

SUSTAINABILITY

GREEN TRANSFORMATION

COMPETING STRATEGIC PROJECTS

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GREEN TRANSFORMATION

When organic crises hit, the existing ensembles of social relations start to disintegrate. There is a sequence of apparently unconnected crises, which occur in very different social fields. An organic crisis is a shifting, protracted crisis. Accordingly, the global financial crisis first became an economic crisis, then a debt crisis and a crisis of representation. Right now, as expected (Candeias 2010), the next act of the drama is about to commence: another recession in Europe.

Up to now, the political leaders have refrained from addressing the fundamental economic causes of this multiple crisis, let alone its numerous other dimensions. Their attempts to manage the crisis politically are only about preventing the condensation of the multiple aspects of the crisis, about winning time. And yet, their containment strategy is effectively laying the foundation for the next conjuncture of crisis.

So far, I have not even mentioned the deepening of the various ecological crises, which time and again become pressing conjunctural issues. Fukushima is a case in point. Considering the rise of green consciousness, ecology has turned into a question of political legitimacy. But it also concerns the stability of the conditions of valorization and reproduction, the access to resources, energy security etc. The key issue is how the different crises are linked. There is a multiple crisis lurking behind observable events: a financial, economic and employment crisis; a crisis of reproduction and a dramatic increase in precarity; an ecological crisis; and a protracted crisis of representation. In this situation, the neoliberal power bloc is no longer capable of offering produc-

tive solutions for the problems at stake. It is struggling to deal with the interests of subaltern groups and to re-establish an active consensus behind the neoliberal project. Neoliberalism is exhausted. In the last ten years, its authoritarian tendency has become more pronounced, and there are no signs of an intensification of accumulation or a new social consensus. Nevertheless, the neoliberals are still in the driving seat and are expanding their institutional power. They are no longer in a position of "leadership", but still in a position of "domination" (Gramsci 1971, 57).

All of this suggests that we are in the midst of an interregnum – a transition period characterized by a lingering crisis that could last for up to a decade. There are intense struggles over the re-composition and the leadership of the power bloc. The interregnum will end once a hegemonic direction emerges in the struggle between the different strategies of crisis management – between the forces of conservation and renewal, which are both strong.

Undoubtedly, the general situation has changed if we compare it to 2007-9. Some of the older analyses of the Institute for Critical Social Analysis (Institut für Gesellschaftsanalyse 2009) identified scenarios or trends that have not come to fruition. A case in point is the expectation that the Obama administration would push for a social democratic new deal. We were right to point out that the chances of this happening were slim. Back then, many commentators were surprised how successful the German crisis management was. Today, the situation is marked by a partial closure of the debate, which has curtailed the momen-

tum behind certain projects. But it is still possible that the crisis will create new opportunities for intervention.

In this text, I will look at three competing strategic projects in emergence. My aim is not to predict future events, but to determine empirical tendencies. I will discuss the political characteristics of the projects, and focus on how they address the organic crisis and its ecological aspects. Who are the social forces or supporters carrying out the projects? What kinds of coalitions are emerging? What are the economic contradictions and socio-ecological implications (scenarios) of the projects? What does all this mean for the current political situation?

It is not difficult to distinguish the projects from one another, but it is also obvious that they overlap. This could lead to the formation of new coalitions and the subsequent emergence of new contradictions. Of course, the projects do not exist in a vacuum. They are evolving against the backdrop of concrete relations of forces, struggles and developments. Hence, it is possible to make predictions concerning their viability.

Within such a constellation, various movements of distancing, desertion and searching emerge; these may complement or mutually influence, or compete and fight with each other, even antagonistically. In the process of struggling with others, various social groups and class factions form new social blocs, i.e. there is a convergence of social groupings, or of factions of various groupings, around concrete strategic projects. Common interests are not objectively a given here; they have to be systematically built. Such social blocs attempt to make their political projects hegemonic, and to form alliances and coalitions. Here too, the

various interests and strategies are not predetermined in the struggle, but rather are only constituted in the context of existing historical forms, modes of regulation, forms of individuality, and everyday practice, in conflict with other interests. For such projects to become hegemonic, subjects must be able to redefine their needs and interests in the project, with a real perspective for realization, so that the subjects desire and actively support hegemony. Without the active element of support, hegemony would be reduced to force and violence. Accordingly, it involves not only the capacity of a class or an alliance to “present and implement its project as a common one of society as a whole” (Lipietz 1998, 160; cf. Marx 1847, 47), but rather, in the form of a passive revolution, a real “process of a generalization of interests in an unstable balance of compromise” (Demirović 1992). A hegemonic project as the articulation of many social practices and interests in a compromise is thus borne by a historical bloc of social forces, which encompasses both “rulers” and “ruled”, as a result of a concrete relation of forces in the struggle for hegemony.

While authoritarian, post-democratic neoliberalism is a project of restauration and re-articulation of the old power bloc, projects such as green capitalism and a social-liberal Green New Deal go beyond the existing constellation towards inner-capitalistic transformation. The latter especially offers a lot of common ground for a socio-ecological transformation driven by a broad mosaic left. It is the task of the transformative left inside the mosaic left to put the finger on contradictions, missing links and short comings and to rework them in the sense of what Luxemburg called “revolutionary

Realpolitik” – with a perspective of socialist transformation. Therefor we could speak of a “double transformation” (Candeias 2009; Klein 2013) in and beyond capitalism. Socialist transformation is

the “real movement” (Marx), practically intervening into the current struggles about transformation – this will be exemplified here with the case on Green Socialism.

