clean' projects in developing countries, which, in theory, should offset the domestic emitting activities of European industries. Yet, as experts have recognized, the control, assessment and certification of offsetting programmes is quite hard to carry out. Moreover, it is entrusted to international auditing companies with vested interests in the sector, thus creating a major conflict of interest such as that involving investment banks in the eruption of the 2008 global financial crisis.¹⁷

13. Directive 2003/87/EC of the European Parliament and of the Council establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (13 October 2003, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CONSLEG:2003L0087:20090625:EN:HTML>).

14. The preliminary assessments of the national allocation plans (NAP) were conducted by Ecofys. Executive summaries of the reports are available at <http://www.ecofys.com>.

15. "Carbon Allowance Auctioning: EU Tries to Find the Right Balance", *ClimateChangeCorp*, 3 October 2007 (available at <http://www.climate-change-corp.com/content.asp?ContentID=4937>).

16. "NGOs Slam Emissions Trading Policy", *Business Green*, 1 April 2009 (available at <http://www.businessgreen.com/business-green/news/2239548/ngos-slam-emissions-trading>).

17. "Conning the Climate. Inside the Carbon-Trading Shell Game", *Harper's Magazine*, February 2010 (available at <http://citizensclimate-lobby.org/files/Conning-the-Cli-mate.pdf>). For a comprehensive critique of carbon trading mechanisms, see S. Böhm and S. Dabhi (eds.), *Upsetting the Offset: The Political Economy of Carbon Markets*, London: MayFlyBooks, 2009.



Credit: Leo / Flickr

Also forestation programmes have raised social justice problems. How many local communities risk being displaced by the introduction of pre-fabricated forests paid by international investors?¹⁸ How many of these new ‘forests’ present a genuine biodiversity and how many, by contrast, are simply monoculture tree plantations? Given the century-long growth period of most trees, what authority can ensure they will continue being protected throughout their biological life? How to distinguish between sincere efforts to avoid deforestation and initiatives that could have happened anyway? How to make sure that forestation and de-forestation do not become a new business for speculators?

As a matter of fact, recent research has demonstrated that forestation programmes might easily upset ecosystem equilibria, for instance by shifting natural water flows. An article appeared in *Nature* in 2008 shows that “young forests rather than old-growth forests are very often conspicuous sources of CO₂ because the creation of new forests (whether naturally or by humans) frequently follows disturbance to soil and the previous vegetation, resulting in a decomposition rate of coarse woody debris, litter and soil organic matter”.¹⁹ No wonder that even some experts of carbon offsetting have described tree planting programmes as “a waste of time and energy”.²⁰

Based on these contradictions and flaws, what moral credibility can the EU leverage at the international level? Thus far, very little (if one excludes the unquestioned progress made by some European countries in the field of renewable energy). Therefore, if Europe intends to lead the way in the fight

18. “The Inconvenient Truth about the Carbon Offset Industry”, *The Guardian*, 16 June 2007 (available at <http://www.guardian.co.uk/environment/2007/jun/16/climatechange.climatechange>).

19. S. Luysaert et al., “Old-growth forests as global carbon sinks”, *Nature*, 455, 11 September 2008: 213-215 (available at <http://www.nature.com/nature/journal/v455/n7210/full/nature07276.html>).

20. See the examination of Mike Mason, founder of Climate Care, at the Select Committee of Environmental Audit of the UK House of Commons available at <http://www.publications.parliament.uk/pa/cm200607/cmselect/cmenvaud/331/7022704.htm>.

against climate change, it needs to shed its market-based approach to emission cuts and replace it with a general reform inspired by social justice. As is argued in the next section, this is the only way for Europe to re-connect with the rest of the world and lead the way towards a meaningful reduction in GHG emissions.

FROM THE ENVIRONMENT TO SOCIAL JUSTICE: THE NEED FOR ANOTHER DEVELOPMENT MODEL

Public discourse frames climate change as an environmental problem. As a consequence, citizens are pushed to believe that, just like any previous environmental problem, there might be a technical solution to do the trick. When the world was threatened by the ozone layer, it was enough to ban chlorofluorocarbons. The reduction of sulphur dioxide in chemical reactions has been successful at addressing the problem of acid rains. So, why should climate change be treated any differently?

