

Globalization and Climate Change: A Dialogue With Graciela Chichilnisky and Helena Norberg-Hodge

By Marcus Rolle and C. J. Polychroniou - 7th November 2016



Is the global warming manageable, or is a climate change catastrophic scenario simply an irreversible outcome that future societies will simply have to face -- and pay the price for the recklessness and irresponsibility of previous generations? The answers to such questions seem to depend in large measure on the way we perceive both the causes and the possible effects of global warming and climate change. For example, while there is a general consensus among scientists that human activities are primarily responsible for the climate change crisis, it is still debatable as to whether certain developments, such as globalization, are in themselves responsible for rising temperatures which threaten humanity with unprecedented disasters and uncontrollable social outcomes. And while certain technologies to combat climate change seem to be readily available, we also have not reached the point where we are willing to take the necessary steps to tackle the problem at hand before it becomes completely unmanageable. In this context, the following exchange of ideas between Graciela Chichilnisky and Helena Norberg-Hodge on globalization and climate change, captured in the form of an interview, is particularly prescient, hoping at the same time that it will inspire a serious and extended discussion on the matters at hand by other scholars and thinkers.

Marcus Rolle and C. J. Polychroniou: Climate change is the most daunting problem facing humanity today, and globalization seems to be accelerating it. In fact, the effects of climate change are moving faster than predicted as free trade agreements are proliferating, multinational corporations move their operations to developing countries in order to avoid stricter environmental rules at the home country, and export-oriented industrial agriculture has replaced local farming. Do you agree with the view that economic globalization bears responsibility for climate change?

Helena Norberg-Hodge: Absolutely. Globalization – or the deregulation of global trade and finance - has direct consequences for the climate. It promotes unnecessary long-distance transportation of goods, rampant consumerism, biological monocultures, energy-intensive technology use, and mass urbanization – which leads to ever-increasing fossil fuel consumption. It is also worth noting that a 2013 study found that two-thirds of the fossil fuels that have been burned over the last 150 years were burned by just 90 corporate entities, including companies such as Texaco and ExxonMobil.

With the help of corporate-funded think-tanks, there is a commonly-held belief that individual citizens' consumption patterns, rather than the systemic changes in production because of globalization are to blame for climate change. This is a very narrow framing of the climate crisis, but it's one that has gained a lot of credence in the media due to the support of Al Gore and others. Meanwhile, it's becoming increasingly clear every day that

there are inherent and predictable connections between the deregulation of transnational corporations and the climate crisis. And people are beginning to notice those connections.

So reversing the trend towards further globalization needs to be central to the climate movement.

Graciela Chichilnisky: Yes: globalization was led by the Breton Woods institutions that were founded after WWII to encourage and enforce a pattern of international trade duplicating colonialism at a global scale: deep and extensive extraction of resources from developing nations that were exported at low prices for consumption in industrial nations. This pattern of international trade can be seen as a global tragedy of the commons, since developing nations lack property rights on extractive resources and their governments are dependent of international organizations and therefore "permeable" This term was introduced by Natasha Chichilnisky-Heal who documented the "permeability" of governments in developing nations that are rich in extractive resources in the cases of Mongolia and Zambia, with examples on the direct role of the World Bank in the case of Rio Tinto and Mongolia's copper mines, the largest in the world.

MC and CJP: What role do natural forces play in climate change?

Helena Norberg-Hodge: Looking back over millennia, we have to be extremely humble about our ability to grasp what has been going on. So it is possible that warming has happened because of 'natural' forces - ie without human intervention. However, in recent history there is no doubt that fossil-fuel based industrialization has had an enormous impact on ecosystems.

Graciela Chichilnisky: A key role: carbon dioxide acts as the butterfly in the butterfly effect within a complex earth climate system: very small variations in concentration of CO2 in the atmosphere can alter atmospheric transparency and create catastrophic effects such as global climate change.