PROJECT 1: AUTHORITARIAN NEOLIBERALISM

The project of authoritarian neoliberalism attempts to contain the crisis by resorting to the intensification of the existing mechanisms of regulation (repeating a pattern that characterized the preceding great crises): financialization, public expenditure cuts, privatization, flexibilization, precarization, and de-democratization. There is a turn to austerity almost everywhere. In Europe, the financial markets, the IMF and the Merkel government (together with the governments of the Netherlands, Austria and the Scandinavian countries) are working together to radicalize the cuts agenda and guide its institutionalization. This creates an institutional blockade, al-

ters the social relations of forces and obstructs other political paths – without containing the crisis.

What does this means in economic terms, in particular for Germany? There are three plausible scenarios:

(a) It is possible that there will be a certain reduction in global demand, but not a collapse. German exports would continue to secure growth in the country, albeit at a rather low level, and a shift to a new economic model would not be necessary. At most, there would be a gradual shift towards energy transition and ecological modernization – propelled by the erosion of consent in certain ar-

1 Authoritarian Neoliberalism/Restauration
– stabilization of financial markets by muddling through strong austerity, new regulations
– symbolic politics
– voluntary agreements
– end of pipe technologies, new techno fixes like CCS or desertec, fossil Xtreme-Energy
– market forms of regulation and valorization (GATS, TRIPS, certificates)
– no questioning of the fossilistic mode of production and living
Agency: old power bloc, backed by financial and fossilistic capital fractions, preserving a passive consensus while desintegration is growing

Socio-Ecological Consequences
– nature becomes commodity
– further ecological destruction
– increasing prices for oil and other resources
– resource wars
Economic Contradictions
– austerity leads to shrinking growth rates
– growing financial overaccumulation
– almost no impulses for investment
Political Implications
– shrinking possibilities for redistribution, further redistribution from below to the top
– less democracy, authoritarian politics
– protofascist invocation for consensus
– repression of unrest and revolts

eas after events like Fukushima. Even if we assume that economic growth at the global level will remain sluggish, it is possible that the German export model will survive: limited additional demand from the new centres of capitalism such as China, India and Brazil and a half-hearted process of ecological modernization may suffice to conserve the German model – at the expense of economic development in other countries. The current weakness of the Eurozone means that the Euro is undervalued according to German competitiveness, which improves Germany's position vis-à-vis competitors like Japan. In the US, even a slow shift towards ecological modernization seems impossible because the right is vigorously fighting against it: there are strong voices portraying green reforms and policies as job

killers; thanks to the crisis and the dominance of austerity measures, the scope for green investment programmes is extremely limited.

(b) It is also conceivable that there will be stagnation (or even stagflation), and that the trend towards zero-growth will continue over the long term. Under these circumstances, there would be fierce attacks on taxation, benefits, wages, conditions of work, and green policies – in the name of protecting the economy, public coffers, and social security. This is a post-growth scenario as described by the conservative commentator Meinhard Miegel.

(c) Due to persistent economic imbalances and the recent return of financial over-accumulation, we believe that another financial and economic crash is

pretty likely (note the historical developments from 1929 onwards). Great crises and the corresponding transformations usually drag on for years and are accompanied by several economic and political ruptures. Right now, we are in the midst of a process conforming to this pattern – in this respect, predictions from left-wing commentators have turned out to be accurate. There are signs of a new recession in Europe. The events in Fukushima triggered a sudden U-turn in energy policy in Germany; similarly, a new slump could lead to drastic political shifts.

Under capitalist conditions, any scenario characterized by stagnation amounts to a crisis. If we factor in public expen-

diture cuts, it is safe to say that a recession is underway. There will be a drastic limitation of the scope for policies aimed at top-down redistribution and an increase in bottom-up redistribution. At the same time, policies capable of securing the consent of subaltern groups are nowhere to be seen. This suggests that there will be a rise in authoritarianism, accompanied by proto-fascist forms of integration, the social exclusion of weaker groups and fierce repression against dissent and protest. Alex Demirović uses the term “domination through contingency” in this context. This is a scenario characterized by instability – which is what we are faced with right now.

PROJECT 2: GREEN CAPITALISM

In contrast to the strategy of restoration, green capitalism is a modernization project based on a “passive revolution” (Gramsci 1971, 106-8): it goes beyond restoring the existing order by revolutionizing all social relations and developing bourgeois-capitalist domination in the process. The passive element consists in integrating subaltern groups in ways that leave this domination intact: they are kept at a distance from the centres of power and are deprived of their ability to engage in self-leadership (*trasformismo*). In contrast, their leading groups and intellectuals become part of the power bloc.

Against the backdrop of the multiple crises, the idea of a green economy is getting a lot of attention. It claims to link up the re-direction of investments towards ecological modernization and renewable energy with the required technological

and productive base. The aim is to create millions of new jobs. This approach was promoted by the Stern Report on climate change; the analyses of the IPCC and other transnational research networks; the UN; and Nobel Prize winner Al Gore. It is popular with free-market liberals who take the ecological question seriously and are critical of the excesses of financial capitalism. Their views enjoy a lot of support in the general public. The idea of a green economy represents a linked-up response to the financial and economic crisis, the employment crisis and the climate crisis. At the moment, it is the most consistent and powerful answer to the crisis and restoration of neoliberalism.

Green capitalism is supported by various fractions of capital: the renewables industry (which includes both the big energy companies and the engineering industry); the big insurance companies; plant

manufacturers such as Siemens; the car industry, which is banking on new business opportunities through green e-cars; a number of internet and IT firms, which are expecting a boost once there are new traffic systems and businesses across the board are forced to optimize their efficiency; the biotech, genetic engineering, nanotech and chemical companies developing light and energy-efficient materials; oil companies like BP (who are now using the slogan “Beyond Petroleum”); venture capital and private equity funds; and, last but not least, the small but growing ethical investment sector (which includes some of the big pension funds).

