At Rio+20: Values versus prices

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[RIO DE JANEIRO, JUNE 18, 2012] – Given the worsening world economic crisis, the turn to 'Green Economy' rhetoric looms as a potential saviour for footloose financial capital, and is also enormously welcome to those corporations panicking at market chaos in the topsy-turvy fossil-fuel, water, infrastructure construction, technology and agriculture sectors.

On the other hand, for everyone else, the Rio+20 Earth Summit underway this week in Brazil, devoted to advancing Green Economy policies and projects, appears as an overall disaster zone for the people and planet.

Meanwhile in Mexico, the G20 meeting of the real powerbrokers this week included a Green Economy session. But more serious distractions for the elites include ongoing Southern European revulsion at harmful public policies cooked up by bankers, and potential war in the Middle East. Perhaps a few environmentally-decent projects may get needed subsidies as a result of the G20 and Rio talkshops, and we'll hear of 'Sustainable Development Goals' to replace the fatuous UN Millennium Development Goals in 2015.

But the overarching danger is renewed official faith in market mechanisms. No surprise, following the logic of two South African precedents: the 2002 World Summit on Sustainable Development in Johannesburg (Rio+10) and last December's Durban COP17 climate summit. There, the chance to begin urgent environmental planning to reverse ecosystem destruction was lost, sabotaged by big- and medium-governments' negotiators acting on behalf of their countries' polluting and privatising corporations.

Market fixes to market failures?

It's useful to interrogate the eco-governance elites' assumptions. I'm here in Rio at the International Society for Ecological Economics conference (ISEE) within a critical research network – the Barcelona-based Environmental Justice Organisations, Liabilities and Trade (EJOLT) – whose leaders, Joan Martinez-Alier and Joachim Spangenberg, issued a statement appropriately cynical about the Green Economy: "The promises are striking: conserving nature, overcoming poverty, providing equity and creating jobs. But the means and philosophy behind it look all too familiar."

Unfortunately, after the original 1992 Rio Earth Summit, multinational corporations increasingly dominated the emerging terrain of global environmental governance. The United Nations Environment Programme came to view "the sustainability crisis as the biggest-ever 'market failure'" – a dangerous distraction, according to the two political-ecologists, because "Describing it this way reveals a specific kind of thinking: a market failure means that the market failed to deliver what in principle it could have delivered, and once the bug is fixed the market will solve the problem."

Martinez-Alier and Spangenberg reverse this logic:

*"Unsustainable development is not a **market failure** to be fixed but a **market system failure**: expecting results from the market that it cannot deliver, like long-term thinking, environmental consciousness and social responsibility."*

In the same spirit, Sunita Narain of the Centre for Science and Environment in Delhi chastised ISEE's conventional economists in a plenary:

"There are a million struggles in India against pollution that Martinez-Alier calls the 'environmentalism of the poor', in contrast to the Green Economy which is the environmentalism of the rich."

Narain contined,

*"The issue is not the price of nature, it's **rights** and it's the values of democracy, of governance, of society, of humanity. Let's be very clear: in today's Green Economy as it is being shaped in Rio Centro and by many economists, these principles will not help us move ahead. Let's not get lost in yet another shallow, empty concept."*

It's critical to pose the Green Economy from this class-analytic and eco-centric standpoint, especially because inside the official Rio Centro, negotiations on a bland pro-market text continue through Saturday. There, progressive civil society strategies to insulate basic human and natural rights – e.g. to water – are being foiled by negotiators and by the host neoliberal Brazilian government which is channelling reactionary positions from Northern negotiators, especially from Washington, Ottawa, Tokyo and Tel Aviv, the main saboteur-regimes when it comes to water justice.

According to Anil Naidoo of the Ottawa-based Blue Planet Project, "the new negotiating text is out and it is terrible! We expected the attacks to continue as we have made strong gains through our pressure, but clearly we must again fight for our human right to water and sanitation." In spite of excellent anti-privatisation activism by Naidoo's allies in dozens of cities across the world, water commercialisation remains a major threat, especially thanks to the World Resources Institute's mapping of scarcity on behalf of thirsty transnational corporations.

Also within the rubric of the Green Economy, corporations are seeking new technological 'False Solutions' to the climate and other environmental crises, including dirty forms of 'clean energy' (nuclear, so-called 'clean coal', fracking 'natural gas', hydropower, hydrogen, biofuels, biomass and biochar); dangerous Carbon Capture and Storage experiments; and other whacky geoengineering gimmicks such as Genetically Modified trees to sequester carbon, sulfates in the air to shut out the sun, iron filings in the sea to create algae blooms, and large-scale solar reflection such as industrial-scale plastic-wrap for deserts.

From African 'natural capital' to pricing to markets

Crazy corporate tactics aside, the philosophical underpinning of the Green Economy needs wider questioning. The precise wording is terribly important, as Africans began to understand after last month's 'Gaborone Declaration' hosted by Botswana president Ian Khama. He brought together leaders from nine other African countries – Gabon, Ghana, Kenya, Liberia, Mozambique, Namibia, Rwanda, South Africa and Tanzania – to "quantify and integrate into development and business practice" what ordinary people consider to be the innate value of nature.