MR and CJP: What are some of the impacts that we can expect from climate change?



Helena Norberg-Hodge: Over the past decade, it has become clear that weather conditions are becoming ever more unstable and unpredictable. These are likely to become even more extreme and lead to more human suffering and mass migrations. Violent conflict over natural resources is likely to intensify, and new conflicts emerge in places that were once considered stable.

Graciela Chichilnisky: Right now the North and the South Poles are melting, obliterating species that live on ice sheets, such as polar bears and penguins. This raises the sea level globally, since melted ice occupies more space, and causes superstorms and tornadoes, flooding coastal areas, and forcing tens of millions of people to migrate with enormous humanitarian losses and untold political upheaval. As more CO2 is absorbed by the oceans it acidifies it, obliterating calcium based species such as coral reefs and krill which has external calcium based skeletons, and is the foundation of much sea and land life. Floods superstorms hurricanes and tornadoes cause social disruption. An example is Superstorm Sandy and its effects on Manhattan, which left the city without water and electricity, closed schools and police stations and saw cars floating on the streets for weeks. Social disruption threatens institutions and becomes the first effects of climate change, perhaps the most immediate and dangerous.

MR and CJP: Are there any benefits that can come from climate change?

Helena Norberg-Hodge: If anything positive comes out of the climate crisis, it will be the response to it. If it weren't for climate change, it would be possible to say 'Sure, the global economic system is failing, but wholesale reform is difficult, so let's leave it up to the next generation'. With climate change a real and present danger, that is

no longer really possible. Climate change is drawing the 'demons' of the global economy out into the open, forcing us to confront them, and pushing us to consider systemic change sooner than we might have otherwise.

There is now compelling justification for switching to a less resource-intensive economic model as soon as possible. The more localized and resilient we can make the world's economies, and the less we depend on GDP growth (which actually is making the majority poorer), the better-equipped we will all be to handle the social and ecological consequences of climate change.

Graciela Chichilnisky: Certain areas where ice sheets disappear become available for economic exploitation

MR and CJP: Can changes in the production and use of energy impact on climate change, or is it already too late for such action?

Helena Norberg-Hodge: It is definitely not too late to take action. Fully modeling the complexities of the earth's regulatory systems is a fool's errand, and that means we cannot be certain of what the future will hold. There is a glimmer of hope that Gaia will have self-regulating tools up her sleeve, that our computer models could not anticipate. In any case -disregarding for a moment the need to address climate change- we have many other reasons to move away from our dependence on petroleum. Soaring cancer rates from pesticides, and endocrine disruption from plastics (as documented in the book *Our Stolen Future*), are two among a great many arguments for immediately moving away from this dependence.



Decentralized renewable energy systems can answer our needs without destroying social cohesion and ecological stability. Many communities are finding ways to integrate local-scale renewable energy into their lives, through initiatives such as the Low Carbon Hub in the UK and New Energy Economy in the US.

The key in navigating the transition to a post-carbon world is to embrace the transition to a new economy. Renewable energy that is produced and distributed by deregulated corporations cannot have a truly positive impact on the environment or society. We need to cease being merely passive consumers and engage as citizens in legal actions, letter-writing, seed-sharing, and other projects of resistance and renewal to change the status quo. Acting as isolated consumers and changing a lightbulb or using less hot water is not enough to make a dent in the climate crisis. We need 'big picture' thinking, and collective acting - changing the 'I' to a 'we'.

Graciela Chichilnisky: It is absolutely necessary to move away from burning fossil fuels into cleaner energy such as solar. This could take decades since the current power plant infrastructure is worth \$55 trillion according to the IEA and it is almost 90% fossil. This will take many decades to change; it cannot be changed to renewable energy as soon as it is needed. However necessary is the change to renewable energy, it is not sufficient: the 2014 5th Assessment Report of the IPCC (page 101) which is the world's scientific authority, documents that much more is needed to avert catastrophic climate change. The IPCC documents that we now need to physically remove the CO2 that is already in the atmosphere. The 2015 Paris Agreement, which is now ratified into international law, has four articles about the absolute need to remove the CO2 that is already in the atmosphere, and do so in massive amounts.