Low-emissions energy and green technology will grow into trillion dollar markets. Roland Berger Strategy Consultants claim that the global market in green technology has a volume of 1.4 trillion euro and has been surpassing engineering since 2007. According to conservative estimates, the aggregate turnover of green technology will have more than doubled by 2020 – to approx. 3.2 trillion euros. If there are any investments made right now, they are flowing into this sector: according to Siemens Financial Services, three out of four firms in Germany will focus their investments on green technology in the next few years.

In Germany, employment in the renewables sector has more than doubled since 2004 (340,000 employees). Moreover, there are 1 million jobs in the green technology sector, which accounts for approx. 8 percent of GDP. According to recent estimates, investment in solar energy will have doubled by 2015. Private equity funds like Blackstone have invested billions of Euro in offshore wind parks located off the German coast. A feed-in rate of 150 Euro per mega watt hour; the fund-

ing of network expansion through the network operators; the direct promotion of the sector through the German government; the provision of cheap credits by KfW, a state-owned development bank – all this is aimed at guaranteeing annual returns on investment of 10–20 percent. It is difficult to isolate the market for green technology, but taken together, all the sectors concerned have a potential surpassing that of any other sector of the German economy.

There are marked continuities between green capitalism and neoliberalism. Green capitalism is characterized by the continuation and intensification of global processes of “accumulation through dispossession” (Harvey) in the area of natural resources – for example in the form of land grabbing and extreme energy extraction. The individualization of environmental issues (note the recent talk about the “enlightened consumer”) and the extension of emissions trading, which is using the market mechanisms to combat pollution, are proof of this continuity. Green capitalism is not just about the (limited) re-regulation of financial markets; it is also about promoting financial innovation.

Usually, proponents of green capitalism favour market-based and technological fixes. This includes large-scale technological projects such as Desertec, gigantic off-shore wind parks, monopolized power grids and – despite recent developments – nuclear power (Germany may have stopped producing it, but it is exporting nuclear technology). Just like the IT revolution created the technological foundation of globalization, green technology is supposed to provide the basis for the ecological modernization of the current mode of production.

2 Green Capitalism

- binding agreements
- market forms of regulation and valorization
- new techno fixes like CCS, desertec, XtremeEnergy
- limited financial regulation, new financial instruments
- public investment and subsidies
- no redistribution to the bottom, half- or "Bastard"-Keynesianism
- transition to a green-capitalist mode of production and living

Agency: passive revolution – green-capitalist elite consensus, subaltern integration of oppositional groups (like greens and unions)

This requires clear-cut and binding green regulations compatible with the market mechanism, which protect profits and create new spheres of investment, for example in emissions trading (which, by the way, does not work so far). It will not be possible to achieve a far-reaching transformation by relying on market forces alone. Even big corporations like the energy company EoN are demanding public investment in order to transform the infrastructure of energy production and transport. Some of these companies even agree that there should be limited tax rises and a re-regulation of financial markets – as long as this leads to additional public investment and contributes to rebalancing the economy. However, they tend to ignore questions of redistribution: they refrain from addressing social and ecological inequalities or portray them as problems of individuals.

Green capitalism produces contradictions and generates false solutions. The production of e-cars, for example, uses up less energy and resources because the cars generally tend to be smaller. The

production of the batteries, however, is energy and resource intensive and contaminates the environment through the use of highly toxic substances. Moreover, the switch to e-cars does not alter the fact that streets consume land and seal the soil. Perhaps the expansion of public transport on a large-scale would be a cheaper, more efficient, quicker and more ecological method of transformation. But we know that this is not on the agenda. Green capitalism is about triggering conversion (if that is the right word in this context) without altering the existing patterns of production. It is a form of modernization without a change of paths.

In light of this, it is important to take into account the experiences with negotiations over political responses to climate change and emissions trading. It is obvious that these negotiations take too long, which may have to do with the strength of the "fossil" fractions of capital. If the ecological transformation of society is too slow, there is a real threat that the ecological and socio-economic crises

Socio-Ecological Consequences
– nature becomes commodity, while non-profitable needs are left aside
– increasing growth, more jobs
– increasing consumption of resources and energy
– further destruction of nature
Economic Contradictions
– transition crisis because of destruction of fossilist capital
– struggle for resources, increasing prices
– GreenTech financial bubbles
– onesided export orientation, global competition, further imbalances
– limited dynamic because of austerity
Political Implications
– power relations impede a fast (ecologically necessary) transition
– falling short of climate targets
– elite consensus, eco vs. social policies, authoritarianism

will worsen. According to the IPCC, it will not be possible to limit global warming to two degrees. If the transformation is pursued vigorously, for example by drastically restricting emissions permits, some of the old sectors of the economy and “fossil” capitals will be destroyed. The prospect of this happening will cause fierce resistance; there will not be a smooth transition. The goal of reducing emission by 80 percent until 2050 is an enormous challenge. It will not be possible to achieve this goal without ruptures and crises. After all, the entire economy will have to be catapulted from the 150-year old “age of fossils” into the solar future – within three decades.

Considering the time constraint, we can expect that the access to cheap oil

and resources will remain the main political objective of both the old and the new capitalist core countries. The unequal class distribution of the burden of the global economic crisis and climate change indicate that the dominant groups will increasingly resort to “security” measures in order to defend their lifestyles. “Sheer demographic momentum (...) will increase the world’s urban population by 3 billion people over the next 40 years (90 percent of them in poor cities), and no one – absolutely no one – has a clue how a planet of slums, with growing food and energy crises, will accommodate their biological survival, much less their aspirations to basic happiness and dignity”, says Mike Davis. He assumes that there will be a process of “selective

adaptation" benefiting "Earth's first-class passengers", who will enjoy a comfortable life in "green and gated oases of permanent affluence on an otherwise stricken planet" (Davis 2008).