But these leaders and their conference sponsor Conservation International mean something else, devoid of eco-systemic, spiritual, aesthetic, and intrinsic qualities. The Declaration insists,

"Watersheds, forests, fisheries, coral reefs, soils, and all natural resources, ecosystems and biodiversity constitute our vital natural capital and are central to long-term human well-being, and therefore must be protected from overuse and degradation and, where necessary, must be restored and enhanced."

There are good sentiments as far as they go, yet by relegating our environment to mere natural capital, the next step is to convert value into price and then sell chunks of nature on the market. All manner of financialisation strategies have emerged to securitise 'environmental services', most obviously in carbon markets which continue failing miserably to deliver investor funds to slow climate change.

For some institutions we can term yuppie-green due to their pro-market ideology, faith continues in spite of emissions trading's descent to hell. In a joint paper published last week, the WorldWide Fund for Nature (WWF) and Greenpeace advocated last-gasp reforms to revitalise the European Union carbon markets. Like the Chicago exchange in 2010, the EU Emissions Trading Scheme is in real danger of dying, what with last month's drop-out announcement from Munich's leading financiers, who cited a fatal degree of corruption and market oversupply.

The 2010 crash of the Chicago Climate Exchange – and an ongoing civil fraud lawsuit against founder Richard Sandor – is only the most obvious warning to those promoting emissions trading and voluntary offsets. In Africa, we argue based on new research for EJOLT, the 'Clean Development Mechanism' (CDM) carbon-trade and offset mechanism 'Cannot Deliver the Money.'

The Durban COP17 climate gamble – that carbon markets could be revived as part of a renewed Kyoto Protocol mandate – was lost by virtue of the negotiators' failure to make post-2012 emissions-cut commitments. And the Bonn follow-up meetings of the UN Framework Convention on Climate Change last month

But the crisis facing the market crew aiming to 'privatise the air' is also pushing environmentally-oriented bankers in all sorts of other directions. Explained City of London investor Simon Greenspan, whose firm won World Finance magazine's 'Western European Commodities Broker of the Year' award four months ago,

"At Tullett Brown we've only ever invested in areas of the market that have truly stood the test of time, such as gold and silver and property. When our analysts were looking for the next great area of growth it was fairly obvious to them. It was the planet, it was the environment."

(Oops, just days later, British financial authorities forced Tullett Brown into provisional liquidation.)

Reacting to the Gaborone Declaration, Nnimmo Bassey from the Niger Delta NGO Environmental Rights Action and Friends of the Earth International warned, "The bait of revenue from natural capital is simply a cover for continued rape of African natural resources." Thanks to inadequate protection against market abuse, he adds, "The declaration will help corporate interests in Rio while impoverishing already disadvantaged populations, exacerbate land grabs and displace the poor from their territories."

To illustrate the pernicious way markets undermine nature, Zimbabwe's president Robert Mugabe would say of the rhino and elephant 15 years ago, "The species must pay to stay" – which in turn allowed him and (white) cronies to offer rich overseas hunters the opportunity to shoot big game for big bucks. The dilemma about hunt marketing is that it doesn't stop there: black markets in rhino horns and elephant tusks are the incentive for poachers to invade not just poorly defended game parks north of the Limpopo River, but also now in South Africa.

The alternative strategy would have been to tighten the Convention on International Trade in Endangered Species' restrictions against trade in ivory. But South Africa's game-farm owners and free-market proponents got too greedy, and by influencing Pretoria to press for relaxation of CITES' ban, hundreds of elephant and rhino corpses denuded of horns and tusks now litter the bush.

From prices to values, and from fees to fines

At best, the Gaborone Declaration commits the ten countries to "reducing poverty by transitioning agriculture, extractive industries, fisheries and other natural capital uses to practices that promote sustainable employment, food security, sustainable energy and the protection of natural capital through protected areas and other mechanisms."

How, though, is the crucial question. It is well and good to protect nature through imposing a prohibitive fine and ban on those who pollute, and it is past time for payment of the 'climate debt' from the Global North's companies and government which take too much of the shrinking carbon space left in the environment, for instance.

As Kathy McAfee from San Francisco State University puts it,

"Compensating the poor and other land users for practices that maintain healthy, 'service-producing' ecosystems may be an important part of strategies for sustainable and equitable development. Serious problems arise, however, when such compensation schemes are framed as markets."

It is another matter, entirely, to treat nature as 'capital' from which a fee-for-use – at Rio+20, termed 'payment for environmental services' – is offered by deep-pocket polluters to continue business-as-usual.

What do we need in coming years? *Valuing* nature and imposing *pollution-bans* and *prohibitive fines* for ecological degradation are the conceptual approach and the strategy required. But given the power balance here, we can instead expect the Earth Summit to promote the *pricing* of nature based on a *pollution-fee* system and environmental markets, which in effect will give discredited bankers the job of regulating world ecology.

Then watch out, people and planet – you will be swamped by hunger for profits.

Patrick Bond
Director the University of KwaZulu-Natal Centre for Civil Society