THE STORY OF CAP & TRADE
WHAT YOU CAN'T SOLVE A PROBLEM WITH THE THINKING THAT CREATED IT
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THE STORY OF STUFF

ATMOSPHERIC CO₂ CONCENTRATION (PPM)

WE'RE HERE
387 ppm

WE NEED TO BE HERE
350 ppm


CLIMATE JUSTICE NOW!
Climate justice and the politics of scale

Patrick Bond
University of KwaZulu-Natal
School of Development Studies and
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presented to the
Antipode Institute for
Geographies of Justice
University of Georgia, Athens
31 May, 2011

cartoons by Zapiro
Durban’s Conference of Polluters (COP17) what will happen from 28 Nov until 9 Dec?

UNFCCC negotiations

UN & Durban officials want ‘civilised’ society in (closed) Exhibition Centre

‘C17’ civ soc unity at public alternative summit: Durban University of Technology
World Summit on Sustainable Development
Johannesburg, 31 August 2002: 30,000 protested UN ‘type-two partnerships’, privatisation of water, emissions trading, neoliberalism
A TIMETABLE TO REDUCE EMISSIONS?! 
...NOT UNTIL THERE'S MORE EVIDENCE OF GLOBAL CLIMATE CHANGE!
Major sites for neoliberal plus sustainable development discourses

A GIFT FROM THE CORPORATE WORLD!

Johannesburg World Summit 2002

Sustainable Development

Profit
Self Regulation
Unfair Trade
‘overaccumulation’ and GDP stagnation: source of decline in finance-adjusted US profits

US corporate profits derived much less from manufacturing products; much greater sources of profits came from abroad; profits also came more from returns on financial assets. Source: Gerard Dumenil and Dominique Levy

Figure 3 US, nonfinancial corporations: Profit rates prior to the payment of real interest (---) and after (----), %

In the first series, profits are equal to the net product minus the cost of labor, and business and profit taxes. They are divided by the net worth (total assets minus debt). For the second series, real interest is subtracted from profits, i.e., interest minus a correction for the depreciation of debt resulting from inflation.

Source: Gerard Dumenil and Dominique Levy
context: US economy as core site of overaccumulation and financialisation

when crisis sets in, 3 displacement techniques: 'shifting', 'stalling', 'stealing' the spatial fix, temporal fix and accumulation by dispossession

Financial profits as % of total profits

Source: John Bellamy Foster and Fred Magdoff, 2009

Source: BLS; Federal Reserve

Source: BEA (3/9/2010)
limits of the ‘spatial fix’: amplified uneven development

GLOBAL CURRENT-ACCOUNT BALANCE, 1990–2008
(Per cent of GDP)

volatility and uneven development inexorably worsen
(source: Unctad 2009)
limits of ‘temporal fix’: uncontrolled financial markets

Figure 3.1. Global Over-the-Counter Derivatives Markets
(In trillions of U.S. dollars; notional amounts of contracts outstanding)

Source: IMF, Global Financial Stability Report, April 2010

Figure 4.1. Global Liquidity
(In billions of U.S. dollars; GDP-weighted; quarterly data)
'global governance’ solutions to world crises?
recent record: repeated top-down failures

• last solution: 1987 Montreal Protocol on CFCs (ozone hole)

but since then:
• dominant neoliberals (1990s), neoconservatives (2000s)
• World Bank, IMF Annual Meetings: trivial reforms (Chinese voting power rising a few %, African stagnant)
• ‘Post-Washington Consensus’: Stiglitz fired, 1999
• UN Millennium Development Goal rhetoric, 2000
• WTO Doha Agenda 2001: failure
• Monterrey Financing for Development summit, 2002, then G20 global financial reregulation, 2008-09: failure
• renewed wars in Central Asia, Middle East, N.Africa
• UN Security Council reform attempts failed, 2005
• G8 aid promises (especially for Africa) broken, 2005
• Kyoto Protocol on climate: Copenhagen Accord tragedy
Copenhagen Accord, COP 15, December 2009

- Jacob Zuma (SA)
- Lula da Silva (Brazil)
- Barack Obama (USA)
- Wen Jiabao (China)
- Manmohan Singh (India)

"they broke the UN!"
(Bill McKibbon, 350.org)

non-binding!
4 degree increase!
world’s biggest polluter
structural problem: national self-interest at UN COPs
lead US climate negotiator Todd Stern, on demand for recognising climate debt?