In conclusion, green capitalism will not resolve the ecological crisis. It represents a new mode of managing this crisis, which is done by restoring expanded capitalist accumulation and bourgeois hegemony through the inclusion of ecological interests. Green capitalism is an elite consensus, prettified by the hope of subaltern groups for new jobs.

Leadership struggles in the German power bloc: Greens vs. Christian Democrats – or a black-green¹ (post-nuclear) consensus?

It seems that the question is not whether there will be a green modernization of capitalism – the question is which form it will take. This is part of the struggles inside the power bloc. There is the social-liberal idea of a gGreen New Deal (GND), which tries to address both the social and the ecological problems of the age. It is competing with conceptions such as green capitalism (Fücks/Steenbock 2007) and capitalism 3.0 (Barnes 2008), which are aiming to complement the allegedly successful "social civilization" of capitalism in the 20th century with a process of "ecological civilization".

It is noteworthy that all these conceptions aim to secure the long-term survival of capitalism. The idea of moving beyond capitalism seems outdated. In Germany, the social liberal idea of a Green New Deal constitutes the core of the agenda of a potential red-green coalition. Its proposals resemble those of the blue-green alliance in the US. In contrast, the idea of green capitalism is linked to the black-green camp, which is teaming up with

the political forces at the international level promoting a green economy.

Obviously, the Left Party is not part of either of the two potential coalitions. Nevertheless, both camps contend that they are diametrically opposed to neoliberal business-as-usual. The Greens are successfully claiming to be pioneers on both paths to ecological modernization; the Christian Democrats are presenting themselves not just as protagonists of careful ecological modernization, but also as custodians of stability and conservative (neoliberal) values. Both parties have announced that their divergences constitute the main axis of conflict in German politics up until the next general elections in September 2013. This suggests that they view each other as their main political competitors. On a note of caution, it needs to be taken into account that the current political situation in Germany is shaped by a single event: Fukushima. A "black-green post-nuclear consensus" has emerged (to take up an expression coined by Christoph Spehr 2011), which is associated with the transition to a post-nuclear, post-fossil, and green-capitalist path of accumulation.

¹ Translators' note: Black is the color of the Christian Democratic Union (CDU), the German conservative party led by Angela Merkel. In German political parlance, "black-green" refers to coalition governments between the Christian Democrats and the Green Party, and "red-green" to alliances between the Social Democrats and the Greens.

PROJECT 3: A GREEN NEW DEAL

But what is the difference between a social-liberal GND and green capitalism? The original idea for a GND was presented by a group composed of writers and representatives of parties and NGOs. Today, the GND is promoted by the European Green Parties, big NGOs like the WWF, transnational networks of environmental scientists, the New Economics Foundation etc. In other words, the GND is rooted in civil society – at least to a stronger degree than the capital-centred idea of green capitalism – and more focused on the ecological crisis than on new investment opportunities. Moreover, the GND addresses the social question in a more systematic manner than the idea of green capitalism. The state, the public sector and redistribu-

tion all play an important role in its agenda. It remains an open question, however, in how far a GND would reconcile de-centralized, localized solutions with large-scale technological fixes.

The GND builds on personal initiative by advocating de-centralized energy production: it promotes the domestic production of renewable energy, which is supposed to turn everyone into a producer and consumer of energy. Operating within a large network of both centralized and de-centralized units, individuals will become “prosumers” and will achieve energy autonomy –that is at least the image invoked. The GND promotes ecological consumption (organic food, organic building materials, green cars etc.), the

3 Social-Liberal Green New Deal
– binding limits for resource usage + CO ₂ certificates
– state regulation through commandments and restraining orders (like the forerunner principal)
– decentralization and re-municipalization
– public investment and subsidies
– financial transaction tax and capital flow restrictions
– enforcing the domestic economy, especially services
– expanding the public (services)
– reduction of working hours
– redistribution, industrial policies and “just transition”
– transition to a eco-social growth economy
– no questioning of consumerism and the centrality of wage-labor
Agency: socio-liberal, blue-green, keynesian reformism, backed by green industrial and service capital, with strong tensions in the power bloc

creation of entirely new infrastructures, and the transformation of the urban habitat.

Above all, the project is associated with a specific mode of producing and disseminating meaning. It takes up popular insecurities, needs and interests and promotes not just employment opportunities, economic development and innovation, but also a greener life-style and the expansion of democracy. And in so doing, it neither renounces personal responsibility nor does it encroach on civil rights. However, economic democratization does not figure in the plans at all. Nevertheless, the GND shows that there is potential for a new consensus and a renewed legitimacy of capitalism.

And yet, the project is pervaded by contradictions and tensions. It promotes exports and growth, which is unlikely to result in the reduction of resource consumption. Despite 30 years of environmental and climate policies, the growth of consumption and emissions has sped up. The positive effects of increases in resource and environmental efficiency have been more than cancelled out by accelerating economic growth – the so-called rebound effect, which can be observed in China and elsewhere. Ecological modernization without changes to the existing growth model will lead to lethal growth, because it will result in the overhaul of the entire structure of production and the infrastructure. If we assume a growth rate of 2.5 percent in industrial countries, hitting the targets for sustainable resource use and emissions would require a reduction in consumption of up to a 37th of one unit of GDP. (Scientists assume that the reduction needed amounts to 80 to 90 percent of the level of GDP in 1990.) Optimists, among them the German envi-

