There is much being said and written today about how to effectively address the oncoming catastrophe of climate change, which is already, for many, tragically real. There is a crucial and obvious need for a powerful global movement to tackle the climate crisis. But this movement will not be based on reform. Capitalism and the markets have led us to the brink of the abyss. They will not provide our parachute. The system cannot be reformed. It must be transformed.

The more we understand how the roots of the many issues we are fighting are intertwined, the better we can cooperate to change the system driving them. In diversity is strength, as any ecologist understands, and our movements for change are no exception.

Global Justice Ecology Project is publishing *The Green Shock Doctrine*, a paper in four parts, as a means to help expose and examine the deeper issues behind the climate crisis and their links to many of the other crises we are facing. In doing so, we hope to help advance the effort to transform the global system driving climate catastrophe.

**PART I: INTRODUCTION**

Many are talking about “solutions” to the crisis of climate change. Some, like US President Barak Obama, argue that we can achieve effective action on climate change by merely tweaking the status quo—making business as usual a little more energy efficient; or promoting the use of industrial-scale “clean” energy like fracked natural gas, nuclear power, or wood-based bioenergy—all part of the scheme to create a “green” version of capitalism. Others feel change will best be achieved by divesting from fossil fuels. Still others believe lobbying UN delegates and politicians is the best way to avert climate catastrophe.

Because these approaches do not address the underlying systems of injustice, however, they do nothing to stop the climate train from hurtling off the cliff. Nothing short of fundamental systemic transformation away from the economy of death and toward a society based on justice and ecology will be sufficient to head off, or at least dampen the effects of, the oncoming climate catastrophe.
In our decade of work within the global climate justice movement, and the work since 1992 against unjust trade and neoliberalism by Global Justice Ecology Project co-founders Orin Langelle and Anne Petermann, one thing has become abundantly clear: It is not enough to merely move money around—we must fundamentally challenge the very idea of wealth accumulation, the commodification of both people’s labor and the natural world, and the existence of the corporate and power elite.

The climate crisis is one of the most serious problems we face. However, rather than seriously responding to climate change, rich and corrupt governments are teaming up with corporations, the United Nations, World Bank, and other institutions to implement a new type of “disaster capitalism,” which advances market-based climate mitigation strategies to create new business opportunities. These schemes do nothing for the climate, but rather promote and prolong the dominant development model that is unjust, immoral, genocidal, and ultimately, suicidal.

The dominant worldview that turns land, life, and humans into market commodities is antithetical to buen vivir: life in harmony between humans, communities, and the Earth—where work is not a job to make others wealthier, but a livelihood that is sustaining, fulfilling, and in tune with the common good.

But while this system seems inextricably entrenched, too powerful to change, in fact that change is inevitable. How it will change is the challenge we must collectively face.

**The Green Shock Doctrine and the Next Phase of Capitalism**

In *The Shock Doctrine: The Rise of Disaster Capitalism*, Naomi Klein revealed how global elites use public “shocks” such as military coups and natural disasters to push through neoliberal economic reforms. These reforms, designed to liberate trade from regulation and open markets to exploitative foreign private investment, create new wealth for the economic

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1 Our use of “disaster capitalism” as a way to understand a mode of neoliberalism is indebted to Naomi Klein,
elite while pushing the rest of society and the planet further into a hole of despair and inequality.

In the shadow of both worsening climate chaos and the 2008 financial collapse, bankers, corporate elites, and international institutions have evolved the Shock Doctrine into a Green Shock Doctrine. This “Green” version of the Shock Doctrine involves use of the global ecological and social crises to create a whole new system of economics based on financial speculation and trade in so-called “environmental services.” It is called The Green Economy and sets the framework to privatize and commodify every natural organism and ecosystem on the planet, along with the so-called “services” they provide—such as clean water. Social movements, Indigenous Peoples, peasants, and grassroots groups are denouncing this greening of capitalism, which has the sole purpose of enabling the continuation of business and profits as usual.

As Gerak Lawan, the Indonesian People’s Movement Against Neocolonialism and Imperialism, explained:

The capitalist system is in a deep crisis. Since the 2008 financial crisis [when] the system nearly imploded, it has yet to fully recover. And instead, the crisis has spread and has deepened the food, economic, energy and climate crises. The deep systemic crisis is crystal clear evidence that the neoliberal regime must come to an end. … [But instead] there is a new push for further free trade liberalization, pushing a new wave of free trade agreements (FTAs) such as the Transpacific Partnership Agreement… and a new model of capitalist exploitation of nature called the ‘green economy.’

**THE GREEN ECONOMY**

The Green Economy is being advanced at the UN Framework Convention on Climate Change (FCCC), UN Convention on Biological Diversity (CBD), UN Environment Programme, and other bodies in partnership with some of the planet’s greatest corporate and governmental pillagers.


