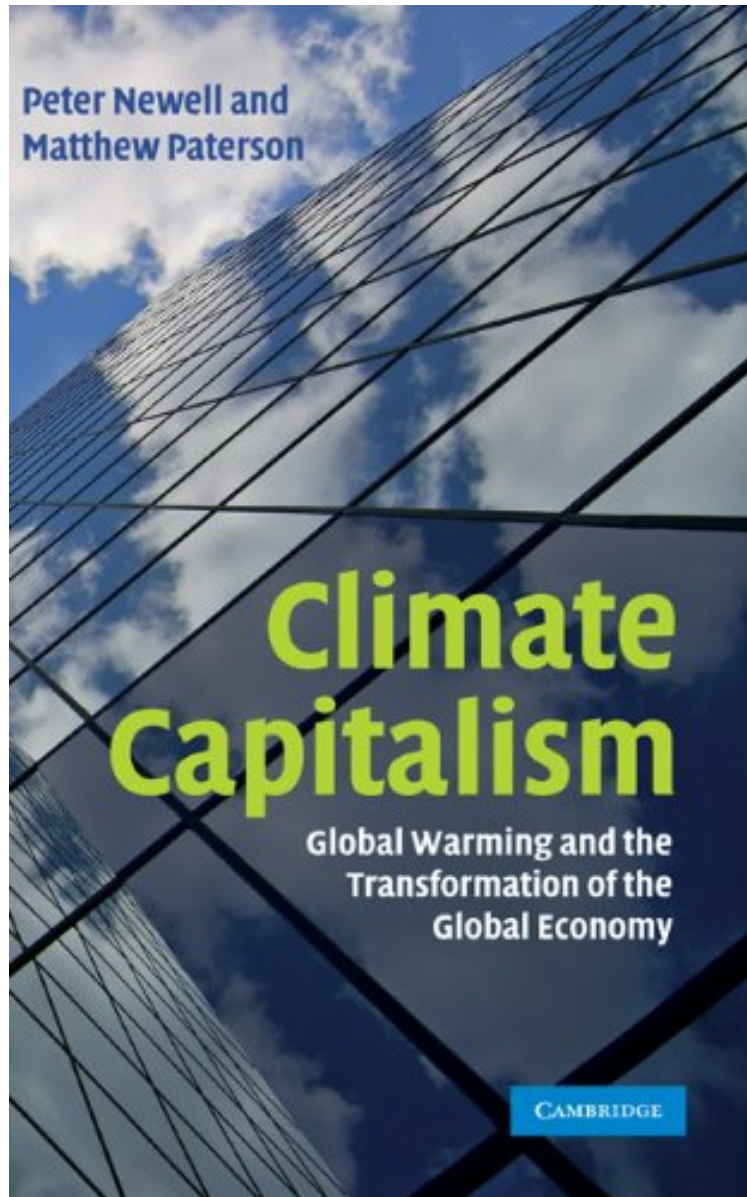


Climate Capitalism: Global Warming and the Transformation of the Global Economy

Peter Newell, Matthew Paterson
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Peter Newell, Matthew Paterson : Climate Capitalism: Global Warming and the Transformation of the Global Economy before purchasing it in order to gage whether or not it would be worth my time, and all praised Climate Capitalism: Global Warming and the Transformation of the Global Economy:

0 of 0 people found the following review helpful. Climate capitalism or why we should sign up Goldman Sachs in the