ronmentalist Ernst Ulrich von Weizsäcker, only speak of “factor five” in this context. The idea of a green transformation cannot be reduced to technological modernization. It should also take into account social inequalities: relations of class power and class domination; gender relations and relations of production; and, last but not least, consumerism. Environmental policies, for example green taxes and price control, create problems of social justice because they have unequal effects on different parts of the population. Just as is the case with any dividend, the net dividend of an ecological transformation will only go to certain social groups and classes. There is a range of important questions that tend to be ignored in environmental policy-making: which sectors will have to shrink, which needs will have to be restricted, and, importantly, who will be affected? Unless these questions are addressed, the green agenda remains a single-issue agenda benefiting the affluent, urban middle classes; the interests of workers will play a subordinate role. In light of this, it is not surprising that trade unions have struggled to see the green movement as a political ally. Likewise, the movement does not have any significant support in the precariat. For a long time, environmentalists have refrained from addressing social issues; quite often, they have condemned the exaggerated sense of entitlement of people in the global north. This suggests that the implementation of a social-liberal GND would be accompanied heightening tensions and conflicts of aims.

In the light of the existing relations of forces, the Green New Dealers seek compromises with (progressive) fractions of capital and count on the “creativity” of business. But it remains an open question

Socio-Ecological Consequences
– resource and energy efficiency is over-compensated through increased growth
– increasing consumption of resources and energy, increasing prices
– further destruction of nature
– conflict of objectives, jobs vs. ecology
Economic Contradictions
– transition crisis because of destruction of fossilist capital
– no existing concepts for a just transition of old industries
– consistent ecological regulation and redistribution lead to declining profits
– limits of reformism and statism
– blocked because of institutionalized austerity
Political Implications
– resistance from fossilistic and financial capital groups
– hardly no initiatives for real participation, technocratic politics
– socio-ecological oppositions, precarious consensus
– no smooth transition

whether the “green” fractions of the middle classes can succeed in taming and integrating capital without a broad alliance with the working classes. After all, a vigorous (social-)ecological transformation would entail the destruction of capital on a massive scale – and the most powerful fractions of capital would be affected: the “fossil” corporations, which include everything from oil companies to car makers. There is very little debate about what this implies for social struggles, relations of forces, and crises.

In this context, it is important to see that the “fossil” fractions are not homogeneous. Companies from the energy, the chemical and the car industry are among the biggest investors in green technology.

A “controlled” de-valuation and destruction of old fixed capital will be extremely difficult. In fact, very few people are currently working on an industrial policy that is based on containment and conversion. The conversion of the entire structure of production; the creation of a new productive base; the transformation of our patterns of consumption, our cities and the existing social relations of nature – if these challenges are confronted without questioning the capitalist mode of production as such, the contradictions inherent in capitalism will be reproduced. There is a threat of a “green” bubble and a situation where increases in resource and energy efficiency are cancelled out by the extension of the principle of valorization.

PROBABILITIES

It is open which political force will trigger a re-composition of the power bloc and will co-opt other political and economic forces in the process. Meanwhile a transition towards green capitalism, propelled by the needs of capital, is already taking place. In Germany, the fractions that used to fight the idea of a turn to renewables are now taking the lead: the oligopolists of the energy sector and other representatives of “fossil” capitalism.

So far, neither a green-capitalist bloc nor a GND has come into existence. This is not uncommon in situations of organic crisis. Usually, certain fractions take the lead. A tentative analogy is this: the Fordist mode of production became dominant in the 1920s – long before the Fordist mode of living and regulation had emerged. Today, the green-capitalist mode of production is emerging, but there corresponding changes in the modes of regulation, living and consumption are nowhere to be seen. So far, there is no political group able to take leadership in the Gramscian sense, especially at the international level. However, there will only be a functioning cycle of capital if the mode of living corresponds to the mode of production.

Against the backdrop of the existing relations of forces and the entrenchment of neoliberal fiscal policy, it is pretty un-

likely that a social-liberal GND will be implemented soon – chances are that we will see a deepening of green capitalism. After all, the green economy was the focus of the Rio+20 summit in June 2012. However, the current agenda of expenditure cuts is undercutting the green-capitalist dynamic. Without massive state investment, even the conservative path to energy transition will remain blocked. There will not be a smooth transition – simply because this would require the “fossil” fractions of capital to curb production.

In the end, it could turn out that the competing conceptions and strategies simply represent a succession of conjunctures. It is possible that there will be a transition from neoliberalism to green capitalism in this crisis – and that green capitalism will only prevail, create economic dynamism, and gain mass support if it is complemented by a GND. But there is no need for things to turn out that way. It is just as likely that there will be a form of green-authoritarian capitalism, fierce global competition and violent conflict.

In light of this, it is more important than ever to build a red project for a social-ecological transformation, and to counter the push towards green capitalism by promoting green socialism.

PROJECT 4: GREEN SOCIALISM

Green socialism is about taking a stand against – which will not be realized for a long time – green capitalism. The concept is about linking up a range of interests and movements in the name of “rev-

olutionary Realpolitik”, ensuring that “their particular efforts, taken together, push beyond the framework of the existing order” (Rosa Luxemburg). In the process, many of the old socialist themes –

4 Green Socialism
– (global) planning of resource flows and maximum quantities
– economic democracy and decentralized participatory planning
– decentralisation and re-municipalization
– different forms of socialization and property
– industrial conversion and expansion of the care economy
– enforcing the domestic economy, deglobalization
– socialization of investment (Keynes)
– expanding the public sphere and services
– global redistribution, industrial policies and “just transition”
– redistribution of societal and gendered divisions of labor (4in1-perspective)
– transition to a green-socialist reproductive economy beyond growth
Agency: mosaic left and transformative left (unity in difference) while facing strong resistance from capital and old elites

e.g., redistribution, power and property, planning and democracy – are updated and linked up with new issues. It is necessary to link green socialism to real contradictions and conditions – to real social forces and movements that are tackling different issues, getting involved in different conflicts and developing concrete, experimental practices.

