

Detailed report of the Panel Discussion

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Mr. Rian van Staden (RS)
Mr. Fabio Rosa (FR)
Ms. Mari Roald (MR)

Introductory question:

What is the question that is never asked about the green economy and that the panelists wish that it should be asked?

UH: On the issue of drastically changing prices that are not yet internalized – what can be done realistically to make it work?

MSC: Is capitalism sustainable? No, due to three features: 1. Inherent growth dynamic, requires radical structural changes; 2. Creation of money through debt, and 3. Inequality that shows itself in social issues.

RS: What can I do to make things better? We all have a role to play; each can contribute to make a difference.

FR: What is the best approach to give global access to renewable energies?

MR: The question of internalizing costs into the values.

Question 2

Do you think corporations/business can be ethical vehicles for change?

RS: Businesses are all about profit, but if there is an ethical way, companies will do it because it makes good money. Ethical methods are dependent on market structures; it will work if companies can be both ethical and profitable at the same time.

MSC: Ethics has to be a means to a profitable end. Due to the overarching concepts of social Darwinism (survival of the fittest), banking system, and limited liability companies that limit risks but sustain big damages to the system, the overall philosophy has been to maximize profits to the shareholders within a company. This limits participation in innovative change. Cooperative companies (small scale) would be an alternative to private companies.

UH: The focus on shareholder value, on stock market prices has led to the phenomenon of managerial performance judged by share prices. Civil society participation in the aftermath of scandals and social issues would provide leverage point to change this. However, agro-forestry provides a very good example where the majority of producers focus very much on production methods, which are often rooted in one principle but not conventional. It often incorporates holistic integrated approaches to agriculture.

MR: They are, if they manage an efficient use of resources.

FR: The corporate culture has not changed, it is universal, they are still looking for profits.

Davos video

Question 3.

Revolution

FR: Inclusive access of energy within capabilities of governance.

MSC: Location of Davos – ironic because rich elites decide what to do with the world. It shows powerful corporations and consolidation of companies that dominate the market, this relates to question 2. Market needs competition to be efficient but there are distinct groupings of major companies.

UH: Ban Ki Moon was right to use the word 'revolution', but by that he meant something else and should be defined. Revolution could mean opportunities of technology (techno fix approach) that requires drastic government intervention, along with ecological tax reform and participation in emissions markets. This is not a question of effective markets in a democratic sense. Ban could be

not fully aware of the ramifications on growth models, development justice, threats to security, and what are implied. For example, climate change as a global security threat.

RS: Quiet revolutions: cities as drivers of change, due to immediate impact of issues, and often the solutions are fundamental approaches requiring the identification of renewable energy as security issues.

Question 4.

What is the most hopeful event in this decade? (fuzzy moments)

RS: The comparison of numbers and curves on renewable energy capacities and storage. It has increased significantly. Photovoltaic (PV) is a good example of a big advance in technology. It is now a statement of YES WE CAN!

MSC: The mainstreaming of ideas that were considered absurd 10 years ago in academic circles. There is a growing trend of interdisciplinary collaboration to provide alternative solutions. Reframing of ideas is important. For example, local community farms require envisioning change and making it work.

UH: Until recently environmental issues have been neglected, but were brought forward by climate change and natural disasters. But it remains hard to sell politically to ecological literacy, superficial discussion, tunnel vision and linear arguments. However, there have been local level changes, such as organic gardening, which is knowledge and labour intensive.

MR: People tend to underestimate how big the world really is we are simply consuming too much.

FR: Which one is the archetype to promote a faster change.

Question 5.

Do we need crises to mobilize?

MSC: Compare what is a good life vs what standard of living is good? We are suffering from affluenza: the illness of overconsumption, due to consumerism, materialism, and the system that functions on advertising. Do we have a good lifestyle?

RS: Reducing comfort level as a change, it is possible to have more for less, such as passive housing. There are two sides to the argument: how to evaluate what is important, but there is also added responsibility to enjoy life in an effective way.

Question 6.

Is revolution better than future war/crisis?

UH: Yes profound change is needed (UN talks of transformation and not revolution), for example, by removing perverse subsidies. Tunisian revolution was linked to high food prices. Food security will be the first battle ground for climate change. Rural movement to urban areas could also topple governments – bottom up change scenarios. Most economic studies are too simplistic and talks in terms of technology, green growth, green investment scenarios while intelligent community talks of chaos and tipping points.

MSC: The perception has to change - Value of rational vs intuitive thinking; western vs indigenous thinking. How did we cope with incredible transformations all about? Eg. Russia in the 1970s. Conceptualizing sudden drastic change is important.

Question 7:

Drastic or step by step action?

RS: Cultural revolution and rationality in production and consumption. Previously there was no technology or knowledge capacity to make decisions. At present, there is the inability to make political decisions rationally. There will be cultural revolution towards rationality from the grassroots level.

Question 8:

How to get small communities to cooperate and make changes?

(This question wasn't really answered by any of the panelists)

Question 9:

How ethical is capitalism?

MSC: Sustainable development is an oxymoron. Western growth model itself is unsustainable, there are limits to growth. Additionally people lose confidence in doing things on their own. Transition Villages work to enable people to do things for themselves, and the community builds confidence.

Question 10.

What will it take for green economy to be viable to a larger number of people, and at what point will it disintegrate?

RS: Why have certain industries become more important? The use of government to achieve tipping points; to make products more economically viable through the creation of artificial markets. Eg. Tariff schemes – prices for PV are competitive with conventional electricity. Governments can provide incentives for experimentation, research, and then allow self-sustaining processes to occur.

MSC: There is no such thing as free market (as there is always government intervention). Politicians can structure or influence systems.

UH: In creating specific conditions for desirable production methods, complexity requires support of institutions in education and research and development. However there are limits to spending, which increase the need for commercial funding. The international financial system needs reform (but this is not forthcoming). Most of 600 trillion is invested in speculative trading. The international finance has an important role in redirecting investments into green sector.

General remarks:

- International security at risk due to the “scarcity” of environmental resources. This is the main concern from the UN. How environmental issues will affect or have an impact on international security, causing political disturbances and conflict.
- There is a strong need to approach the “time” constraint in a different matter, changes are happening, but they are not fast enough. Technology and legal frameworks have to work simultaneously.
- The environment is within the main stream now triggered by climate change issues.
- The main factors to be taken into account: food scarcity, water resources, land access, energy.
- There is a need to shift of paradigm: from rationality to intuition, from quantitative to qualitative
- The current situation proves that rational decision making works better at a local level, not really at the international nor supranational level.
- There is need to shift from centralized to decentralized solutions.
- We know the problem and the solution, what needs to be address is the way to implementation.
- The international finance system has a great influence and represents a threat to the democratization of markets.