

<https://internationalviewpoint.org/spip.php?article2640>



Environment

# On the agenda: the relaunching... of social and ecological destruction

- IV Online magazine - 2012 - IV449 - June 2012 -

Publication date: Thursday 7 June 2012

---

Copyright © International Viewpoint - online socialist magazine - All rights reserved

---

**The question of growth has resurfaced in political discourse. The European Trade Union Confederation (ETUC) has been demanding it for several years. François Hollande made it a major theme of his campaign. The social democrats are asking for it in all countries, particularly in Germany. The Right has also joined in, by the intermediary of Mario Draghi - President of the European Central Bank - and Herman Van Rompuy - President of the European Council. Even Angela Merkel has paid lip-service to the idea that austerity is not enough, we have to relaunch growth.**

## "In the context of reforms"

The ETUC is wrong to see something to celebrate in these developments [1]: what is being talked about is a stimulus in the framework of neoliberal austerity. Limited by the size of the deficits and subject to the law of profit, this very hypothetical stimulus will not get rid of mass unemployment, will serve as a pretext for new anti-social and anti-democratic attacks, and will exacerbate the ecological crisis. Rather than be fooled by the publicity around this (mini) change within continuity, it should be seen as an encouragement to intensify the fight and build relationships of forces for an alternative worthy of the name: an alternative model of development, both social and ecological, based not on growth but on the sharing of labour and wealth, respecting the environmental limits.

"There is now an increasingly clear consensus over the fact that we must do more to create growth and jobs in the context of the budget and structural reforms" being undertaken in Europe. This statement by President Obama at the recent G8 Summit clearly shows the limits of posturing about stimulating growth. The root of the problem is the deep impasse in which the global capitalist system is floundering. This impasse can be schematised by a simple formula: on the one hand it is not possible to return to the Keynesian model of the post-war boom (given the mass of debt, it would require a radical redistribution of wealth); on the other hand the neoliberal model which made it possible to spectacularly restore the rate of profit was derailed in 2008 and cannot be put back on track again (because the increase in debt no longer makes it possible to provide artificial outlets for capital).

A third model would be necessary, but there isn't one, capitalism exists only in these two variants: either regulation or what Michel Husson very elegantly called "pure capitalism" [2]. Therefore, the ruling classes, particularly in Europe, have no socialist other than neoliberal forward flight, i.e. the relentless destruction of the remains of the "Welfare State", which, given social resistance, requires in turn a rapid shift towards a semi-despotic political system. It is only to the extent that this vast offensive of social and democratic regression delivers the expected results that budgetary margins will be available for the so-called "policy of growth." That is what Obama means when he says that this policy is to be conducted "in the context of budgetary and structural reforms." The indications given by Mario Draghi explain what is involved: labour market reform, reduction of "wage costs", increased flexibility and precariousness, lengthening of working life... [3]

## Margins? What margins?

It would be criminal to make any mistake about it: the war is continuing. A relentless class war, as was acknowledged by the American billionaire Warren Buffet. It is not about to end. Given the huge mass of private debt transformed into public debt, given the resistance that the working class is forced to make, and given the deep crisis of political

regime that is spreading from one country to another, the budgetary margins available for re-launching growth can only be very limited.

Assuming that Germany consents (which would be surprising) to pool debt through a mechanism of euro-bonds, these euro-bonds would provide scarcely any room for manoeuvre, because they would make the financing costs of the "healthy" countries in Northern Europe more expensive as they lightened those of the sick countries of the South of the continent. What else is there to do? Let the deficits rise? Take the brake off inflation? "The markets" are opposed, and they have the means of imposing their will. The "project bonds" with which the European Commission wants to fund trans-European transport, energy and innovation projects? They would only provide 230 billion euros. The recapitalisation of the European Investment Bank (EIB)? Only a sum of 10 billion euros is envisaged... However, sums of that order are totally insufficient to fund the vast plan of public investment which could contribute to overcoming the massive structural unemployment that exists.

## Don't forget "the other crisis"

In this context, the Left tends to somewhat forget the ecological crisis. Given the social emergency, it is a very understandable error, but it is however a serious one. We really must not forget that ecological constraints are a major and radically new social factor. An unavoidable factor, because a social and economic strategy that did not at the same time offer a way out of environmental destruction would unfailingly confront the exploited with additional problems and suffering.

What is involved? In the first place the alarming climate/energy challenge. Let us briefly recall the figures that emerge from the reports of the Intergovernmental Panel on Climate Change (IPCC). To have a 50 per cent chance of not exceeding a 2°C increase in the temperature of the Earth's surface, we should simultaneously fulfill the following conditions:

- Reduce global emissions of greenhouse gases by between 50 and 85 per cent by 2050;
- Begin this reduction no later than 2015;
- Reduce by 2050 absolute emissions of greenhouse gases by developed countries by 80-95 per cent compared to the level of 1990, via a stage of 25 to 40 per cent reduction by 2020;
- Reduce by 15-30 per cent the relative emissions of developing countries (in relation to the "business as usual" projections).