Redistribution

Redistribution is a key aspect of any kind of left-wing politics. It does not figure at all in the present conceptions of a green economy and only plays a subordinate role in the project of a Green New Deal even in times of austerity. This suggests that the issue is not taken seriously. For the German Green Party, softening the demand for redistribution is an act of “being straight” with the popula-

tion, they say. From the neoliberal point of view, the debts of the financial institutions bailed out by the state have to be serviced. Social Democrats and Greens tend to go along with this: they want to regain the “trust of the markets”, which is why most of their party organizations in Europe have agreed to the ratification of the European Fiscal Compact. The pact will not only bring a new wave of “bottom-up” redistribution, but it will also exacerbate the economic crisis and drive entire countries into depression. Importantly, it will not lead to a permanent reduction in debt.

It is necessary to discuss the illegitimate debt weighing down on many European countries. This issue requires democratic consultation and decision-making and serious attempts to design a procedure for a debt audit (cf. Candeias 2011b). A

comprehensive cancellation of debt, comparable to a currency reform, would be needed – not just for Greece. This should be combined with a just tax policy based on forcing the capital- and asset-owners to contribute more to financing the public sector, which would be an act of returning some of the social surplus product to the general public. This would put a stop to processes of “bottom-up” redistribution and open spaces for a politics based on social-ecological concerns. The people in Europe are prepared for a political intervention along these lines because they are currently exposed to the existential threat posed by debt. Numerous forces from civil society agree to it, for example the CDTM (the Greek campaign for a debt audit, cf. LuXemburg 2/2012) and left-wing parties like SYRIZA and Izquierda Unida. These organizations intervene in the current wave of European protests against the effects of the crisis and demand a debt audit, the taxation of assets, a financial transactions tax, a levy on banks etc.

The Socialization of Investment

Over the medium-term, it is necessary to socialize the investment function, which is an old Keynesian demand. Who in society should determine the use of (physical and social) resources, and who should decide which types of work are socially necessary? The market – purportedly the most efficient mechanism for the allocation of investment – has embarrassed itself. The over-accumulation of capital is regularly producing financial bubbles, followed by the destruction of capital and jobs. At the same time, the number of sectors of social reproduction that are deprived of funding and neglected until they collapse is constantly increasing.

Childcare, education, environmental protection, the general infrastructure and public services are all affected. The green economy focuses on commodification and the market. Yet the market takes too long to resolve problems, and the big corporations behind “fossil capitalism” want to get a foothold in the green economy at the same time as keeping their fixed capital. There will not be a smooth passage to a restructured economy: it is impossible to meet the challenge of reducing greenhouse gas emissions by 80 percent and catapulting the entire economy from the 150-year old age of “fossils” into the “solar future” without ruptures and crises. If the transition is pursued with tenacity, it is unavoidable that some of the old branches of industry and their capital will come under attack, which in turn will trigger resistance. If the markets prove incapable of ensuring investment, this has to become, to a much stronger degree, a public project. What is needed is financial regulation, the nationalization of “systemically relevant” banks, a network of public banks, and the introduction of participatory budgeting at all levels of society. The socialization of investment and participatory investment decisions are two of the preconditions for a left-wing and socialist project of structural transformation. Without them, the gains made through successful policies of redistribution can be reversed easily.

Reclaiming the Public Sphere

It is necessary to transform the mode of production and living. This should not be done through the commodification and privatization of natural resources, but through the preservation of the universal and public character of the natural commons and other public goods, and

through the expansion of collective public services that are cheap and eventually free. For example, free public transport networks should be expanded while subsidies for car-makers should be stopped. Green socialism focuses on the public sector; it is about “remunicipalizing” key parts of the infrastructure and guaranteeing democratic decision-making on issues concerning the transformation of the mode of production and consumption. Moreover, it is based on promoting collective forms of consumption rooted in the social infrastructure and universal, solidarity-based forms of social security. Demanding their expansion would also allow us to respond to the fixation of some left-wing trade unionists on wage increases and material consumption – and would do so without forcing us to get involved in debates on the need to rein in consumption. Besides, an expansion of the public sphere not based on commodification would also amount to markets and processes of privatization being pushed back.

In contrast, the idea of a green economy favours technological fixes based on private property, for example large-scale projects such as Desertec², huge offshore wind parks, and monopolized, transcontinental super-grids for long-distance energy exports. Strong fractions of capital are already gathering behind the project. Their strategies undermine the potential for decentralization inherent in the new technologies; they produce “false solutions” that create social-ecological conflict (cf. LuXemburg 1/2012). In light of this, the demands of social movements and local initiatives have started to converge with those of left-wing politicians operating at the local and the regional level. Both sides are

fighting against attempts by big corporations to impose a process of “energy transition” from above; they are advocating de-centralized, local solutions, for example the remunicipalization of services of general interest and the establishment of energy cooperatives and bio-energetic villages. A variety of movements and groups are using the concept of “energy democracy” in order to create a shared perspective (cf. *ibid.*).

