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Green New Deal—or
Globalisation Lite?

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An earlier version of this paper was delivered at the Institute for Critical Social Analysis, Rosa Luxemburg Foundation, Berlin, 2009.

The new green Keynesianism still rests on productivist assumptions

In response to global climate crisis and the breakdown of international financial institutions, green new deals are being discussed in local, national, regional and international settings. But the word 'deal' gives the lie to new, for these are mostly trade-off packages designed to hold together the narrow political arena of business-as-usual. The *Transatlantic Green New Deal*, the *Global Green New Deal*, as well as British and Australian versions, look rather like a revved-up Hobbesian social contract, drafted in the realisation that life under global capitalism is more 'nasty, brutish and short' than ever before. The outline of the contract is on the table, but only one voice is represented in the text. Class difference appears only as an employment statistic and the systematic exploitations of race and gender that underpin the global economy are ignored. The neocolonial South, the domestic North, and material nature at large, remain sites of subsumption in green new deal discourse.

Rosa Luxemburg recognised the geographic periphery of capitalism, today called 'the global South', as an indispensable source of new labouring bodies and markets for the accumulation process. Subsequently, feminists in the North identified a 'domestic periphery' of capital in women's freely given reproductive labour time. And just as the exploitation of colonised peoples and women is taken for granted in capitalist production, so too is the ever yielding ecosystem—as is indicated in concepts like the ecological footprint and ecological debt. Each of these three forms of life is silently colonised in the productivist economy.

The first requirement of a green new deal should be to help people understand how the dominant global system relies on this abuse. And how everyday injustices are rationalised by the old idea that a fundamental contradiction or dividing line separates humanity from nature. The artificial separation of economics from ecology is one result of this cultural contradiction. But bringing this ideology to consciousness, and acknowledging that it is both Eurocentric and gendered in origin, is a first step in gaining the confidence to reject unsound institutions and policies.

So far, however, there is little socio-cultural analysis or political reflexivity in the various green new deal programs. Like the financial crisis, the ecological crisis tends to be addressed in Keynesian style as a failure of governments to manage markets. The deals

reinstate an overly optimistic 1990s ecological modernisation strategy—calling for a kind of green welfare state based on profitable technological innovations. Basically, the approach is directed at saving capitalism, without any deeper engagement with its real bottom line—healthy people in a healthy ecosystem.

The Transatlantic Green New Deal

The *Transatlantic Green New Deal*, prepared by Worldwatch Institute for the Boell Foundation in 2009, outlines the dimensions of the climate crisis as follows. It concedes that in industrial economies the main emission sectors are buildings, 35 per cent; steel manufacture, 27 per cent; transport, 23 per cent; and cement and paper production close behind. The paradigmatic measure is that 1 tonne of steel will result in 2 tonnes of CO₂. Meanwhile, Worldwatch cites an International Energy Agency (IAE) estimate that it will cost US\$45 trillion to transition out of oil, a figure put forward by the IAE in support of the nuclear option.

The intercontinental blueprint calculates that the United States and the EU as leaders in world trade together consume approximately a third of global energy resources and emit approximately a third of greenhouse emissions. This figure contrasts sharply with estimates from the global South, whose periphery claims that its own 60 per cent of humanity produces only 1 per cent of global emissions.

Worldwatch states that it is in favour of 'fundamental green transformation' and it cautions against 'restarting the engine of consumption' but it also resorts to the doublespeak of 'a new paradigm of sustainable economic progress'. For instance:

properly designed carbon-markets can be effective instruments for meeting a societal goal while tapping into *the discipline and efficiencies of markets ...* But markets for ecosystem protection, whether to conserve the atmosphere, waterways, or species, are not silver-bullet solutions; *the economic logic of markets may not match the scientific necessities of ecosystems* (emphasis added).

Unfortunately, the clarity of this last sentence does not characterise the Transatlantic blueprint as a whole. If '*the economic logic of*



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markets may not match the scientific necessities of ecosystems; equally, the mathematically derived logic of engineering ‘may not match the scientific necessities of eco-systems’. Under the influence of the humanity versus nature contradiction, the separation of abstract disciplines into economics or engineering means that it is very difficult to arrive at commensurable measurements of natural processes. Nevertheless, this methodological weakness does not limit the reliance on technological efficiency in the *Transatlantic Green New Deal*, buoyed up as it is with scientific rhetoric and management hubris.

