

Heterodox Conference July 2009 Miriam Kennet

Greening the Economy in an age of global transformation – an age of green economics. The moves towards the implementation of green economics practice. Changes in Perception in the last year.

We are living in an age of Green Economics: an age of global transformation Ban Ki Moon 2008 Secretary of the UN.

During 2008, the profile and importance of Greening the Economy increased in profile and importance as a means of making sense of new issues imposing themselves on the economy, both in terms of explanation and also in terms of solutions. The year ended in December 2009 with our launching of our Greening the Economy initiative by the UN in Geneva and it contained a workshop on the Green New Deal as well.

Interest has come from all over the world in exploring what a green economy might mean and also in understanding and defining what the important elements of it are. How is it distinguished from its twin greenwash and where are the boundaries to it as a discipline? There is a rush to implement it and especially it seems to use it at election times in all parts of the world as it offers one of the only agendas able to respond to the current multifaceted crises in the economy.

Currently analysis is going on to find out how it fits with other fields of research and also how to use it as the basis of research.

It has attracted a great deal of interest this year from governments of all kinds and also from universities in many countries from China to Brazil to the UK Ireland and Montenegro to name just a few.

Green Economics is a practical application of Sustainable Development and also focuses more closely on the economics pillar of sustainable development. It does represent a significant challenge to orthodoxy and also to the status quo.

It has at its core for example important feminist learnings -such as the idea of other and the idea of inclusion and diversity, and it is actually leading some of the current developments for women's equal pay and poverty, most recently participating in discussions at no 11 Downing Street in order to make change in this area. Also a book will be published with contributions in this area from round the world.

The examination of women's role in the entire discipline of economics – and the strong boundaries and limits of many economics discourses- and the concept of homo economicus are strongly challenged at the core rather than an add on in green economics. This has meant that it takes on a radical persona and in an age of transformation and disolutionment with neo classical economics green economics does actually have something new to say.

The transformation we need is to address what the UN has termed the crisis of the 3 “F” food, fuel and finance -which have all seen unprecedented turmoil over the last 12 months. Green Economics links these and argues that without solving the ecological and social crisis – climate change, biodiversity and poverty, the financial crisis wont be solved either.

This is clear in the run up to the current crisis the commodity prices were extremely unstable and land use and land values and construction are at the root of this recession.

A green economics analysis factors this in and has explained this in its core theory and therefore is being welcomed by such unlikely institutions as the MOD and the treasury. In Ireland the government is using its analysis to try to end the extreme crisis there due to a complete downturn in investment of all kinds.

What is needed is vast and structural changes to the aims of the economy which green economics is

providing to governments and this helps them implement their plans for Sustainable Development. In fact Sustainable Development is usually regarded as a market based solution of the kind that the Stern Review advocated. However Stern said that climate change was the biggest market failure the world has ever seen. In the field of Biodiversity the latest UN report shows that biodiversity loss and costs will be even bigger. The pressing problems of climate instability, are now visibly affecting economies around the world.

Problems of speculation and the role of banks, savings, investment and work are also paramount in getting the newly unemployed back to work. This does require a link to be made between resource uses and commodity price instability.

The relationships between the issues of the credit crisis, commodity price problems of all kinds with green issues, and the current biodiversity crisis need to be much more understood before a solution can be found. For example a beacon species -the disappearance of the bees-(The New Scientist February 2009) has led to the need in China for hand pollination of the crops, which has imposed enormous costs on agribusiness. These costs are regarded as unsustainable in higher wage economies and so the crisis of biodiversity loss must be addressed as fast as possible.

Spain and Ireland are experiencing particular problems and have sought to use green economics solutions to help them manage the problems. They both experienced rapid growth through membership of particular trading blocks and with it a high level of FDI and inward property speculation. The sudden change -and drop in property valuation as more recent entrants to the trading block replace them in receiving economic support has affected both their economies and caused over supply of property and a high level of debts .

There is a conflict between a role for speculation and the role of an economy in provisioning for basic needs in economies.

The poverty of one fifth of human kind is linked to the manner in which an economics of scarcity, power relations, institutional design and preferences are expressed.

Green economics is now being spread round the globe at an astonishing rate and being implemented by such bodies as the UN and the UK government.

This session will explore the causes of the current economics crisis according to a green economics analysis, the main features of the current crisis and then outlines how a green economics analysis is changing practise and the landscape of economics implementation.

Green Economics is fast becoming a useful and popular method of examining economic policies and this session introduces some of the main features of its current practise.

Greening the Economy is the longer term structural change required after the work of the Green New Deal has addressed current investment issues, and created new green collar jobs.

Some specific aspects of green economics required for structural change are less glamorous than some previous ideas for change but actually are core to being able to implement meaningful improvements.

In particular green economics is hi tech – not luddite and so the effect of Green IT is extremely important as shortly the carbon footprint of IT will start to outpace some of the more polluting transport methods. So The Green Economics Institute is working with opinion formers in IT and the Institute of Mechanical Engineers in order to ensure that our hi tech evolution does not fall into the “ biofuels “ and eco innovation trap where technological improvements can make matters worse. Carbon capture and storage also has a mixed reception as it will arrive too late to prevent catastrophic climate change and it does encourage the use of coal and carelessness with CO2 and reassurance just when we should be removing it as much as possible from our economic activities. Green Accounting is also at the forefront of concerns -as what is needed is a complete overhaul of accounting and auditing so that the complete risk caused by the companies operations is considered

– its impacts and also the risk to the company is seen in a much more diverse and holistic and long term perspective.

Green Procurement is probably the most important and the least understood area where change needs to happen quickly. The logistics revolution meant that vast economies of scale led to production being assessed as equally costly in any country, and the costs of shipping and citing of large production and export processing zones highly subsidized by countries in a race to attract the most jobs, much as a flower grows beautiful petals to attract the bees. However – the true costs to the community and the environment have not been met- and as costs increase there is always a cheaper economy waiting in the wings- and so development comes- is temporary and leaves a disorientated economy in its wake and this is the situation in Ireland for example and in the Czech republic where car manufactures are going home to France, as they no longer need the capacity offered in near shore production zones.

A greener structure for these economies would have warned against this kind of expansion and the same kind of issue is currently playing out in Montenegro and in Ethiopia for example.

Green Economics is one of the few rays of hope at a time of real change in what is needed to qualify as economics.

The economics of the 21st century must be much more diverse, much more inclusive, much more aware of its construct – as part of the ecology of the world and its situation within and on the earth, and that it needs to be able to both prevent more climate change and also to mitigate the effects of the inevitable 2 degrees change. It needs to start planning for fewer resources from other species, for food, for agriculture and many other activities on which we depend on them. It needs to support an improvement in biodiversity and to halt the current mass extinction of species.

If sea level rises many of the larger cities on the coastal areas of the world will go under water.

Agriculture will become very difficult outside the polar regions and economics, unless it uses its expertise to address these issues today- will become more and more focused on responding to these evolving survival questions rather than on setting an interesting, and creative and innovative agenda.

The session discusses how green economics is being adopted globally, including initiatives like the International Labour Organisations Green Jobs initiatives and how in the short space of one year the sustainable development and environmentalist agenda has transformed from thinking of these issues as potential possible risk issues for the future into the urgent seeking out of explicit green economics solutions at all levels of government – and in almost all countries from Dubai, to the Russian Federation. We are truly living in an age of global transformation- an age of green economics.

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This workshop will form the umbrella Panel on Green Economics with papers from Arturo Hermani and Jeff Turk as well as Professor Jack Reardon as discussant.