Focussing on Economies of Reproduction

For a successful socio-ecological transformation, it is necessary to focus on reproductive needs; existing, growth-oriented capitalist economies should be transformed into “economies of reproduction”, which know both how to limit themselves and to produce new wealth (cf. Candeias 2011a, 96). Sectors that are captured by a broad conception of “reproduction work” or “care work” would be at the heart of this transformation. There would be an expansion of needs-oriented social services such as healthcare, elder care, childcare, education, research, nutrition, environmental protection and others. In these areas, everybody has been complaining about shortages for years; at the same time, they are the only sectors in the industrialized countries where employment is on the rise. They should remain under public control and should not be exposed to the market. This would be a contribution to the “ecologization” of the existing mode of production (working with people usually does not lead to environmental destruction), and to addressing the

² Desertec claims to produce solar energy on a large scale in the desert of Northern Africa and to transfer it via so-called super grids to the European Union.

crises of wage labor and unpaid reproduction work. A process of transformation along these lines could contribute to shape gender relations in an emancipatory fashion.

This includes redefining and redistributing what we understand by “socially necessary labor” (cf. Haug 2011, LuXemburg 2/2011). This could be achieved by reducing labor time and expanding publicly funded, collective work processes. Such interventions are emphatically not about increasing surplus value, but about reducing the consumption of energy and raw materials, as well as assessing work on the grounds of its contribution to human development and the overall wealth in social relations.

In this context, it is important to see that the poor’s experience of being ruled and exploited by others coincides with the desire for participation and solidarity of the left-libertarian sections of the middle class. There is potential for a convergence of the demands of social movements critical of growth, feminist organizations, and service-sector unions like the German *ver.di*.

Besides, the reorientation towards reproductive needs entails an economic shift towards domestic markets and production. Global chains of production have been overstretched for a long time, and they are wasting resources. This assessment should not be taken as a reflection of “naïve anti-industrialism” (Urban). It is motivated by the need to envisage an alternative production (the term used in the debates on conversion in the 1980s). It would be wrong to assume that continuing the export-oriented strategy of German car makers by promoting electric cars contributes to the emergence of an alternative form of production. Af-

ter all, the production of the batteries needed for electric cars consumes considerable amounts of energy and raw materials and pollutes the environment because it involves a number of highly toxic substances. Moreover, the switch to electric cars does not do anything about the enormous use of space and the soil sealing caused by the construction of roads. Rather than talking about electric cars, we should discuss how the conversion of car makers into green service providers can be achieved, and how they can be transformed into companies dedicated to facilitating public mobility on the basis of regionally rooted conceptions of transport (cf. LuXemburg 3/2010).

Against the backdrop of such discursive shifts, trade unions like the German metal union IG Metall, which are entangled in the export-oriented strategies of German corporations and in forms of “crisis corporatism”, could start to develop independent strategies. As a result, they would not constantly find themselves at loggerheads with other sections of the “mosaic left” – or appear as victors in a crisis that badly hits sister organizations in other parts of Europe.

A new focus on reproduction could trigger a process of economic deglobalization and renationalization. This would contribute to the reduction of current account imbalances and alleviate the pressure on countries in the global south to become part of global chains of production and policies of extraction. They would no longer have to accept the global flows of raw materials and the imperial way of life in the global north. In other words, spaces for independent development would emerge. This would have to be complemented by the development

of global planning in the area of raw material and resources, which would guarantee a just distribution of wealth, limit consumption and address reproductive needs. In sum, an economy of reproduction means that people's needs and the economy in general develop in qualitative not in quantitative ways.

Just Transitions

Transformation is not an easy path but produces a lot of social problems. Therefore the great transformation has to be combined with a just transition. This entails the shrinking of some sectors (e.g., those with a high turnover of raw materials), and the growth of others (e.g., the entire care economy). In any case, economic growth should be decoupled from material growth. Temporarily, qualitative growth is necessary. After all, various national economies have deficiencies in the area of reproduction, especially those in the so-called global south. As a result, it is counterproductive to operate on the grounds of a simple juxtaposition of "pro-growth" and "post-growth" positions. The recent debates in the global south about *Buen Vivir* ("the good life", cf. LuXemburg 2/2010) and social-ecological modes of development that go beyond western lifestyles transcend standard conceptions of growth and modernization. In this context, it is also important to avoid false juxtapositions: "Development" and "modern" civilization are not problematic concepts as such. They become problematic once they are bound up with certain forms of capitalist (or state socialist) expansion and the corresponding social relations of nature. At the political level, we have to work on "translating" the experiences of actors from different contexts. This

will create opportunities for linking up social-ecological and transformative struggles in the global south with those in the north.

Just transitions are about creating new perspectives for the people worst affected by the climate crisis. But they also take into account the situation of the workers, communities and countries faced with increases in cost of living and a fundamental restructuring of employment, which may be caused by the switch to renewables and the conversion of certain industries, for example the arms industry. In this sense, the initiatives for a just transition try to bring together the movement for climate justice and the labor movement. In any other scenario, social and ecological interests are either played off against each other or the interests of the working classes and of employees more generally (a better environment, a conscious way of consuming, more jobs) are simply not considered. These are some criteria for a just transition to green socialism: It should be assessed whether the measures taken contribute to

- a reduction in CO₂ emissions;
- a drop in poverty and vulnerability;
- a decline in income inequality and other forms of inequality;
- the creation of jobs and the promotion of "good work"; and
- the democratic participation of individuals.

Obviously, this list can be extended endlessly. Nevertheless, these points are crucial for developing a provisional method of quantitative evaluation, which can be used for political interventions.

