



Can Capitalism go Green?

Andy Gianniotis thinks not.

It's not just environmentalists who make the best comments regarding the path to ecological sustainability and the obstacles ahead. A senior executive at transnational public relations firm 'Hill and Knowlton' said recently:

"The big corporations, our clients, are scared shitless of the environmental movement...They sense that there's a majority out there and that the emotions are all on the other side - if they can be heard. They think the politicians are going to yield up to the emotions. I think the corporations are wrong about that. I think the companies will have to give in only at insignificant levels. Because the companies are too strong, they're the establishment. The environmentalists are going to have to be like the mob in the square in Romania before they prevail."

In our language he's saying that big business knows they're fucking over

into the biosphere as jungles fall to the axe, and the sea is littered with toxic and radioactive waste. Each year the average air temperature rises, and the atmosphere unleashes more and more energy in tornadoes and cyclones of unprecedented destructiveness.

Over the past decade - which has produced the hottest years and most violent storms since meteorological records began in 1866 - the environment has become so potent a political factor that even US Republicans and multinational polluters have learnt to chant "sustainable development" everywhere they go. It is also during this time period that concept of "ECOLOGICALLY sustainable development" has been transformed into "ECONOMICALLY sustainable development."

Powerful sections of big business have shifted ground, abandoning their "it isn't-happening" crap to work harder

business is more concerned with sustaining the economic functions of the environment rather than sustaining the environment itself.

This swing to eco-capitalism means there's another product to sell: it's called "environmental economics" - available at your local university or where all good degrees are sold. This doctrine instructs hundreds of thousands of students that the environmental crisis is due to the "natural capital" of the environment being treated as a free or underpriced good.

The solution to this - the biggest case of "market failure" in history - is to impose green taxes of various kinds on the polluters and resource depleters and force them to take into account the environment as a cost of production. Such eco-taxes will hopefully push business as a whole to convert to sustainable technology and production fast enough to turn the



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the planet and are worried about the greenie backlash, they needn't be worried as the politicians will only tinker around the edges at best, and it will take nothing short of a revolutionary mass upsurge to change anything. In other words, pretty spot on.

The environmental crisis is all-pervasive. The holes in the ozone layer grow, forests are stripped, waterways become cesspools, wilderness streams turn toxic and waste dumps proliferate. The poison reaches deeper

at co-option. Speaking on ABC Radio in February, Paul Gilding, former head of Greenpeace International, now working as an environmental consultant to big business, boasted: "I'm about achieving a mind-set shift in the business community that sees sustainability as being about competitive advantage and about increasing shareholder value".

Mr. Ex - Greenpeace has nothing to boast about. The environment is already seen as a source of inputs and a destination for its outputs. Big

tide.

In January, Don Henry, executive director of the Australian Conservation Foundation (ACF), said, "Business must ensure it is at the cutting edge of the move to a clean, green economy to ensure Australia gets its share of the future jobs and the economic benefits that will flow from it".

ACF and Midnight Oil's Peter Garrett sings the praises of the fact that BHP, Rio Tinto and North Ltd have followed Western Mining's lead in the

production of environment reports. Western Mining is responsible for such environmental and social disasters as the Roxby Downs copper and uranium mine in South Australia. Similarly, BHP [e.g. Ok Tedi, Port Kembla], Rio Tinto and North Ltd [Ranger, Jabiluka] continue to trash the environment, their production of environment reports notwithstanding.

Business values are economic values. The visions of green capitalism spoken of by environmentalists like Garrett & Henry are illusions. The truth is that big business is plundering the planet on an unprecedented scale. Contrary to the hypothetical scenario of companies rushing to meet new environmental standards, plans to regulate industry are fiercely resisted, and the practice of paying the occasional fine rather than cleaning up production processes remains entrenched.

The claim that corporate competition can be used to save the environment misses the point: corporate competition is a fundamental cause of the global environmental crisis. Corporations that use the cheapest - usually the dirtiest - production processes are at a competitive advantage and can increase profits and/or market share.

Even more illusory is the idea that household recycling and other such personal tinkering will save the planet. In *Green Business: Hope or Hoax?*, Chris Plant and David Albert state that if everyone in the US recycled 100% of their personal solid waste, 99% of the country's solid waste would remain.

While the Coalition and ALP were debating the GST, the Australian Greens and Peter Garrett were, and still are, calling for "ecological taxes" instead. Last raised in 1995, proposals for a carbon tax in particular have gained support since the 1997 Kyoto Climate Convention.

The idea behind a carbon tax is to increase the price of energy so that industries will move to renewable energy sources, thereby reducing greenhouse gases. This sort of "eco-tax" is central to the Greens' argument that

taxation can be a "principal tool for achieving sustainable economic development".

When you're the US automobile industry and you account for 20% of GNP, you then carry the political clout to demand significant concessions, if not block the tax altogether. Ford in 1990 induced the governor of California to veto a fuel economy incentive system passed by the state legislature. An alliance of major US manufacturers and energy producers stopped Clinton's 1993 mild energy tax proposal.

Since the Australian Coalition's new tax package cuts the cost of diesel fuel, the government is unlikely to bring in a tax that could shift industry to alternative energies. Why? A US economist in 1995 estimated that as of 1990, a carbon tax of US\$131 a tonne would have been necessary to reduce global carbon dioxide emissions by 50%.

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Actual carbon taxes in the Netherlands, Denmark, Finland, Norway and Sweden range from US\$16 to \$55 per tonne. The ACF this year proposed an \$8 per tonne carbon levy. The Australian Greens' 1996 policy proposed \$18 per tonne. Given the difficulties associated with eco-taxes, one has to ask: why go to such trouble for so little return? We are, after all, facing a crisis of huge proportions.

What's an example of too-little-too-late? The consensus of the 2500 scientists who make up the Intergovernmental Panel on Climate Change (IPCC) is that greenhouse gas emissions have to be stabilised rapidly at one-sixth of current levels. The conclusion of the Kyoto 1997 summit on global warming was for a gradual average global cut of just

5.2%.

When it all comes down to it, the idea we could even possibly reduce environmental destruction under the present system is just idealism. The problem is not just that there are some bad apples in the corporate carton; it is the capitalist system which is at fault. Free use and pollution of the environment have been key to business profits since capitalism emerged. If polluting companies were forced to pay the full environmental and social costs, they would go out of business. For example, the annual cost for the US chemical industry to destroy all the toxic chemicals it now discharges would be \$20 billion (in 1986 figures), dwarfing its yearly after-tax profit of \$2.6 billion.

Trying to get business to pay for environmental destruction contradicts the dynamic of an economy run on profit-making. That dynamic guarantees that resources will continue to be wasted and the environment destroyed. The expansionary nature of capitalism means that taxes which attempt to cut back resource depletion and pollution can never catch up with ever expanding production. In the short run, only a huge increase in government expenditure can reverse environmental destruction; taxes cannot substitute for this. Australia, for example, will not be able to shift from coal dependency without huge investment in solar and wind power.

A much more viable and obvious solution than an eco-tax would be to nationalise dirty industries with no compensation and use the profits to pay for the move to clean production. Why should we allow a minority to keep polluting the environment? Why waste time fighting with industries over tax rates when we need change now? Environmentalists must pursue a strategy that can win control over decision-making about natural resource use, production methods and waste disposal. This control can be won only by taking it out of the hands of the capitalist class. It cannot be won without a fight. There is no "win-win" scenario: it is capitalism OR the environment.

