GREEN TRANSITION: DILEMMAS AND SOLUTIONS

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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 crying for 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 solar energy and other renewables for human energy purposes has limitations.

• Dangerous to accept illusionary mitigation concepts.

*Best advice: forget about GREEN GROWTH*

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Salzburg, August 2013/3
RESILIENCE

• New strategy: less money for mitigation of global warming – more money for resilience against global warming.

• Mitigation is based on concrete numbers – resilience is a positive and flexible concept – favourable with politicians.

• 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 urgently needed or have low costs.

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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.
• 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”).

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Figure 2.2 Comparing 'Limit to Growth' scenarios to observed global data

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EQUITY

The forgotten 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.

• 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.

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NEOLIBERAL ECONOMY HAS FAILED
”Economics is politics in disguise”

• Neoliberal economy has dominated since 1980s.
• Uncontrolled and suspect financial transactions have accelerated the appearance 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).

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REAL DEMOCRACY SHOULD BE TRIED
People power – not money power

• Democracy is being undermined by money – with the US as the most absurd 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.

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INTERNATIONAL ACTIONS

• Reintroduce control of capital movements (Keynes 1930s).
• 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 for fossil fuels.
• Do not wait for large nations like the US and China that sabotage global agreements and commitments.

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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.

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TIME FOR AN EXCUSE

• The dominating old generations have left a global mess for the young generation.

• It is high time that we admit our catastrophic 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*.

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THANK YOU FOR YOUR ATTENTION

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