Participatory Planning

The need to instigate quick structural change under conditions of "time

pressure" (Schumann/Urban 2011) also means that it is necessary to phase in participative planning, consultas populares, people's planning processes and decentralized democratic councils. (The introduction of regional councils formed part of the recent German debate on the crisis of car manufacturing and the export industries, cf. IG Metall Esslingen 2009, Lötzer 2010, Candeias/Röttger 2009). There are some historical instances where planning proved highly effective in bringing about social change that had to be achieved quickly (e.g., the New Deal in the US in the 1930s and 40s). Joseph Schumpeter was passionately in favour of the "creative destruction" caused by capitalism; nevertheless, even he spoke of the "superiority of the socialist central plan" (1942, 310 ff). Considering the need for a quick transition, socialists have a strong case for planning – but this time it should be participatory planning (Williamson 2010). This approach to planning is the only one capable of establishing a mode of socialization that breaks with the obsolete relations of power and property in capitalism. In the light of negative experiences with authoritarian and centralized planning mechanisms, experimenting with participatory planning at the regional level might be the right entry point. Another potential entry point is the democratization and decentralization of existing transregional processes of planning, for example in healthcare, energy, the railways, education etc. The global allocation of raw material and resources is a more difficult issue: it seems hard to envisage the democratization of the modes of planning used by international organizations and transnational corporations.

Real Democracy

The crisis of representation and legitimacy of the political system is in many ways linked to the fact that the political system does not take into account the essential needs of the people, and that they are not invited to participate in decision-making. The public sphere should be extended with the aim of creating a "provision economy", but this should be accompanied by the radical democratization of the state. The "benevolent", paternalistic and patriarchal welfare state from Fordist times; authoritarian state socialism; the neoliberal restructuring of public services on the grounds of the principles of competition and managerial efficiency – none of these ventures had an emancipatory character. A left-wing state project has to instigate the extension of participation and transparency demanded by the new movements for democracy and to work for the absorption of the state into civil society, as Gramsci put it. Participation does not just mean that people are able to voice their opinion, but that they are able to influence decision-making. This is where the movement against Stuttgart 21 converges with Occupy and the Indignad@s. The authoritarian-neoliberal mode of crisis management, in contrast, is at odds with this principle.

Yet democratization is not just about the public dimension of the state, but also about the economy. Today, there are serious doubts about the socio-economic "contribution" of management strategies based on shareholder value. This is due to their short-termism and their part in the financial crisis, in excessive remuneration for senior managers, tax evasion, mass redundancies and environmental destruction. Similarly, the classic forms of firm-level co-determi-

Socio-Ecological Consequences
– socio-ecological conflicts inside the mosaic left, conflict of objectives
– struggles over new modes of living and consumption
– time pressures
Economic Contradictions
– transition crisis
– lacking routines in economic democracy and participatory planning
– contradictions between development of new needs and productive forces without growing resource and energy consumption
Political Implication
– adverse relations of power, strong resistance from capital and old elites
– no constituted mosaic left, persistent divisions
– limited interest from leading power groups inside social democracy, Greens or major unions

nation have proven incapable of challenging the pressure of transnational competition and of the dominance of finance. Sometimes, co-determination bodies became entangled in practices of collaboration and corruption. Therefore, it is time for a democratization of the economy that goes beyond co-determination (cf. LuXemburg 3/2011) and the in-depth participation of employees, trade unions, the consumers and

the wider population in firm-level decision-making (along the lines of the entire transnational chain of production). It is vital that all the mechanisms discussed become part of a wider project that amplifies collective agency. In other words, they should enable individuals to become the protagonists of their own (hi) stories. It is “the task of every one of us to unify the divergent” (Peter Weiss [1975] 1983, 204).

GREEN TRANSFORMATION - COMPETING STRATEGIC PROJECTS IN FORMATION

<----- Restoration -----> <----- Capitalist Transformation -----> <----- Social-Ecological Transformation ----->

Authoritarian Neoliberalism	Green Capitalism	Social-Liberal Green New Deal	Green Socialism
<p>"short-term crisis management", preserving given structures, intensified austerity measures, authoritarian politics and repression of protest, symbolic social and ecological modifications, primacy of market regulation</p>	<p>binding agreements, market forms of regulation, competition and valorization, (large-scale) techno fixes and XtremeEnergy, limited financial regulation, public investment and subsidies, no redistribution to the bottom, "Bastard"-Keynesianism</p>	<p>binding limits for resource usage and CO₂ certificates, state regulation, decentralization and re-municipalization, public investment and subsidies, financial transaction tax and control of capital flows, enforcing domestic economy, especially expanding public services, shortening of working hours, industrial politics</p>	<p>economic democracy, planning of resource flows and quantities, decentralization, re-municipalization, deglobalization, primacy of public and individual security and freedom, socialization of investment, global redistribution and just transition, 4in1-perspective</p>
<p><i>no questioning of the fossilistic mode of production and living, declining growth and investment rates</i></p>	<p><i>transition to a green-capitalist mode of production and living</i></p>	<p><i>transition to an eco-social economy of growth, no questioning of consumerism and centrality of wage-labor</i></p>	<p><i>transition to a green-socialist reproductive economy</i></p>
<p>strong crisis tendencies</p>	<p>limited dynamic because of austerity</p>	<p>at the moment economically + politically blocked</p>	<p>at the moment just a strategy for political intervention</p>
<p>Agency: old power bloc, backed by fossilist and financial capital groups, preserving a passive consensus while disintegration is growing</p>	<p>Agency: green-capitalist elite consensus, subaltern integration of oppositional groups like unions, tensions with fossilist capital</p>	<p>Agency: social-liberal, blue-green, Keynesianist reformism, green and domestic capital, with strong tensions inside the power bloc</p>	<p>Agency: mosaic and transformative left (unity in difference) with strong resistance from old power bloc and capital</p>

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“All of this suggests that we are in the midst of an interregnum - a transition period characterized by a lingering crisis that could last for up to a decade. There are intense struggles over the re-composition and the leadership of the power bloc. The interregnum will end once a hegemonic direction emerges in the struggle between the different strategies of crisis management - between the forces of conservation and renewal, which are both strong.”

MARIO CANDEIAS