To assess the extent of what this implies, three elements must be taken into account: 1) carbon dioxide is the principal greenhouse gas; 2) this CO<sub>2</sub> is the inevitable product of any combustion of carbon-based fuels, in particular fossil fuels; 3) these fossil fuels cover 80 per cent of the energy needs of humanity.

Therefore, avoiding irreversible climate change (on the human time scale) is possible only by an accelerated "phasing out" of coal, natural gas and oil. This requires not only a formidable global transition to renewable energies but also a conversion of the petrochemical industries, since they are based on oil as a raw material.

The technical potential of renewable energies is more than enough to make this energy transition successfully, but their economic potential (i.e. their competitiveness against fossil fuels) is and will very probably remain insufficient for two to three decades. In addition, the transition requires huge investments in a new decentralized energy system; these investments require energy and this energy, at the beginning of the transition... is mostly fossil, therefore an additional source of greenhouse gas...

# Re-launching... of ecological destruction

Conclusion: green capitalism is as illusory as social capitalism, and the combination of the two amounts to pure and simple wishful thinking. Given the need for competitiveness and in the context of competition, the re-launching of capitalist growth implies not only a drastic increase in the neoliberal austerity offensive and a concomitant decline of democratic rights, but also a veritable eco-social disaster on such a scale that we can scarcely imagine the outlines of it.

It is not a question here of taking an eschatological approach, but of taking seriously the impact projections that have been developed on the basis of climate models, while pointing out that they are lower than the reality of the phenomena observed. Based on the present commitments of governments (but will they be respected?), we can project an increase in temperature of between 3.5 and 4°C in the next eighty years, in relation to the pre-industrial era. This leads us to fear a rise in the level of the oceans of one metre or more by the end of the century, a dramatic intensification of the problems of access to fresh water (which already concerns about a billion people), an increase in extreme weather events, a net loss of agricultural productivity on a global scale and an increased decline in biodiversity. A billion more people will thus face a worsening of their conditions of existence, and the very existence of hundreds of millions of them will be threatened. The vast majority of these victims will be - are already - the poor of the poor countries...who bear little or no responsibility for climate change.

## An alternative model of development

The idea that even a partial solution of social and ecological problems could result from a re-launching of growth should therefore be abandoned. It is the opposite that is true. In particular, the scourge of permanent mass unemployment - 24 million unemployed recorded in the EU! - is not the product of a lack of economic growth: it is the result of the neo-liberal policies which mean that gains in productivity are used to increase the profits of shareholders, and not to reduce working time. As for the energy transition, it will not result from a mythical green capitalism - necessarily neoliberal - but only from a pro-active public plan for investment in energy efficiency and renewable energies. However, within the time frame prescribed by the IPCC, such a plan cannot be seriously envisaged without the cancellation of illegitimate debt and public ownership of the sectors of finance and energy, b nationalization without compensation or redemption for the major shareholders.

It is therefore necessary to break with neoliberalism... but that is the only really existing capitalism today. What is on the agenda, and can give a perspective to struggles, is the preparation of a completely different development model across Europe, an ecosocialist model. This implies, to stay with the example of the fight against unemployment, daring to lay down as a starting point that job creation comes from a radical redistribution of income, and not from growth. Therefore from a confrontation with capital, not by its "re-launching".

On the environmental level, in developed countries, this model of development involves sharing wealth, not increasing it. We need to go even further, and dare to pronounce the word "de-growth". Certainly not in the philosophic sense that some people give to this term, but in the literal sense. Indeed, for the reasons described above, the "phasing out" of fossil fuels in two generations is not feasible in these countries without a decrease in physical production and transport, which implies in particular political choices such as the suppression of unnecessary and harmful production, a vast relocation of the economy, the transition to proximity organic agriculture, etc.

It is the combination of the ecological crisis and the social crisis which gives the crisis of capitalism today a systemic,

## On the agenda: the relaunching... of social and ecological destruction

---

"civilizational" and historical dimension that is absolutely unprecedented. The Left, in its development of alternatives, must be up to the challenge.

---

[1] In a communiqué on 30 April 2012, the ETUC wrote, concerning the position adopted by the President of the European Central Bank: "in making this proposal, Mario Draghi concedes the point of view defended for a long time by the ETUC: austerity is a dead end and the cleaning up of public finances can only be achieved only through economic recovery and employment."

[2] Michel Husson, *Un pur capitalisme*, Ed. Page Deux, Lausanne, 2008.

[3] In its communiqué quoted above, the ETUC said it was "in deep disagreement with the idea supported by the ECB of basing growth on reforms of the labour market: wages declining and more precarious work cannot produce economic recovery", it wrote. Indeed. However, instead of the anti-capitalist conclusion that flows from that, the ETUC wants to believe in the possibility of a recovery "based on good salaries, social dialogue and the promotion of the European social model". This is indulging in illusions.