'The sense of guilt or culpability or reparations – I just categorically reject that'

Stern thus rejects core principle: ‘polluter pays’

is Stern welcome in Durban?

WikiLeaks revealed (Feb ‘10) Stern/Pershing bribery and bullying:
Ethiopia, Maldives, Bolivia, Ecuador

Maldives cabinet gets $50m in US aid = U-turn, to support Copenhagen

Ethiopian tyrant Meles Zenawi: UN Advisory Group on Finance cochair halved AU’s 2009 demands for climate debt
The debt of nations and the distribution of ecological impacts from human activities


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As human impacts on the environment accelerate, disparities in the distribution of damages between rich and poor nations mount. Globally, environmental change is dramatically affecting the flow of ecosystem services, but the distribution of ecological damages and their driving forces has not been estimated. Here, we conservatively estimate the environmental costs of human activities over 1961–2000 in six major categories (climate change, stratospheric ozone depletion, agricultural intensification and expansion, deforestation, overfishing, and mangrove conversion), quantitatively connecting costs borne by poor, middle-income, and rich nations to specific activities by each of these groups. Adjusting impact valuations for different standards of living across the groups as commonly practiced, we find striking imbalances. Climate change and ozone depletion impacts predicted for low-income nations have been overwhelmingly driven by emissions from the other two groups, a pattern also observed for overfishing damages indirectly driven by the consumption of fishery products. Indeed, through disproportionate emissions of greenhouse gases alone, the rich group may have imposed climate damages on the poor group greater than the latter’s current foreign debt. Our analysis provides prima facie evidence for an uneven distribution pattern of damages across income groups. Moreover, our estimates of each group’s share in various damaging activities are independent from controversies in environmental valuation methods. In a world increasingly connected ecologically and economically, our analysis is thus an early step toward reframing issues of environmental responsibility, development, and globalization in accordance with ecological costs.
who owes? who caused climate change?
GHG/capita by country, 1950-2000

Canada
USA
EU
Australia
Russia
who loses from climate change?
a ‘Climate Demography Vulnerability Index’

main losers:
Central America, central South America, the Arabian Peninsula, Southeast Asia and much of Africa

Geographic disparities and moral hazards in the predicted impacts of climate change on human populations

J. Samson1, D. Berteaux2, B. J. McGill3 and M. M. Humphries1
Green Climate Fund – $100bn/year by 2020

designed last month in Mexico City

- $100 billion isn’t enough!
- direct access? ‘Basic Income Grants’ preferable to existing ‘aid’ systems (but Manuel is opposed)
- carbon trade will provide up to 50% of Fund revenue
- World Bank is interim trustee despite terrible record of managing climate and development funding

Trevor Manuel
SA minister, GCF co-chair

Robert Zoellick
World Bank president
Should the World Bank be lead climate financier?

• fossil fuel loans: $6.3 billion in 2009-10 year, up from $1.6 bn in 2006-07;
• commodity export dogma;
• resource curse financing;
• carbon trading promotion;
• Robert Zoellick qualifications:
  - WB prez after Wolfowitz was fired
  - Goldman Sachs int’l banker, 2006-7
  - US State Dep’t #2, 2005-6
  - US Trade Rep to WTO, 2001-5
  - Bush Jr’s Florida vote-counter, 2000
  - Enron ‘senior political advisor’, 1999
  - neocon *Project for a New American Century* founder, 1998 (‘invade Iraq’)
  - Fannie Mae #2, 1993-98
  - Presidential deputy chief of staff to George Bush Sr, 1992
  - US Treasury: Deputy Assistant Secretary during S&L crash, 1980s