Take, for instance, the line that ‘the annual costs of reducing gas emissions to manageable levels would be around 1 per cent of global GDP’. What is the empirical basis of this judgement? Reliable data on aviation and agro-industrial generation of greenhouse gases is still hard to get hold of; estimates of the volume of global emissions rely very much on informed guesswork; and the translation of emissions into dollars is as arbitrary as the GDP construct itself.

Worldwatch recommends gearing up education for scientists, engineers, and technicians; welfare through green jobs; a ‘leapfrog’ into sounder production methods; energy renewables, water harvesting, smart grids, efficient refrigerants, plug-in vehicles, fast rail and bike paths, recycled scrap, and leasing household goods in preference to purchasing them. There is faith in energy savings through dematerialisation, such as nano-broadband and teleconferencing, but at the same time the blueprint acknowledges that computers—the medium of all contemporary knowledge making—are both ‘voracious users of energy’ and toxic to dispose of.

The authors recommend that carbon markets and water banks be encouraged, but note that there is no political will among governments to fund ecosystem protection programs directly. The *Transatlantic New Green Deal* refers to the Millennium Environmental Assessment observation that 60 per cent of ecosystem services have been destroyed since World War II, but its own equally culpable instrumental rationality appears in the statement that ‘Eco-systems are “natural infrastructures”’. Overall, this green new deal statement is heavily infused with psychological denial. There is not an inkling of the basic incompatibility between capitalist accumulation and ecosystem integrity.

If the ecological conceptualisation of the *Transatlantic Green New Deal* is weak, so too is its sociological framing. The new social contract is on the table, but its terms are plainly limited to the perspectives of entrepreneurs, workers and consumers in the global North. Thus, a number of EU states are experimenting with environmental tax revenues, yet as the authors point out, it is important that governments do not create exemptions or subsidise bad practices:

more can be done to rationalise current tax systems, which tend to make natural resource

use too cheap and labor too expensive. Using eco-tax revenues to lighten the tax burden on labor (by funding national health or social security programs through eco-taxes rather than pay-roll taxes) would help lower indirect labor costs and boost job creation without hurting workers’ interests.

In the EU, key alliances are forming between the Trade Union Confederation (ETUC) and environmental NGOs, and these groupings are doing important work in skills training and support for displaced workers. In the United States, the Sierra Club, the United Steelworkers Union, the National Resources Defence Council, Communications Workers and Service Employees are talking. But according to Worldwatch, the only other constituencies needing to be brought to the table are ‘consumers and business’. Given that capitalist interests shape the entire deal, is it any surprise to see business getting its hand in a second time round as a ‘special interest group’?

The *Transatlantic Green New Deal* statement is heavily infused with psychological denial. There is not an inkling of the basic incompatibility between capitalist accumulation and ecosystem integrity.

On the whole, the Worldwatch analysis gives little attention to structural differences in opportunity or differences of skill by class, race or gender. Cheap resourcing of the global South, and in a parallel vein, uncounted economic inputs from the domestic labour sector, are each bracketed out. This is tantamount to silencing the voices of 80 per cent of humanity. The only moment when the intercontinental brief comes close to acknowledging the existence of the geographic and domestic peripheries is when ethanol is rejected as an energy alternative because food-growing land will be taken away from peasant farmers.

Significantly, the positive climate mitigating effect of self-sufficient provisioning in the global South is not registered, even though it is noted that these ‘environmentally friendly activities ... are often more labor-intensive than “brown” capital intensive industries’. Unfortunately, this statement—compatible with a re-productive (as distinct from productivist) economy—is made merely in passing. The labour of workers at the meta-industrial margins of capital is simply ‘other’. In this green social contract no economic or political agent exists beyond the cash nexus.



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Australia’s ‘Joint Statement’

In 2009, the *Joint Statement: Towards a Green New Deal* was issued by the Australian Conservation Foundation, the Council of Social Services, the Climate Institute, the Property Council, the Australian Council of Trade Unions, the Australian Green Infrastructure Council and the Institute of Superannuation Trustees. These are familiar political personae, although the Australian Green Infrastructure Council (AGIC) is fairly new. Prominent AGIC members include the environmental consulting firm GDH and expert tunnel builders Snowy Mountains Engineering Corporation (SMEC). The nation’s single most powerful corporate lobby, the Minerals Council, is noticeably absent from the list of *Joint Statement* signatories. But so too is the Women’s Electoral Lobby, as well as any Indigenous Australian organisation.