MR and CJP: Is globalization reversible? If not, how do we constrain some of its worse aspects?

Helena Norberg-Hodge: Globalization is without a doubt reversible – that's exactly what we mean when we talk about 'localization'. Globalization is heavily supported by governments through free-trade deals, subsidies, and regulations that discriminate against small- and medium-sized businesses. Current policies encourage businesses

across the board to use more energy and technology, instead of employing people. Renewable energy technologies currently receive one-fifth as many subsidies as fossil fuels do.

These are political decisions which can be changed. If the artificial supports for globalization were removed, and taxes and subsidies were shifted to encourage real work by real people, globalization would cease to make economic sense and small-scale business would be the order of the day. Absurdities like redundant trade, whereby a country ships a commodity overseas and imports that same commodity right back, would become a thing of the past. Less packaging, processing, and transporting would mean a smaller carbon footprint. Localization would reduce the power of global corporations and banks, helping to reduce the pressure for economic growth that results in needless consumption. It would particularly help the Global South, by reversing the process of colonialism that to this day puts enormous pressure on people to emulate the consumer lifestyle of people in Europe and North America.

Graciela Chichilnisky: This wave of globalization has taken place since the 1945 creation of the Bretton Wood Institutions after WWII, and cannot be reversed quickly. It's effects are global and the time needed to address them is a main issue. Globalization had positive features but it led to a pattern of North - South Trade and of consumption of global extractible resources by the rich nations that caused the environmental crisis of our times. This pattern cannot be reversed quickly but it must be reversed.

Global industrialization has caused a massive expansion of wealth inequalities globally (three times larger than before) and has magnified the global tragedy of the commons, leading to the climate change emergency that engulfs us all today.

The only way to redress some of globalization's worst aspects is to agree on mandatory limits on the use of air water and biodiversity (food) nation by nation. It is possible and it must be done soon. The UN Kyoto Protocol did this for carbon emissions in 1997 and became international law in 2005, successfully reducing emissions of the Kyoto Nations by 30%. The Paris Agreement has no mandatory limits – indeed, it has no policy to implement its intended goals, none. Yet limits are key. From those mandatory limits can emerge global markets for water, carbon emissions, and biodiversity. Without limits they cannot. The carbon market I designed and wrote into the UN Kyoto Protocol, which was trading \$175 billion in 2012 is a successful example. But this market depends on mandatory emission limits that the US opposes as it is the largest emitter among industrial nations (and overall historically), and is the largest emitter today per capital. New global markets means new prices and new values for the main earth resources on which humans depend for survival: the atmosphere, the hydrosphere and the biosphere. The new economic values in turn alter fundamentally the notion of GDP and therefore of economic progress, aligning it with human survival as is now needed. All this must be put in place immediately as otherwise our economic incentives based on a dated notion of GDP can and probably will lead to the extinction of our species, for failure of meeting our basic needs.

MR and CJP: What do you consider to be the most innovative solutions for ensuring that the Earth does not warm up to catastrophic levels?

Helena Norberg-Hodge: The localization initiatives that put food at the center. Localizing food economies is particularly important, both because food is a universal necessity, and because globalization is structurally linked to monoculture crops, which rely on agrochemicals, mechanized equipment, and growing practices that result in significant greenhouse gas emissions. Diversified, small farms are more productive, act as carbon sinks, use less energy in production and, linked to nearby markets use less processing and packaging.