Robert Zoellick

breaks everything he touches

a very worried panda
instead of paying its climate debt, US plays pollution markets

DATE: December 12, 1991
TO: Distribution
FR: Lawrence H. Summers

... I think the economic logic behind dumping a load of toxic waste in the lowest wage country is impeccable and we should face up to that... I've always thought that under-populated countries in Africa are vastly UNDER-polluted.  (emphasis added)

(World Bank chief economist Larry Summers, later US Treasury Secretary and Obama’s economic manager – full memo: www.whirledbank.org)
Cancun COP 16 revived market fix

in theory, yes, as a ‘castle in the sky’...
but in reality relying upon carbon markets is like building that castle atop quicksand – given the market’s corruption, fraud, thievery, stagnation and speculation.
carbon trading gimmick: US vice-president Al Gore (later a carbon trader) pushed for Kyoto to include emissions markets, in exchange for Washington’s promised support ... promise soon broken

Gore: ‘The European Union has adopted this US innovation and is making it work effectively there.’

(An Inconvenient Truth, p. 252)
emissions market’s five major crashes, 2006-09, 2010 stagnation, 2011 theft-closure, 2012 denouement?

impossible to finance renewable energy with such low carbon prices

does EU carbon trading ‘work effectively’?
how does carbon trading look in the South?

Plantar’s ‘green desert’ timber plantation

alien-invasive trees grow 10 years, then die and become charcoal for pig-iron, for Brazilian auto industry

Clean Development Mechanism case studies
Mt Elgon (Uganda) villagers stand amid corn planted on what the government says is national park, but which they claim has belonged to them for generations. To plant the corn, the villagers chopped down trees planted by the Dutch FACE Foundation as part of a carbon trading project.
Reducing Emissions through Deforestation and forest Degradation

REDD-type projects have already caused land grabs, killings, violent evictions and forced displacement, violations of human rights, threats to cultural survival, militarization and servitude

- Tom Goldtooth, Indigenous Environmental Network
Reducing Emissions through Deforestation and forest Degradation

**CJ critiques of REDD reforms:**
- no chance of getting full Indigenous rights (e.g. free, prior and informed consent)
- no chance to keep REDD out of carbon markets & offsets
- no chance to win on definitional issues (plantations)
- highly divisive within indigenous peoples, Africa (e.g. Wangari Maathai is supporter)
Durban, South Africa: $15 million CDM pilot

Bisasar Road conversion of methane-to-electricity at environmentally-racist toxic dump

Africa’s largest landfill placed in black residential suburb (Clare Estate) by apartheid; municipality refused to close it thanks to World Bank 2002 investment hype: *Prototype Carbon Fund credits*
Sajida Khan (1952-2007) though felled by cancer from dump, she had co-hosted ‘Durban Group for Climate Justice’ (2004) and her challenge to Bisasar methane flaring temporarily rebuffed World Bank in 2005

*project went ahead in 2008-09 and currently CDM is paid just €14/tonne*
in sum, eight fatal flaws of carbon trading

- inventing **property right to pollute** is effectively ‘privatizing air’, a moral dilemma given unprecedented inequality;
- GHGs have **non-linear impact, not reducible to commodity exchange** (a tonne of CO2 produced at ‘X’ not same as a tonne reduced at ‘Y’);
- corporations most guilty of pollution, and World Bank (most responsible for fossil fuel financing), are **market’s driving forces**;
- many offsets – e.g. monocultural timber plantations, forest ‘protection’, landfill methane-electricity – **devastate local communities and ecologies**;
- **price of carbon in these markets is haywire**, not least due to corruption, fraud and theft – with no prospect of regulation;
- dangerous potential for markets to become multi-trillion dollar **speculative bubbles**, similar to other exotic financial instruments;
- encourages small **incremental shifts**, distracting us from big changes needed across economy, energy, transport, consumption, disposal;
- ‘**market solutions for market failure**’ is not an appropriate ideology after the world’s worst-ever financial market failure
contested ‘climate justice’ semantics