Omission of the latter political voices skew the *Joint Statement* in a particular way, which is to say that its well intended focal points remain thoroughly productivist. To paraphrase these objectives:

- retrofitted buildings to enhance energy and water efficiency carried out nationwide in residential, commercial, and public sectors; assistance for low income people as the first to undertake household efficiency audits.
- sustainable infrastructure like public transport, freight rail and small renewable-energy installations—solar, wind, geothermal—to reduce the carbon footprint; special attention to the construction industry and materials sector.
- green industries for the manufacture of internationally competitive new products and services, projecting 500,000 green jobs, with an ‘immediate effort invested in green skills for Australia’s trades men and women’.

The *Joint Statement* is understood as a ‘job stimulus package’ to build prosperity and insulate the Australian economy from future shock. However, when ‘the economy’ itself is anthropomorphised as a social actor, the moral agency of bankers, engineers, share traders and developers, as a class, is disguised. And while the economy may need to be insulated from shocks, the authors do not acknowledge that the ecosystem might also need such protection—particularly since human bodies are in continuous metabolic exchange with nature.

As in the *Transatlantic Green Deal*, where social justice is reduced to an employment ratio, here too the environment is translated as ‘energy efficiency’. In line with the humanity versus nature contradiction, nature is objectified as ‘out there’, thought of only as a resource and reduced to a numeral. Moreover, in the solipsism of economics, energy efficiency is said to have ‘value’ because it will ‘reduce the \$ cost of the CPRS’. This plan is described as generating ‘both technology push and market pull’, which means that the business sector will be rewarded from both the turnover in green construction and new profits from emissions trading.

The Australian *Joint Statement* considers the simultaneous decrease of carbon pollution and increase in green industries to be a ‘double dividend’ of ‘natural and social capital’. Capitalist, indeed neo-liberal

reasoning, and ‘domestic competitiveness’ also marks the ACF’s and ACTU’s assertion that:

Australia’s ambition should be to capture a quarter of a trillion dollars of industry share in what will be a global industry worth almost US\$2.9 trillion dollars.

This is a clear commitment to export-led growth and international free trade in efficient technologies. The priorities are urban consumerism, manufacture and exchange value. There is no attention to employment options like a youth ‘green corps’ for landscape restoration projects, despite the regenerative ‘metabolic value’ of such work. Agriculture is put to one side, even though agro-industry has massive greenhouse emissions. Sustainable small-scale farm employment based on local food sovereignty could be of enormous benefit socially, particularly in old rust belt areas like Wollongong where youth unemployment tops 30 per cent.

The environmental crisis is indeed a case of ‘unsecured ecological credit’, but not everyone everywhere has abused this line of credit or mortgaged the earth. The key drivers of this mortgage are the masters of global finance—a very specific class—along with their advisers. Yet today, even unionists and conservationists appear to believe that capitalism can be rendered sustainable.

The population argument is both racist and sexist, shifting the responsibility of Australian consumer-citizens on to the backs of women in the global South.

If activists and policy makers are seeking effective strategies for socio-ecological reconstruction, then it is critical to keep social and cultural diversity in clear view. Structural variables like class, race and gender may denote sites of discrimination and deprivation; but they also denote specific skill-sets which can be relevant to the preservation of life-support-systems. Academics, public intellectuals and political leaders could contribute significantly to re-framing the climate debate by examining the transformative potential of what might be named vernacular science. One thinks of ‘other knowledges’ inhering in traditional Indigenous land care practices, or the precautionary capacities of mothers.

Then again, if 60 per cent of global greenhouse emissions are generated by industry, another 20 per cent by transport, and a fair proportion by agro-industrial enterprises, why target housewives on saving carbon emissions in the home? This tackles the crisis from the wrong end. Yet it is precisely what British Petroleum and other corporates have been doing in Australia with their widely orchestrated PR campaign ‘One Million Women’.