Because climate change strikes at the core of our development model based on infinite growth on a finite planet. The most well-known GHG, carbon dioxide or CO₂, is a very particular gas as it is part and parcel of biological life. When we breathe, we emit CO₂. When plants decompose, they release CO₂ in the atmosphere. When CO₂ becomes a threat to the sustainability of the planet, it means that there is something profoundly wrong about the way in which we have been managing our ecosystems. The most basic functions of our economies have become unsustainable. These include how we produce food (mainly through commercial agriculture and intensive farming), how we transport goods (selling foreign produce on local markets thereby endangering grassroots production systems), how we move and communicate (with airports constantly overflowing with passengers and goods traded from all corners of the world). We got deluded by conventional economic thinking into accepting the distortions of global economy as a sign of progress. What type of development are we talking about when it is cheaper to buy plastic-wrapped vegetables produced ten thousands miles away than purchasing them fresh at the local market?

The current development model, based on the dogma of infinite economic growth, is deeply unsustainable and unjust in at least three different regards. Politically, as it dictates that only a minority can control energy resources and its benefits, steer the market economy and, eventually, pull the strings of global governance. Financially, as it makes our societies completely vulnerable to financial ‘hiccups’, which are quickly turned into devastating and seemingly unstoppable economic crises (like the one we are living through at present). Environmentally, as it depletes the Earth of natural resources, causing serious ecological damage and undermining the future of biological (including human)

life on the only planet we have.

No matter what angle we choose, it is clear that this model is irremediably wrong. The overall picture is to be quite astonishing, although most of our societies continue being in blatant denial. The lion's share of global wealth is concentrated into the hands of %2 of the world's population, while over 1 billion people go hungry everyday. A few multinationals have larger budgets than entire nations. Global politics is controlled by 8 states (the so-called G8) out of over 190 countries (that is, less than %4). Undoubtedly, the current development model has had important positive effects on certain aspects of our quality of life. For instance, less people die today in the European Union than fifty years ago, education systems are more efficient, technology has covered significant ground in many fields. Yet, this applies to a small minority of citizens. For the vast majority, economic development has simply meant dispossession, privatization, devastation, and war. And even in the most economically developed countries, the following questions are still to be answered: Has market-based consumerism made our societies more mature? Is our economic 'prosperity' allowing us to enjoy life more fully? Are we really more satisfied when our country's GDP goes up? These are crucial questions that Europeans often refuse to face.

For a good portion of the 20th century there was an implicit assumption that economic growth was synonymous with progress. [...] But now the world recognizes that it isn't quite as simple as that.

OECD, Programme on Measuring the Progress of Societies, 2009

After sweeping all these issues under the carpet for decades, climate change is now forcing us to revise the fundamentals of our economic system. The planet cannot take it anymore. Even traditional economic reasoning would recognize that such a development model, which endangers the continuation of life on the planet while exacerbating injustices, is utterly sub-optimal and needs rethinking. While technology might help to some extent, it will certainly not solve the problem on its own. As discussed above, seemingly magical solutions such as cap and trade, carbon offsets, CDMs and other instruments contemplated by the Kyoto Protocol (and under negotiation at the UN level) are simply missing the forest for the trees. They have become weapons of mass 'distraction' by diverting citizens' and policymakers' attention away from the inherent flaws of the current development model.

For as long as climate change will be treated as an environmental problem, no matter how important it might be, it will continue being framed in an either/or fashion. Countries will make the adoption of proposed reforms contingent on an acceptable impact on GDP.

At the international level, the economic growth discourse is also dominating. As remarked by Rajendra Pachauri, chair of the IPCC, "to limit average temperature increase at 2.0 and 2.4 degrees C, the cost of mitigation by 2030 would not exceed %3 of the global GDP".²¹ Similarly, the UN Secretary General,

21. See <http://cop15.meta-fusion.com/kongresse/cop15/download/pachauri20091207.pdf>.

Ban Ki Moon, believes in a “deal that reduces greenhouse gas emissions ... that protects the most vulnerable... that ushers in a new era of clean development and green growth for all”.²²

But what is an acceptable deal for Europe might not be acceptable for countries of more recent industrialization such as China, India and Brazil. Within this framework dominated by economic growth, emission cuts will be considered a luxury that only traditional industrialized countries can afford. For as long as development will be equated to economic growth, the fight against climate change will miss the target and will confine itself to thinking ‘inside’ the box of mainstream economic reasoning. As exemplified by Themba Maseko, spokesperson of the South African government, “we are committed to taking responsible action to reduce our emissions but we are not ready to agree to any targets that would undermine our growth trajectory.”

All governments, whether in industrialized countries, emerging economies or poor nations, still look at climate change through the lens of GDP growth, thereby spreading the rhetoric of the necessary ‘sacrifices’. In this context, it comes as no surprise that public opinion support for the fight against climate change has been shrinking since the beginning of the economic crisis: a general feeling is mounting that these might be too hard times to worry about the ‘environment’. In the end, nobody likes making sacrifices. But is it really a sacrifice we are talking about?