- environmental/racial justice traditions - 1980s
- ad hoc climate activism, 1997 Kyoto Protocol
- 2000s: Contraction & Convergence, GDRs (technicist)
- ‘Durban Group for Climate Justice’, 2004
- fusion of ‘global justice’ and radical enviros, Bali, 2007
- ‘Climate Justice Now!’ , 2007-present
- Climate Justice Alliance (EU-based), Copenhagen, 2009
- Cochabamba conference ‘Rights of Mother Earth’, 2010
- Third World Network emphasis on South state power
- UN-DESA’s CJ orientation: South industrialisation
- Mary Robinson Foundation for CJ – elite reengagement
what is ‘climate justice’?
core principles from Rights of Mother Earth conference, Cochabamba, Bolivia (April 2010)

• 50 percent reduction of greenhouse gas emissions by 2017
• stabilising temperature rises to 1°C and 300 Parts Per Million

• acknowledging the climate debt owed by developed countries
  • full respect for Human Rights and the inherent rights of indigenous people
  • universal declaration of Mother Earth rights to ensure harmony with nature
  • establishment of an International Court of Climate Justice

• rejection of carbon markets, and REDD’s commodified nature and forests
  • promotion of change in consumption patterns of developed countries
  • end of intellectual property rights for climate technologies
  • payment of 6 percent of developed countries’ GDP for climate change
Down with coal! The grassroots anti-coal movement goes global

The article was coauthored by Bob Burton (CoalSwarm, Australia), Christine Shearer (CoalSwarm, U.S.), Cynthia Ong (LEAP, Malaysia), Jamie Henn (350.org, U.S.), John Hepburn (Greenpeace, Australia), Joshua Frank (CoalSwarm, U.S.), Justin Guay (Sierra Club, U.S.), Kate Hoshour (International Accountability Project, U.S.), and Mark Wakeham (Environment Victoria, Australia).

In the United States and Europe, the triple whammy of recession, cheap alternatives, and aggressive anti-coal campaigning has helped halt the expansion of coal use. Since 2004, plans to build more than 150 coal plants in the U.S. have been abandoned. In fact, the U.S. Energy Information Administration (EIA), a government agency that analyzes energy-related statistics, predicts continued stagnation or decline in coal-fired electricity generation in the U.S. and the European Union over the coming decades.

Facing resistance to its longstanding rule in the Organization for Economic Cooperation and Development (OECD) countries, King Coal has redoubled ambitions elsewhere. According to 2010 projections by the EIA, coal consumption in the non-OECD world will increase by 23 quadrillion BTUs between 2007 and 2030. The likely villains: China, India, Russia, and Poland.
CJ movement: *leave the oil in the soil, the coal in the hole, the tarsand in the land, and the fracking shale-gas in our earth’s ass*

- Canada: Alberta anti-tarsands green and indigenous activists, and Quebecois versus shale-gas
- British *Climate Camp (Crude Awakening)* block Coryton oil refinery, 2010 – MI5 spy couldn’t crack it
- Australian *Rising Tide* regularly block Newcastle coal exports
- Norwegian environmentalists and Attac win against state oil company in *Lofoten* region, 2011
- Ecuador’s Amazon indigenous activists + *Accion Ecologica* halt oil drilling in Yasuni National Park
- stopping US King Coal: Mountain Top Removal nearly halted in Appalachia; Navajo Nation forced cancellation of Black Meza (Arizona) mine permit against world’s largest coal company, Peabody; Powder River Basin (MN, WY) farmers and ranchers fight coal expansion
- derailing US coal energy: nearly all 151 proposed new coal power plants in Bush Energy Plan cancelled, abandoned or stalled since 2007; key community forces: Indigenous Environmental Network, Energy Justice Network and Western Mining Action Network, plus Sierra legal team
- preventing incinerators: since 2000, no new waste incinerators (more carbon-intensive than coal and leading source of cancer-causing dioxins)
  - Global Alliance for Incinerator Alternatives, Detroit victory, world wastepickers movement
- defeating Chevron expansion in Richmond, CA
- undamming Mega Hydro at Klamath River: indigenous communities defeat Pacificorp Power
- building resilient communities through local action: frontline communities winning campaigns linking climate justice to basic survival
  - e.g., Oakland Climate Action Coalition opposes climate disruption, promotes Just Transition
California solidarity and prefigurative politics