Meanwhile, the Rudd Labor government gives away pollution permits to coal mining companies, instead of taxing coal to fund the transition to a clean economy. Rudd also supports forest logging, with 80 per cent of each cut exported to Japan for computer paper. Under the scheme for Reducing Emissions from Deforestation and Forest

Degradation (REDD), the Labor government also makes overseas cash payments to preserve trees on Indigenous land in South East Asia. These subsidised ‘carbon sinks’ buy indulgences, as it were, for global warming caused by Australian coal exports, but locals lose their livelihood resources in this modern ‘enclosure movement’.

Again, in recent days, there has been a revival of old-style environmentalist talk about global population as a critical climate change variable. This is yet another ruse whereby responsibility is deflected from middle-class consumption and pollution. The population argument is both racist and sexist, shifting the responsibility of Australian consumer-citizens on to the backs of women in the global South. The argument is also thoroughly irrational, for as noted already: if 60 per cent of humanity in the non-industrial world is responsible for only 1 per cent of global warming, why talk about population?

The UK and UN Green New Deals

The UK report *A Green New Deal: Joined Up Policies*, launched in 2008 by the New Economics Foundation (NEF), is certainly a more thoughtful document than the Australian one but, like all such deals, it risks putting the economy back on a growth trajectory. The NEF deal is squarely framed by productivist economics, with its emphasis on banking and securities regulation, low interest rates, controlled lending, a Tobin tax on capital movements, minimising tax evasion, and debt cancellation instead of bailouts. Like the Stern Review, it encompasses a managerial agenda of energy audits via renewables, technological efficiency, retrofits, forest protection, and zero waste. But unlike the *Transatlantic Green New Deal* and the Australian *Joint Statement*, it does consider social lifestyle and living density, community building, local economies and food miles—challenging climate-costly refrigerated distribution networks.

Also in 2008, the Division of Technology, Industry, and Economics of the United Nations Environment Programme (UNEP) brought out its *Global Green New Deal*. The press release read: ‘Green New Economy Initiative to Get the Global Markets Back to Work’. Designed as a toolkit for governments, it develops earlier work from the G8 study group for the Economics of Ecosystems and Biodiversity, the ILO, the International Trade Union Confederation and the International Organization of Employers. It is written with assistance from the European Commission, Deutsche Bank, and the World Bank’s Global Environment Facility.

The stated goals of the *Global Green New Deal* are: valuing and mainstreaming nature’s services into international accounts; generating employment through green jobs; developing policies and instruments for the economic transition. The initiative prioritises clean energy, clean technologies and recycling; rural energy, renewables and biomass; sustainable and organic

agriculture; ecosystem infrastructure; REDD initiatives; sustainable cities, green building and transport. This is certainly a more comprehensive approach than the other proposals, but it is still hinged to the market. In fact, even the speculative hyper-economy is offered as a new deal option:

US weather derivatives and other insurance linked products are being piloted and bundling numerous smaller projects including cross border ones together, to make them more attractive to investors.

The UNEP *Global Green New Deal* is brimming with success stories. It notes that already nations in Africa, Asia, the Middle East and South America have set renewable energy targets; in China 600,000 people are employed in the solar-thermal industry; and in India over 100,000 homes are equipped with solar power. The Clean Development Mechanism (CDM) is assisting a hydroelectricity program for Madagascar, and energy generation from sugarcane waste in Kenya. The document talks about ‘securing livelihoods’ at the geographic periphery and goes some way towards recognising differential benefits by class—though differential benefits by gender in the domestic periphery are not registered.

The one-size-fits-all thinking behind these new deal proposals is worrying, since not all areas of the globe are equally integrated into the capitalist economy, and many peoples are even striving to be free of it.

The *Global Green New Deal* is certainly more environmentally grounded than the other propositions, and this reflects its international framing, with attention to rural economies and natural habitat in the global South. It points to the remarkable fact that 40 per cent of the world’s workforce are farmers, and observes the highly destructive impact of agricultural subsidies, amounting to some US\$300 billion around the world annually. In fact, the FAO has an irrefutable body of research showing that organic agriculture and integrated pest management is not only more resistant to climate stress than agro-industry is but improves soil fertility, biodiversity, water control, carbon sequestration and crop yields.

Further research indicates that organic farming could actually feed the current world population



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and even a larger one. The benefits are doubled where perennial crops are used. Farmers not only receive higher prices for organic produce, especially after certification, but income is saved by not having to buy fertiliser, pesticides or GM seed. In terms of social benefits, organic production is knowledge intensive and enhances community bonding. Even more significant is the fact that the majority of world food producers are women. Could their expertise be called on now?