In the past couple of years, the number of those questioning the simple equation GDP growth = wellbeing has grown considerably, involving not only progressive NGOs and think tanks, but also world renowned economists and international institutions. In 2009, the Commission on the Measurement of Economic Performance and Social Progress led by Nobel laureates Joseph Stiglitz and Amartya Sen highlighted the profound inadequacy of GDP as a measure of societal wellbeing: “GDP is a measure of mainly market production, though it has often been treated as if it were a measure of economic well-being. Doing so can lead to misleading indications about how well-off people are and entail the wrong policy decisions”.²³ Even the Organization for Economic Cooperation and Development (OECD), a bastion of free market and economic traditionalism, has been casting doubts on the dogma of economic growth:

*For a good portion of the 20th century there was an implicit assumption that economic growth was synonymous with progress: an assumption that a growing Gross Domestic Product (GDP) meant life must be getting better. But now the world recognizes that it isn't quite as simple as that. Despite high levels of economic growth in many countries many experts believe we are no more satisfied with our life (or happier) than we were 50 years ago; that people trust one another - and their governments - less than they used to; and that increased income has come at the expense of increased insecurity, longer working hours and greater complexity in our lives.*²⁴

22. See http://cop15.metta-fusion.com/kongresse/cop15/down/091215_BanKiMoon.pdf.

23. Commission on the Measurement of Economic Performance and Social Progress, Draft Summary, 2 June 2009 (available at http://www.policyinnovations.org/ideas/innovations/data/000144/_res/id=sa_File1/economicperformancecommissionreport.pdf).

24. OECD, *Programme on Measuring the Progress of Societies* (available at http://www.oecd.org/pages/0,3417,en_40033426_40033828_1_1_1_1_1_1,00.html).

Social research has also demonstrated that social progress in Europe has become increasingly decoupled from economic growth. For instance, a study conducted by the New Economics Foundation in the UK has shown that, although GDP has constantly increased in the past 50 fifty years, most social indicators have not improved while the environment in which people live has generally deteriorated.²⁵

Therefore, the replacement of the current economic model based on GDP growth with a paradigm inspired by social justice and intergenerational solidarity should not be portrayed as a 'sacrifice' but rather as a sign of progress. By compounding the aberration of continuous economic growth, climate change is offering us an opportunity to reform the way in which our societies are organized before it is too late. As a matter of fact, this rethinking would be necessary and desirable even if global warming was not occurring. Indeed, the deep injustices and instabilities of the current economic model are a problem in and of themselves. How sustainable is a system in which a small minority depletes the Earth for overconsumption while the vast majority struggles to survive? How many conflicts will it take before we realize that our economic paradigm thrives on social inequalities? For how long can we accept that the global economy be controlled by a handful of European and American companies?

Interestingly, this global imbalance also has a 'boomerang' effect on most wealthy countries, especially in Europe. Millions of people have been migrating away from the battlefields of contemporary economic competition for energy sources, triggering an epochal flow of human beings out of conflict-ridden and climate-stricken countries. Although each individual must enjoy the freedom of movement in a globalized world, it is nevertheless a violation of human dignity to force entire communities out of their land as it is happening due to the exploitation of natural resources, climate-driven desertification and shrinking access to fresh water. Against this backdrop, how long will Europe be able to deal with an ever-mounting migration around its borders?

Climate change must be seen as the wake-up call to all industrialized societies, given their primary responsibility for the global crisis. When collective action is gridlocked (as it currently is after Copenhagen), it is necessary for one of the players to make a first move in order to open up new space for negotiations. The EU is well suited to be such a 'first mover', provided it is willing to take on a social justice approach to the fight against climate change.

25. New Economics Foundation, *Chasing Progress* (available at <http://www.neweconomics.org/press-releases/social-progress-stagnant-gdp-soars>).

THE 'U-TURN': POLICY RECOMMENDATIONS FOR THE EUROPEAN UNION

Recently, the EU has shown some interest in the growing critique of economic growth. In November 2007, the European Commission and the European Parliament (in collaboration with the Club of Rome, OECD and WWF) hosted a high-level conference titled 'Beyond GDP' in order to identify additional indicators to inform the decision-making process at the European level.²⁶ In 2009, the European Commission took up some of the conference's recommendations and released its communication on 'GDP and Beyond: Measuring progress in a changing world'.²⁷ Notwithstanding their symbolic values, these initiatives still lack an integrated framework to reform the basic functioning of the EU economy. First of all, the debate is mainly confined to "complementing" GDP with a yet-to-be-defined list of additional indicators. GDP is still described by the EU as "a powerful and widely accepted indicator for monitoring short to medium term fluctuations in economic activity, notably in the current recession. For all of its shortcomings, it is still the best single measure of how the market economy is performing." In this view, complementing GDP with other social and environmental indicators would allow the EU to gauge "whether progress is achieved in a balanced way towards social, economic and environmental goals". It is evident that this approach still suffers from a growth-based focus.