fight against climate change

By Julien Leger

If we accept the premise that climate change entails clear and present dangers that we humans can prevent, should we proceed by giving up on our current economic model and choose a new direction, or join forces with the leaders of our capitalist economy to reform the model and help them make money on the way? This question is not just theoretical; it has a fundamental impact on the best strategy. If you take climate change seriously, should you join an anti-capitalist group and organize a protest at the next G8 meeting, or join forces with Goldman Sachs? For Peter Newell and Matthew Patterson, the latter is a necessary step. As the title suggests, this book is about market-based policies (essentially, cap and trade systems and carbon taxes) meant to "decarbonise" our economy; their roots in neoliberalism, their development in the 90s and 00s, and their potential and limits to reduce carbon emissions and save the planet. For the authors, these mechanisms are appealing for essentially political reasons: the alliance between environmentalists and financiers has the potential to create a powerful constituency that benefits from market-based climate change policies. They argue that in the context of a capitalistic society, this is the only viable option to make the urgent changes quick enough to avoid the worst effects of climate change. Abandoning our capitalistic ways is simply not realistic at the moment, so we must find a way to grow our economies while replacing coal, oil and gas. Turning our climate into a commodity for financiers to trade is the way to go. For everyone but a Stephen Harper Conservative, this approach is not new. Businesses currently treat the environment as if it is worth nothing. Pricing nature and incorporating that price into the cost of production creates an economic incentive for its protection. Of course, the process doesn't end there. Once the commodity is created, bankers, traders and speculators step in, and nature goes through the securitization food chain. Imagination is the only limit to the many financial products that can be created and traded, as the recent financial crisis has revealed. But this is the ideal scenario. We're not quite there yet, especially in North America. The novelty of their argument is mostly in the subtext and aimed at the academic/lefty type: financiers are unavoidable actors of our society, so we should try to harness their power to create a low-carbon economy. The authors are careful, and repeatedly point out that by themselves, market-based mechanism will not be enough to "decarbonise" the economy. Left to their own device, the good people at Goldman Sachs will not save the planet. We need the protesters to pressure businesses and governments to set ambitious targets and act with transparency. We need governments to set high standards and efficient regulations, and to enforce the rules. All these actors have a role to play in the governance of climate capitalism, and should not be seen as "outsiders" the dynamic of carbon markets. This is a clear and refreshing denunciation of the naive neoliberal faith in the efficiency of markets. But even then, many things could go wrong warn the authors. The first experiment with a large-scale emissions trading scheme in Europe is a case in point. Too many emissions permits were initially allocated, so the price of carbon collapsed and did not create the desired incentive on polluters. Some of what I found most interesting is when the authors explore in details the mechanics of emissions trading. Neoliberals beware: more markets do not mean less government here. Emissions trading require heavy regulatory infrastructure and the development of considerably more complex rules than a carbon tax or a simple cap on emissions. These are good lessons for policymakers. Sadly, were not even at the point of having the cap and trade v. carbon tax debate in Canada. What I found disappointing is that the more fundamental criticism to market-based mechanisms is mentioned, but not developed. It's clear that the roots of climate change are found in the development of industrial capitalism. Turning nature into a commodity can be seen as a new stage of financial capitalism, where capital is colonizing and transforming every aspect of our life and nature for its benefit. Everything must be aligned with the goal of capital accumulation nowadays, even our education. I cringe every time I hear a politician say that we must "train our brains for the needs of the market". Karl Marx would say that we are completing our alienation process, alienating ourselves from our fundamental human nature, and Mother Nature itself. We're not far off base. To me, the book does not capture how truly extreme and radical turning our climate into a commodity is as a "solution". People are right to ask if all these fancy "cap and trade" systems and financial abstractions are in reality counter-productive. Isn't this just feeding the process that's driving the crisis, and distracting our attention from the profound changes that are necessary to create a truly sustainable and fairer society? Perhaps, would answer the authors. But we're in damage control mode, so we must act quickly. Neoliberalism is the lingua franca of our age and will inevitably shape our response to climate change. People in the Marxist tradition, such as David Harvey, and proponents of "deacute;croissancerdquo;, of moving away from the imperative of economic growth, will not like the arguments at the heart of this book. But overall, the book provides an excellent review of the development and potential future of market-based climate change policies, a powerful argument in their favor given the political context, and good lessons for their governance. An excellent read so long as the reader accepts that what we should be doing is not designing the ideal sustainable and just society, but finding the right buttons to push given our current situation.

Confronting climate change is now understood as a problem of 'decarbonising' the global economy: ending our dependence on carbon-based fossil fuels. This book explores whether such a transformation is underway, how it might be accelerated, and the complex politics of this process. Given the dominance of global capitalism and free-market ideologies, decarbonisation is dependent on creating carbon markets and engaging powerful actors in the world of

business and finance. Climate Capitalism assesses the huge political dilemmas this poses, and the need to challenge the entrenched power of many corporations, the culture of energy use, and global inequalities in energy consumption. Climate Capitalism is essential reading for anyone wanting to better understand the challenge we face. It will also inform a range of student courses in environmental studies, development studies, international relations, and business programmes.