The UNEP brief calculates that deforestation due to development projects, usually sponsored by the global North, is now responsible for 20 per cent of greenhouse emissions, and it expects that unless there is an immediate intervention, by 2050 the accumulated loss of reefs, wetlands and forests will be equivalent to an area the size of the Australian continent. In response, it recommends protection for endangered species by ‘smart instruments’ like ‘cap and trade’. It supports marine protection, pointing out that reefs provide value in fisheries, tourism and flood protection. Wetland deterioration is to be mitigated by bio-banking, as devised in New South Wales—although locally this scheme has been criticised as a de facto legitimisation for land clearing.

In principle, conservation might well become a source of green jobs yielding use value, exchange value, and metabolic value. To quote UNEP:

The world’s 100,000 National Parks and protected areas generate wealth via nature-based goods and services equal to around US\$5 trillion but only employ 1.5 million people.

UNEP puts the ‘service value of nature’ at a trillion dollars higher than profits generated by the international automobile industry, although it is not clear how this figure is arrived at. In Mexico and Brazil thousands of people are now paid to manage watersheds. If nature is ‘natural capital’, UNEP notes ‘the flip side of the coin’ will be the massive benefits to be had from ‘the green technological revolution’ and the ‘huge untapped job potential’ of managing ‘nature based assets’. The well-documented negative externalities of the green revolution experiment, especially lost soil infertility, are not factored in.

With considerable enthusiasm, UNEP envisages that the global market for environmental products and services can double by 2020, a form of ecological modernising development that will include genetically engineered products. In the words of Executive Director Achim Steiner:

natural ‘utilities’ ... for a fraction of the cost of machines store water and carbon, stabilize soils; sustain indigenous and rural livelihoods and harbor genetic resources to the value of trillions of dollars a year.

A thoroughly capitalist model frames the UNEP report, deepening the humanity versus nature contradiction and people’s alienation from their embodiment.

Vital Questions

Does the proliferation of green new deal proposals offer hope for socio-ecological transformation? A conversion to what exactly? And what is actually meant by ‘a green job’? The one-size-fits-all thinking behind these new

deal proposals is worrying, since not all areas of the globe are equally integrated into the capitalist economy, and many peoples are even striving to be free of it. It surely behoves researchers, publics and politicians to ask how democratically inclusive green new deal logic is. Are some social groupings ‘othered’ by these deals into invisibility? Who profits? Who is colonised and subsumed? Do these deals generate new forms of ecological and embodied debt? Are certain groups treated as victims, or used in a tokenistic way, rather than acknowledged as skilled re-productive labour? How can more industrial development be supported in the same breath as eco-sufficient provisioning based on regenerative criteria?

A post-crisis social contract should take the form of an earth democracy in which human bodies are understood as part of nature. The class of mothers, peasants and Indigenes, as a result of their hands-on work in balancing natural cycles, is acutely aware of this. In a green political economy, the metabolic value catalysed by this skilled labour would have a place alongside use value, and its protection would be the guiding principle of socio-economic transformation.

In order to roll back the current ecological and financial crises—both symptoms of capitalist overproduction—these groupings must join the political conversation. For as things stand, the narrow focus on engineering ‘infrastructure’ and obsession with ‘economic growth’ invert the thermodynamic order of nature, emptying out its metabolic value. Self-sustaining ecological flows are reduced by capitalism to stocks, tradeable biota and profitable services, leading to the collapse and pulverisation of ecosystems. At the same time, capitalist economics causes social entropy, wherein rich and complex relations between people are reduced to a singular dimension of meaning. Growth is disconnected from vital relations and turned into an index of man to man exchange.

Happily, a new social contract is already in the making among the diversity of global justice movements meeting at Seattle, Porto Alegre, Copenhagen and Dakkar. And this contract is premised on nothing less than the ‘common sovereignty’ of energy, land, water and air. It would leave fossil fuels in the earth, assert community control over production, reduce the North’s over-consumption, localise food, hold up Indigenous rights, and reparate ecological and climate debts to the South. This plan for ‘another globalisation’, a really green new deal, is both ecologically coherent and humanly inclusive.

Key reports referred to in this article:

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