What is necessary is a decisive 'u-turn' in order to translate the critique of continuous economic growth into concrete policies for the European continent. Developing indicators is just a minor step in the process of spreading an alternative culture. The European continent presents a rather fertile ground because of specific cultural and socio-economic aspects, which make the quality-of-life discourse more appealing to European citizens than, say, their North American counterparts. The European population is set on a clear ageing trend, which further undermines the sustainability of an economic model based on continuous economic growth while opening up new possibilities for alternative models. At the international level, European civil society organizations have been very vocal in promoting global justice issues, thereby generating an enabling public debate on the 'ecological debt'. These forces should be harnessed in order to generate support among the population, a necessary precondition to divert significant internal resources to support adaptation processes in poor and vulnerable countries.

Drawing on this general analysis it is therefore possible to identify some general recommendations for the EU and its Member States:

- **REPLACE GDP:** The EU and its Member States should accelerate the process of identifying/constructing a new indicator to fully replace (rather than complement) GDP. This indicator would be used to assess the effectiveness of policies and measure the success of each Member State. The EU should also push for the creation of a group of likeminded states willing to support the

26. Proceedings of the conference are available at www.beyond-gdp.eu.

27. Communication from the Commission to the Council and the European Parliament 'GDP and Beyond: Measuring Progress in a Changing World' (COM/2009/0433 final, available at <http://eur-lex.europa.eu/Notice.do?checktexts=checkbox&val=499855>).

post-GDP agenda at the international level.

- **CLIMATE DEBT:** Adaptation funding should be made immediately available to an international independent body, in order to avoid the well-known distortions of bilateral agreements. Funding flows should be regularly monitored and transparent, so as to avoid corruption in recipient countries as well as non-compliance in donor countries. Adaptation funds should build the resilience of vulnerable countries and support their economic transition towards fully sustainable development trajectories.
- **PROMOTE COHERENCE ACROSS POLICY SECTORS:** EU policies have long been affected by a lack of coherence, thereby producing conflicting effects, especially in third countries. Different policy sectors pursue contradictory goals, as it was demonstrated by the opposing targets of development and trade in the Economic Partnership Agreements. It is therefore necessary to provide the necessary infrastructure for a cross-sectoral coordination at the EU level based on the driving principle of climate justice. To this end, it would be useful to create an intersectoral and interdisciplinary forum involving policy-makers and experts to guide the EU in the design and implementation of its policies.
- **DROP 'MARKET BASED' APPROACHES:** The ETS should be suspended so as not to divert the attention from real reforms. It should be replaced with a coherent system of 'carbon taxes' and incentives for companies interested in restructuring themselves according to 'low' carbon standards.
- **ACCOUNTING FOR THE ENVIRONMENT:** The EU should fast-forward its plan to set up a common system of Environmental Economic Accounts in order to gather updated and reliable data on the economic impact of environmental degradation. This data should also inform policy making and sustain enforcement activities.
- **Conservation vs. production:** Conservation policies should be incentivized, while production (and overproduction) mechanisms should be discouraged through targeted taxation mechanisms. Specific legislation should be introduced to provide incentives for businesses repairing or recycling goods. 'Zero waste' policies should be enacted in all Member States.
- **PUBLIC GOODS AND RESOURCES:** Energy sources and other public goods (such as local ecosystems, water sources and urban/rural common spaces) should be declared 'inalienable' in order to exclude the possibility of them being traded on the market or owned by private companies.
- **PROMOTE A GLOBAL SHIFT:** The EU is the largest market in the world, the main provider of foreign investment and a trade giant. Thus far, this leverage has been mainly used to promote a free market agenda (although moderated by a socially inspired discourse) throughout the world. There is no reason why the EU should not 'exploit' its current power to promote a post-GDP agenda at the international level.

It would be enough to leverage its huge market. For instance, European countries may adopt a regulation establishing that all goods traded within the common market must respect a certain ecological footprint set by the EU commission. This simple policy would force European companies to think twice before moving part of their production process to countries where environmental laws are more lax and would also force foreign companies that want to trade with the Union to adopt European standards even when they produce elsewhere. As a matter of fact, such a regulation would not even violate the EU's approach to free trade. Indeed, the EU already applies restrictions to foreign products when they might violate the rules of origin or not respect certain packaging standards. Hence the question: is it morally more justifiable to defend the geographic denomination of 'parma ham' or 'scotch whisky', whose protection caused long lasting tensions with developing countries and threatened the adoption of international trade agreements, than the survival of the human species?

ENDS