We've highlighted a number of inspiring initiatives from around the world in our Planet Local web series, including, among many others, the Mupo Foundation in South Africa's Vhembe district, which empowers the local Venda people to ensure food sovereignty and strengthen a local knowledge system which roots spirituality in ecology. We also showcase energy projects like the 'Our Hamburg, Our Grid' project to create a local power utility in Hamburg, Germany, the New Energy Economy initiative in New Mexico, which campaigns against coal and nuclear power and installs community solar systems throughout the state. Initiatives like these are springing up practically everywhere you look.

Graciela Chichilnisky: It is now documented by the IPCC and stated in the Paris Agreement that we need to remove CO2 in massive amounts from the atmosphere in order to prevent catastrophic climate change.

The most innovative solutions are new US technologies and business strategies that remove CO2 directly from air and stabilize it on earth by selling it for the profitable production of building materials including plastics and carbon fibers, beverages, refrigerants like dry ice, water desalination, synthetic fuels, and many other rather valuable economic uses. One example is Global Thermostat -- a new US company that has a carbon removal technology that captures CO2 from air at low cost; the GT technology can transform a fossil fuel plant into a carbon remover and can transform a solar power plant into a massive CO2 remover. This means that we can transform the \$55 Trillion global power plant infrastructure so that the more electricity we produce the more carbon we remove. The CO2 is used to produce plastics, beverages, refrigerants like dry ice, greenhouses, desalinate water, produce synthetic fuels: there is an enormous global market for CO2. It is extraordinary: it makes carbon emission limits feasible because removing carbon becomes a profitable activity that is consistent with economic progress, with additional jobs and exports. Therefore emission limits become acceptable within the constraints of the Byrd-Hagel Act of the US Congress, which need no longer veto agreements to reduce emissions as they can benefit rather than undermine the US economy. From such emission limits arises the UN Carbon market that was created in 1997 by this author and was already trading \$175 billion annually in 2012. Through the Clean Development Mechanism this money has provided and continued to provide important project finance (\$130Bn) for clean technology projects in developing nations. For example, the carbon market can fund the building of 40,000 carbon negative power plants that can remove 1million tons of CO2 each per year, thus removing as much CO2 as humans are currently emitting globally. This is the entire financial- technological solution to climate change, and it is the most innovative solution at the same time. Observe that all this can be done profitably, since the costs of carbon removal are lower than the current market prices of CO2. However to accelerate the process as needed to avert catastrophic climate change, one needs the carbon market and its Clean Development Mechanism in order to provide incentives to adopt the new technology and to make available the project finance needed to set up a \$200 billion/year Green Power Fund that will make all this possible in developing nations. This plan can combat poverty while cleaning the atmosphere as it can provide carbon negative power plants that produce power while removing carbon from the atmosphere. It must be done and soon.

Graciela Chichilnisky, architect of the Kyoto Protocol carbon market, is Professor of Economics and of Statistics at Columbia University, Visiting Professor of Economics at Stanford University, and cofounder and CEO of Global Thermostat, a disruptive, carbon negative technology company based in the Silicon Valley that removes carbon dioxide from the air. Helena Norberg-Hodge is the founder and director of Local Futures, a pioneer of the "new economics" movement. She is the producer and co-director of the award winning documentary "The Economics of Happiness" and recipient of the Goi Peace Award.

Helena Norberg-Hodge is the founder and director of Local Futures. A pioneer of the 'new economy' movement, she has been promoting an economics of personal, social and ecological well-being for more than thirty years. She is the producer and co-director of the award-winning documentary The Economics of Happiness, and is the author of Ancient Futures: Learning from Ladakh, described as "an inspirational classic". She has given public lectures in seven languages, and has appeared in broadcast, print, and online media worldwide, including MSNBC, The London Times, The Sydney Morning Herald, and The Guardian. She was honored with the Right Livelihood Award (or 'Alternative Nobel Prize') for her groundbreaking work in Ladakh, and received the 2012 Goi Peace Prize for contributing to "the revitalization of cultural and biological diversity, and the strengthening of local communities and economies worldwide."