GREEN TRANSITION: DILEMMAS AND SOLUTIONS

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DILEMMAS

- Global heating should stay below two degrees BUT the present path points to four degrees or higher.
- At least 50 % of all fossil reserves should stay under ground, BUT several industrial countries on the contrary promote oil from tar sand and shale gas.
- There are *limits to growth*, BUT all industrial countries are promoting more economic growth to cure financial crisis.
- Stop for economic and material growth requires much more national and global equity, BUT inequity is increasing.
- Transition to RES is urgently needed, but fossil fuels get six times more state subsidies than RES.
- Dominating neoliberal system requires economic growth.

GREEN GROWTH

- The concept of *green growth* is primarily an excuse to continue economic growth with a green paint.
- The possible decoupling from carbon is relative but far from absolute in practice with existing technologies and production methods. *Nature reacts on absolute decoupling*.
- In practice, exploitation of renewables for human energy purposes has environmental consequences and limits.
- Dangerous to accept illusionary mitigation concepts.

Advice: replace green GROWTH by green TRANSITION

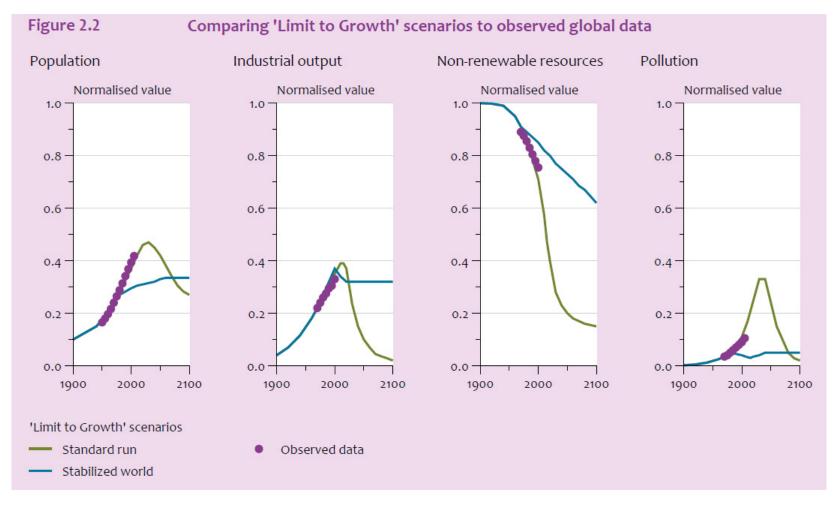
RESILIENCE

- Complicated concept with diffuse boundaries to mitigation.
- Risk: More money for short term resilience projects may mean less money for mitigation of global warming.
- Mitigation may be based on concrete numbers. The long– term effects of resilience are uncertain.
- The British Stern report has documented that fast mitigation of global warming is by far the less costly solution. Resilience projects may delay mitigation.
- Resilience projects should only have high priority where they are ugently needed or have low costs.

LIMITS TO GROWTH

- Central dilemma is the neglect of *limits to growth*.
- Political excuse: without economic growth, more unemployment due to increasing productivity.
- The solution is a *flexible employment concept* where average working time is adjusted to market fluctuations, and combined with sharing of work.
- International problem: How should an acceptable global carbon cap be divided between nations? Fiascoes for agreement since COP15 in Copenhagen in 2009.
- Solution: Same personal emission quotas for all by 2050 (chancellor Angela Merkel: "expand and converge").

LtG SCENARIOS



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EQUITY A controversial concept

- Convincingly documented that high economic and social equity gives advantages on all relevant parameters: high health level, low level of suicide, high welfare, low social controversies, high international competiveness, etc.
- Recent promotors of equity: Stiglitz, Krugman, Piketty.
- Global equity is necessary for international co-operation on mitigation of global warming.

Without much higher national and international economic and social equity there is no hope for a green transition in time.

NEOLIBERAL ECONOMY HAS FAILED "Economics is politics in disguise"

- Neoliberal economy has dominated since 1980s.
- Uncontrolled and suspect financial transactions have accelerated the appearence of financial crises.
- Neoliberal economy has no scientific basis and creates more problems than it solves (Stiglitz and Krugman).
- National control of capital movements should be reintroduced to avoid economic destabilisation (Keynes).
- Ecological economy should have highest priority (Daly).

REAL DEMOCRACY SHOULD BE TRIED People power – not money power

- Democracy is being undermined by money with the US as the most striking example. Is the US a democracy?
- Money should have no influence on democratic decisions.
- Private and commercial economic support to political parties and politicians should be made illegal.
- Political campaigns should be supported mainly by volunteers with an economic base support from the state.
- Otherwise, money power will replace democracy.

PROPOSED INTERNATIONAL ACTIONS

- Reintroduce control of capital movements (Keynes 1930s). This principle has worked in EU up to the early 1980s.
- Replace WTO by green trade administration responsible for global transport tax (and financial (Tobin) tax).
- Change priorities of World Bank and IMF to green transition and global equity.
- Stop government subsidies to fossil fuels.
- Do not wait for large nations like the US and China that sabotage global agreements and commitments.

HOW DOES THIS GET STARTED?

- One possibility is to wait for a global collapse.
- A more intelligent possibility may be to create a group of countries that demonstrates the technological reality and economic advantage of a green sustainable transition.
- Possible candidates may be the Nordic Countries: More than 20 million inhabitants, rich welfare nations, traditions for international outlook, negligible corruption, long experience with Nordic co-operation.
- Requires more flexible formal relationship between Nordic Group and EU allowing control of capital movement etc.

TIME FOR AN EXCUSE

A personal statement

- The dominating old generations have left a global mess for the young generation.
- It is high time that we admit our catastrofic policy mistakes and support a youth revolution working for a transition to a sustainable world with no forced unemployment, a high degree of global and national equity, and a shift from money power to real democracy.
- The alternative is that the youngsters shall experience in the hard way the collapse scenario from *Limits to Growth*.

THANK YOU FOR YOUR ATTENTION

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Niels I. Meyer Salzburg, Sept. 2014/14