“The California Environmental Justice Movement stands with communities around the world in opposition to carbon trading and offset use and the continued overreliance on fossil fuels.”

California EJM’s Declaration against use of carbon trading to address climate change, 19 February 2008

Oakland: post-carbon transition town?

Oakland Climate Action Coalition agenda for CJ:
1. Transportation and Land Use
2. Energy and Water Use
3. Consumption and Solid Waste
4. Urban Agriculture and Forestry
5. Community Engagement
6. Climate Change Adaptation Planning
scale politics: national/state laws?

- genuine climate legislation would strengthen democratic planning and regulatory mandates for national *Environmental Protection Agency*, public utility boards and planning commissions

- legislation would mandate profound transformation in production, consumption, transport, energy and disposal systems

- adverse balance of forces everywhere leaves existing legislation with private offsets, carbon trading, regulatory neutering (US EPA), carbon capture and storage, other false solutions, and massive subsidies for oil, coal, nuclear and corporate agriculture ... (except for California breakthrough due to racial-justice court challenge)
introducing: Durban Group for Climate Justice

- October 2004 initiative
- supported by Dag Hammarskjold Foundation, Sweden
- driven by grassroots activists in India, Brazil, Thailand, South Africa, etc
- largest signatory: Friends of the Earth International
- key sites: The Cornerhouse, FERN, SEEN, CarbonTrade Watch, CDM Watch, Dartmouth Univ Environmental Studies, UKZN Centre for Civil Society
Can global warming be mitigated by carbon trading?

With climate change posing perhaps the gravest threat to humanity in coming decades, and with free market economics still hegemonic, it is little wonder so much effort has gone into creating a carbon market, no matter how much evidence has recently emerged about its flaws.

South Africa, a revealing pilot site, has initiated carbon trading projects with adverse economic, environmental and social impacts. South Africa pollutes at a rate twenty times higher than even the United States of America, measured by CO₂ emissions generated by each GDP dollar per person, so the idea of trading for carbon reductions is seductive — and potentially lucrative. Current state policy is supportive and a former environment minister is a market promoter, alongside the World Bank, the Dutch government and big oil companies.

Editors Patrick Bond, Rehana Dada and Graham Erion of the University of KwaZulu-Natal and the TransNational Institute have assembled this cutting-edge collection to highlight the urgent situation.

‘The most destructive effect of the carbon offset trade is that it allows us to believe we can carry on polluting. This crucially-needed book provides ample evidence of the trade’s other dangers to “beneficiaries”, with case studies of fraud, accounting tricks and maltreatment of people and the environment.’

George Monbiot, Guardian columnist and author of Heat

‘As representatives of people’s movements and independent organisations, we reject the claim that carbon trading will halt the climate crisis. This crisis has been caused more than anything else by the mining of fossil fuels and the release of their carbon to the oceans, air, soil and living things. This excessive burning of fossil fuels is now jeopardising Earth’s ability to maintain a liveable climate.’

‘Climate Justice Now! The Durban Declaration on Carbon Trading’

Order your copy from http://www.ukznpress.co.za
pbond@mail.ngo.za
Climate Justice Now! SA opposes emissions, privatised electricity, Eskom coal and nuclear, carbon trading: demands conservation/renewables and electricity-as-a-right to avoid this danger: