

## **How Green is the Green Economy? A Suggestion of an Alternative Framework**

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### **Abstract**

Since the beginning of economic crisis in the early 1970's, as capital has been facing bottlenecks in finding new fields for re-investment in the accumulation process, commodification of nature has been intensified. The crisis of the system and the ecological crisis are not only intrinsically related but also intertwined. As economic crisis deepens capitalization of nature accelerates and new facets of nature becomes the subject of market mechanism and private property. Moreover, the approach of incorporation of all life forms and eco systems into the price mechanism was launched with an "environmentalist" discourse as green economy by the prestigious international institutions towards the end of 1980s such as UN and the Club of Rome. Even though this discourse seems to promote harmonious relationship between nature and development and takes into account the needs of future generations as well as current ones equally, since then capitalization of nature has intensified as a new form of production of space to accelerate capital accumulation in the name of sustainable development.

In this paper we will try to offer an alternative theoretical framework for understanding green economy discourse by incorporating theories of critical geographer's i.e. David Harvey's secondary circuit of capital and Neil Smith's the production of nature.

**Keywords:** Green Economy, Production of Nature, Production of Space, Economic Crisis, Sustainable Development

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### **Introduction: Critical approach to human-nature relations**

Critical geographers have gone beyond Cartesian idea of human-nature dualism in the 1970's. Instead they developed the arguments of production of nature and production of space. Cartesian idea has instrumentalist approach to the environment and attributes dominant role to human beings. According to this idea, nature is reduced to repository of organic and inorganic beings that are serviceable for human use. Nature is externalised and objectified. Generally liberal-environmental approaches understand nature through these lenses and increasing human domination on the nature by developing new technologies has been taken as a main criterion for the level of development. This approach does not relate ecological problems with the functioning of the system. Consequently, remedies are sought in individual practises and technological innovations.

Critical view adopts relational approach, therefore instead of assuming antagonistic/dualistic relationship between human and nature or society and nature they emphasize interactions and interrelations between them. While human beings have played crucial roles in producing and transforming nature with their labour power, Harvey notes that (2009: 231), "...socio-ecological world that is actively being shaped and reshaped by a wide array of intersecting socio-ecological processes (some but not all of which are intimately expressive of human activities and desires) operate at different scales. The processes, flows, and relations that create, sustain, or dissolve the socio-ecological world must be the focus of inquiry. Both agents and structure have to be taken into account relationally. (Of course agents here are not only human beings but all living beings, who produce and transform nature continuously as well.)

In contrast to externalised idea of nature, the production of nature thesis argues that although different societies in the history have produced the nature to some degree to harvest use values, hence humanised the nature<sup>2</sup> in the process, for the first time in capitalist system nature is seen external to society and use values provided by the nature are commodified and transformed into a systemic condition of social existence and radically objectified (Smith, 2007: 21, 22).. The production of nature thesis overcomes the society-nature dualism and with its holistic and relational approach emphasizes interdependence and interactions of living beings and non-living things in very different scales and forms and understands everyday life as our individual

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<sup>2</sup> For the term see. Caudwell (1971).

and collective embeddedness in the ongoing web of socio-ecological life (Harvey, 2009: 238). According to Harvey (2009: 237, 259) the nature is increasingly modified, channelled, and reordered by individual and collective human action over time to form a "second nature" and people can produce new spaces by producing a new second nature. Thereby production of nature and production of space are intertwined. Smith emphasises this point and insists on looking closely at "the production of nature," in exactly the same way that Lefebvre conceptualizes the production of space (as cited in Harvey 2009: 231).

Social production of nature approach never denies the power of natural processes. According to them, biological and geological processes do not owe their existence and continuity to social labour, but they can transform these processes to a degree. Production of nature thesis criticizes domination of nature approach as a fantasy. They also argue that there has been a widespread social blindness about the negative effects of transformation of nature such as socially produced global warming and genetically modified organisms cannot be entirely controlled (see Smith, 2007: 23, 25). Hence, they argue that there is an important gap between the "reality" of domination of nature and discourse.

### **Neil Smith's Production of Nature Thesis**

According to Neil Smith (2007), capitalism has always internalised nature in the production process in one way or another and with the formal subsumption of nature, capital accumulation is facilitated predominantly by a continual expansion in the conversion of extracted material into objects of production. But today real subsumption of nature is taking place as well as formal subsumption of nature and dependence of capital accumulation on nature intensifies. Currently, while capital circulates through nature as always has been in capitalism, reverse process, namely the circulation of nature through capital, is similarly transformed from an incidental to a strategic process and became capital accumulation strategy. This occurs in two ways: Organic materials are produced in the laboratory through biotechnology and secondly these produced natures circulate financially in the garb of commodity futures, ecological credits, corporate stocks, environmental derivatives, and so forth (Smith 2007: 29). One of the main indicators of economic crisis is acceleration of financialisation in the world economy, currently it is accompanied with extensive financialisation of nature as well. Hence industrial capitalism became green capitalism. In this process nature is produced in the form of new technologies such as naturally developed seeds through generations started to be produced in the laboratories by scientists working for large corporates, animals and plants are cloned, genetically modified

foodstuff and animals are produced in the laboratories. All these technologies are protected by the intellectual property rights which provide monopolistic rents to these corporates. Harvey also argues that these intellectual property rights have become a vital field of accumulation over the last few decades (2014: 143). Another types of green technologies and businesses are generated by environmental catastrophes. As Harvey points out (2014: 142) environmental disasters create abundant opportunities for a 'disaster capitalism' to profit handsomely. Improving the natural quality of degraded habitats by the companies, developing new medications and treatments to cure health problems caused by air-land and water pollution, new technologies to alleviate carbon emissions, renewable energy technologies such as solar and wind power plants, production of environmentally friendly goods, green banking, green credits, carbon shares, biodiversity credits etc. These areas offer new profitable investment opportunities for the investors. Through the labelling of products and services as 'green', 'sustainable', and 'environmentally friendly' profit seeking activities are justified (Wright ve Nyberg, 2014: 206). This situation not only provides economic advantages for capital owners it also facilitates ideological-political superiority by accommodating the belief that ecological problems can be solved by market mechanism and that there is no contradiction between ecological degradation and endless growth or profit seeking activities (Wright ve Nyberg, 2014). For the companies who produce "green" products and technologies this is important in establishing new markets and creating demand for these goods. Large parts of consumers are made believe that they can solve a problem like global warming, which is caused mainly by large corporation's profit seeking activities, individually by using products with green labels. Environmentalist NGO's funded by corporations and international institutions play important role in promoting and circulating these ideas. In consequence, real reasons of ecological problems, which are consumer society and limitless growth, namely capitalism is not questioned.

Sustainability discourse has played important role in spreading "green ideology". Under the disguise of sustainability discourse all life forms and ecosystem are subjected to exchange value and private property, and capitalised. Hence, privatization of natural commons which were not subjected to private property before, became profitable fields for new investments and included into the capital accumulation process. World Bank advises to developing countries to define and guarantee private property rights in the framework of governance discourse. According to this approach, if property rights are well defined especially for public goods, they can be included in the price mechanism and external costs and benefits can be internalised. Hence,

perfect competition and effective resource distribution can be achieved (Miller, 2008: 138). Benefits here mean private benefits instead of public, while all living beings bear the brunt in ecological systems. For this approach all life forms and eco systems can and should be priced and included in the market system for the sake of environmental protection (see Daly 2007). This so called environmentalist viewpoint has been put into circulation and funded by international institutions such as World Bank and IMF as green economy in the framework of sustainability discourse. In this way it dominates ecological discourses widely and leads confusion even among environmentalist NGOs. On the other hand, none of the critical environmental problems such as global warming, increasing sea levels, water-air-land pollution, decreasing biodiversity, diminishing food safety are cured. Market system, which prices even human lives and includes in cost-benefit analyses, and new technologies instead of solving these problems deteriorated them and have become the source of problems themselves.

### **Crises of Capitalism, Theory of Second Circuit of Capital by David Harvey**

Harvey incorporated spatial dimension into Marxist crisis theory. He argues that each of the global crises of capitalism was in fact preceded by the massive movement of capital into long-term investment in the built environment as a kind of last-ditch hope for finding productive uses for rapidly overaccumulating capital and surplus labour that are generated in the first circuit (Harvey 1981: 120). Critical geographers generally argue that production of space opens up new channels for accumulation, but especially in times of crises spatial investments become main pillars of accumulation. Through spatial investments surplus capital and labour can be absorbed temporarily. Harvey argues that, crises of capitalism are generated mainly by the decreasing opportunities for profitable investments. Hence finding new fields for profitable investments alleviates crises for a certain period.

According to Harvey (2014: 141), the ecosystem is constructed out of the contradictory unity of capital and nature and capital, as a specific form of human activity, produces the nature conducive to its own reproduction, but increasingly in the name of capital and not of humanity. Production of nature just like production of space opens up new channels for over accumulated capital. Neil Smith's argument of real subsumption of nature namely production of nature in the laboratory through new technologies and the new business opportunities created by them can be incorporated with Harvey's increasing production of space in the times of crisis namely second circuit of capital. This framework enables us to relate ecological crisis with economic crisis, and at the same time helps us to put green economy in perspective.

## Conclusion

One of the merits of capitalism is that its ability of conversion disadvantageous conditions into profit. Negative ecological conditions generated by unlimited growth mentality such as land, air, water/sea pollution and degradation have been transformed into profitable investment opportunities for the surplus capital, which has been facing limited new investment possibilities as a result of economic crisis. According to Harvey, built environment investments provide profitable opportunities for the surplus capital. These investments produce advantageous second nature for reproduction of capital on the one hand, and rapid urbanisation creates ecological scarcities which would provide new profitable investment opportunities in terms of producing nature in the laboratory by new technologies. Neil Smith argues that production, commodification and financialisation of nature presents large new markets for the capital under the name of green or ecological products, and becomes new accumulation strategy in its current phase. Although Smith does not directly relate his argument to the accumulation crisis of capital, it is argued in this paper that intensification of production of nature is directly related to intensification of the economic crisis and it opens new profitable investment fields for the capital in the way that production of space does. Demand for the new green commodities is provided by presenting these goods under environmentalist discourse and turning environmental sensitivities of people into profits.

When production bases on profitability it gives rise to over accumulation which means waste of energy and labour and further degradation of habitat, as a result ecological destruction deteriorates. Ecology centered production takes into account well-being and needs of all living beings and sustainability of whole ecosystem instead of profits.

Incorporating Harvey's theory of second circuit of capital and Neil Smith's argument of production of nature as accumulation strategy presents us the possibility of putting so called green economy in perspective and in its right context.

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