"In commentary on global climate change, the issue of whose views to trust is itself one also now fraught with increasing uncertainty. The views of Newell and Paterson in this helpful book 'Climate Capitalism' are trustworthy and important. They need to be considered widely, seriously and urgently." - Aubrey Meyer, Global Commons Institute, London

"The question of whether and under what terms capitalism can cope with climate change is the most important and challenging of our age. Climate Capitalism addresses this issue in an accessible and timely manner. It is required reading for all." - Sir David King, former Chief Scientific Adviser to the UK Government and Director of the Smith School of Enterprise and the Environment, University of Oxford

"Climate change we know is intrinsically linked to the model of economic growth in the world. Neo-liberal economists today accept that climate change is the market's biggest failure. But still the world is looking for small answers to tinker its way out of the problem of growth. It is time we looked for new ways of 'business unusual'. This is why this book, Climate Capitalism, is timely. It helps us understand the crisis, but also the opportunity to reinvent growth without pollution. Read it because you must." - Sunita Narain, Director of the Centre for Science and Environment, New Delhi

"This is the best book yet written on the complex connections between climate change policy, markets and capitalism more generally. Written in an impartial and balanced way, the work should become a standard text in the field." - Professor Lord Tony Giddens, London School of Economics and Political Science, author of *The Politics of Climate Change*

"Climate Capitalism by Peter Newell and Matthew Paterson provides a comprehensive review of the market in Carbon reductions as well as the challenges that tackling climate change poses to capitalism more generally. While accepting that the model of global capitalism being followed so far in most of the world may need to be changed to a new, more sustainable, paradigm in the longer term, we need to start from where we are and harness the positive forces of capitalism towards solving the climate change problem rather than exacerbating it. It is an excellent book that anyone interested in the economics of climate change should read." - Saleemul Huq, Senior Fellow, Climate Change Group, International Institute for Environment and Development

"Governments, businesses and people the world over are grappling with how to tackle climate change, preferably without sacrificing living standards and lifestyles. Is 'green capitalism' possible or a contradiction in terms? Will emerging forms of governance manage the potential and pitfalls of carbon markets in ways that achieve climate justice? Informed by two decades of climate scholarship, the authors provide an accessible entry to these big policy questions of the day. Backed by careful research, their balanced analysis will help inform not only all those interested in climate regulation but all those who see climate change as a harbinger of broader debates and choices about forms of global governance and the future shape of the global economy." - Farhana Yamin, former Research Fellow, Institute of Development Studies, University of Sussex

"It is now clear that capitalism as usual is not up to tackling the challenge of climate change. Under what conditions might capitalism be transformed to generate growth through low carbon development? Climate Capitalism addresses this most pressing of issues in an informed and accessible way. It is essential reading for governments, businesses and concerned citizens alike." - Rt. Hon Michael Meacher M.P. and former UK Minister of the Environment

"The core of book discusses the awakening of financial actors to climate change and the development of financial markets and instruments, from catastrophe bonds to the European Trading System. This is climate capitalism at work, and the authors cover the complex ground admirably. ... The book concludes with a number of provocative scenarios." - climateinc.org

About the Author Peter Newell is Professor of International Development at the University of East Anglia. He has worked on climate change as a researcher, consultant, teacher and activist for over 16 years. He has undertaken work for international organisations such as UNDP and GEF, provided policy advice to a number of different governments and worked for NGOs such as Climate Network Europe and Friends of the Earth. He is an ESRC Climate Change Leadership Fellow and is the author of *Climate for Change* (Cambridge University Press, 2000), the first book on the role of non-state actors in global climate politics. Matthew Paterson is a Professor of Political Science at the University of Ottawa. He has been researching climate change politics since 1989. He wrote the first book in political science focused solely on climate politics, *Global Warming and Global Politics* (1996), which is still widely used as a key text to understanding climate change politics. His book *Automobile Politics: Ecology and Cultural Political Economy* (Cambridge University Press, 2007), has won the prestigious International Political Economy Book Prize.