



# Green economy: fix our 'ends' not just our 'means'

Olivia Bina, 29th September 2011

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While growth remains as our main goal economic and environmental crisis will persist. A green economy requires us to aim at development rather than growth, through the responsible promotion of justice, the common good, and environmental sustainability.

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As the depth and breadth of our financial/economic and environmental [crises deepens](#) [7], it is urgent to ask whether the way we are going about searching for solutions lives up to the challenge. The risk is that our institutions are focusing on means – such as recapitalizing banks, tackling perverse subsidies, or promoting energy efficiency, while the driver of the crises lies in the end goal: more growth.

The severity of recent events has placed into sharp focus [the growing impact on ecosystems](#) [8] (on whose services we ‘fundamentally depend’), the [widening inequalities](#) [9] within nations as well as between world regions, and escalating social discontent. Nevertheless, the ideas and values framing problems and solutions to the crises have barely shifted. Growth remains the goal, seen as synonymous with modernity and success, and only embellished by fashionable enthusiasm for a ‘greener’ economy.

This is illustrated by the proliferation of new policy responses to the crises, by national governments and international agencies, which have joined forces to coin a range of alternative ‘[green turns](#) [10]’: [green economy](#) [11], [green growth](#) [12], sustainable growth, (global) [green new deal](#) [13], to name but a few. They range in length and detail, but share the underlying belief that it is necessary, indeed possible, [to re-launch economic growth globally, while protecting ecosystems](#) [14]. But how? Through greater efficiency. The focus is on the ‘means’ to restart green growth (the ‘end’), and these include energy and eco-efficiency, market efficiency, low-carbon economies and preservation of ecosystem services.

The choice of means is underpinned by the same mainstream economic worldview that has been unable to avoid (and has partly caused) both crises, and has led to unprecedented levels of inequality and environmental degradation. This economic worldview supports policies that promote right prices, financial stability and the respect for contracts, according to the logic of free market economies. Sustainable use of resources can, it is argued, be ensured through fiscal and pricing policies that can, it is (still) believed, adequately reflect the social and environmental costs of production. We are told (again), that perverse subsidies, notably for fossil fuels, will be eliminated, and green technologies will thrive within the logic of efficient markets. A more virtuous allocation of resources, in line with mainstream economic thinking, will help meet the objective of sustainable economic growth, while nudging society towards maximum possible levels of welfare. There is no sign of dithering when it comes to confirming the belief in global markets as the engine for growth and ‘opportunity’.

In other words, the cultural and methodological perspectives that are shaping responses to our



multiple and interrelated crises, remain anchored in the mutually reinforcing principles of mainstream economics and ecological modernization. This is constraining our ability to turn the crises into opportunities for fundamental change.

## **Social justice**

As the initial drama of the 2008 financial markets implosion led to the intensification of the crisis in the real economy, issues of social justice have become painfully exacerbated, while the global environmental crisis continues to simmer well under the radar.

What has been the response? Equity and social justice, assuming – and it is no small assumption – that they really matter to the international community, are expected to follow thanks to the well-rehearsed notion of ‘equal opportunities’. The fundamental precepts of mainstream economics continue largely unchanged (and virtually unchallenged), even though evidence accumulates to show their ethical, technical and practical shortcomings. After all, it is precisely market mechanisms (variously regulated) that have largely contributed to the unequal distribution of environmental resources and wealth. Causes can be found in the pursuit of ever increasing profits (especially since the 1980s) through liberalisation and globalisation, in the competition between states for inward investment that lead to ‘perverse’ fiscal policies, deregulation of labour markets, and the list goes on.

## **Ecosystem unlimited**

And what of the simmering environmental crisis? Our environment and ecosystems, assuming – again no small assumption – their importance for human beings’ wellbeing is acknowledged, continue to be seen as unlimited. No doubt, it is recognised that resources are limited in per-capita terms: this is especially clear to institutions like UNESCAP, dealing with the densely populated Asia-Pacific region, and notably fast-growing China. But the limits of our planet are ultimately limits to growth. Yet, the control of the scale of economic activity, in terms of the resources flowing from the ecosystem into the economy for production and back to the ecosystem (as waste), remains a non-topic. The solution to our crises is growth and that means ever-increasing production and consumption (albeit, green, and thus efficient). This is illustrated by repeated appeals, and also mildly veiled reproach, aimed at China: it must increase levels of internal consumption to boost the global economy.

## **Resource scarcity**

But the economic and financial crisis, let alone the environmental one, cannot be solved without addressing the issue of diminishing raw materials. Think of [rare earths](#) [15] for example: indispensable for the success of technological innovation that is key to the green economy discourse, yet we are told there simply won’t be enough to go round. No doubt, changes in taxation and pricing, and low-carbon policies and technologies can, and ought to be significantly improved to reduce inefficiencies and waste. The need for this is not being questioned here. However, it is no solution to the inescapable limits to growth. It can, at best, extend the lifetime of our systems of growth. But [in doing so](#) [12], major problems will be further exacerbated, resource scarcity and degradation of the ecosystem services will lead to increasing competition and social and geopolitical instability, in poor nations, but also in established rich democracies, as recent events in North Africa and Europe seem to confirm.

None of the responses questions the goal of growth. Wellbeing and justice, the ostensible development end goals of a civilised society, somehow do not merit the headlines. Nor, it appears, do they require detailed discussion. Instead, the focus is directed to the means, and green – essentially efficient – growth is almost unanimously seen as the realm within which opportunity is to be framed, in order to reverse the crises.



## Paradigm shift

For the historically minded, it is worth revisiting once highly-regarded milestone documents, from the 1992 World Bank's World Development Report: '[Development and the Environment](#) [16]', to the 1993 '[Delors White Paper](#) [17]' on the challenges and ways forward into the twenty-first century. Current strategies and 'green turns' add little to these insights of the early 1990s, and ignore the [wisdom of experts](#) [18] like Donella Meadows who warned in 1994 that before choosing the means, we must know what we want.

Instead, it seems that our capacity for radical thought in the face of radical challenges is limited to shuffling adjectives (green, sustainable), and at times nouns (growth, development), in the same way that one might re-arrange deckchairs on the Titanic. Efficiency in all its variations and technological innovation are simply a means to an end. We need to rethink the end if we are serious about justice and our environment.

There is a need for a wider notion of justice, capable of embracing the environmental dimension: premised on the acknowledgement of limits to growth, of the absolute scarcity of natural resources and the potentially irreversible impacts of growth on ecosystems.

To date the ongoing crisis has been a missed opportunity for a paradigm shift in the premises of economics and resulting economic policies. Something more fundamental will be needed to usher the world community into a twenty-first century where development, through the promotion of justice, common good, responsibility and environmental sustainability become a shared and self-reinforcing goal. The next [UN Earth Summit](#) [19], in Rio 2012, twenty years since Rio 1992, will focus on the 'Green Economy' and the 'Institutional Framework' for sustainable development. It offers the chance for new answers, but current language, ideas and rhetoric are less than encouraging.

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