The collaboration of these corporate NGOs in the greening of capitalism is not surprising given who sits on the Boards of Directors of these giant organizations, including representatives of Goldman Sachs, Google, the National Bank of Mexico, Citigroup, Walmart, JP Morgan Chase, Unilever, Coca Cola, and Bank of America, to name a few.

The UN FCCC (also called the UN Climate Conference) laid the foundation for what would later become the Green Economy back in 1997 during the negotiations around the Kyoto Protocol, where the US used the climate crisis to create new markets in carbon pollution. While the Kyoto Protocol is the only legally binding international climate agreement, it was hopelessly weakened when US Vice President Al Gore insisted it include carbon markets or the US—then the world’s largest polluter—would not sign on. The markets were included, but the US never joined. In The Guardian, Madeleine Bunting commented on the US role in weakening the Kyoto Protocol: “[The] whole international effort had been hijacked and corrupted by the United States’ ideological obsession with the disciplines of the market as a panacea for all ills.”

Countries in Europe did sign the Kyoto Protocol, and the development of the Emissions
Trading Scheme led to record profits for some of Europe’s largest polluters, though it did nothing to limit carbon emissions and has since collapsed. This has not discouraged climate profiteers, however, who are now pioneering markets in the carbon stored by forests.

At the UN FCCC in Bali, Indonesia in 2007, the UN and World Bank announced the development of new markets in forest carbon, that is, carbon stored by living trees. The UN’s Reducing Emissions from Deforestation and Forest Degradation (REDD) scheme was developed to pay countries in the Global South to reduce their levels of deforestation and protect their intact forests. Once this occurs, the carbon stored by those forests can be quantified and sold to polluters in the Industrialized North who want to buy that stored carbon to “offset” rather than reduce their own carbon emissions. Corporate profit making and pollution as usual continue unabated at the expense of forest dependent communities, Indigenous Peoples, and communities located near industrial polluters.

At the Bali climate conference, the World Bank launched their Forest Carbon Partnership Facility, designed to bring developing countries into REDD by providing financing to make them “REDD-ready.” REDD was launched without input from the Indigenous Peoples and forest dependent communities whose lands are in the crosshairs of REDD agreements, and REDD has already led to land grabs and human rights violations. The World Bank launched the new facility with a press conference that was met with a huge protest outside. Since then, REDD’s dubious objectives have led to numerous protests at the UN FCCC—most led by Indigenous Peoples.

During another protest in Bali by Indigenous Peoples against their exclusion from UN FCCC decisions impacting them, Fiu Mata’ese Elisara-Laula, of the O Le Siosiomaga Society of Samoa stated,

“This process has become nothing but developed countries avoiding their responsibilities to cut emissions and pushing the responsibility onto developing countries. Projects like REDD sound very nice but they are trashing our indigenous lands. People are being relocated and even killed; my own people will soon be under water. The money from these projects is blood money.”

Fiu Mata’ese Elisara-Laula

In 2008 in Bonn, Germany, the UN Convention on Biological Diversity (CBD) launched its own models for marketing environmental services through the Business and Biodiversity Initiative, which includes the Business and Biodiversity Offsets Programme (BBOP), The Economics of Ecosystems and Biodiversity (TEEB), and a new Green Development Mechanism.

The Little Biodiversity Finance Book, published in 2010 by the Global Canopy Programme (GCP) with the financial assistance of the Prince Albert II of Monaco Foundation is widely distributed at CBD conferences. In it, Andrew Mitchell, founder of the GCP, twists a quote by Oscar Wilde to justify its premise that privatizing the natural world is the best way to protect it:

The English [sic] playwright Oscar Wilde once commented that the cynic
knows the price of everything, but the value of nothing. Today’s cynics are those who claim that biodiversity is priceless, yet are not prepared to pay for it. ... the financial crisis is forcing a re-think of how products and services are valued. Investors are thinking, ‘if we got it so wrong with one property, what else out there is incorrectly valued?’ There is a growing realization that wealth creation cannot continue based on financial and social capital alone, but must recognize natural capital too—for without this, national accounts, business accounts and consumer accounts—long term, are ultimately built on sand.

In this way, Mitchell uses the economic crisis to advance its true agenda of using so-called “natural capital” to create new wealth.

As REDD redefines forests as carbon, these biodiversity markets transform the vast, ancient interconnected web of life into an array of environmental services to be quantified, privatized, and sold on the market. Tropical forests, oceans, grasslands and their “services” (i.e. biodiversity protection or water purification) become a source for offset credits to be priced according to supply and demand.

Corporations and governments may then purchase these offsets and continue ecological destruction as usual. Biodiversity offsets have been described as “a license to trash nature,” as Carrington reported for The Guardian. In the same article, Carrington quotes Sandra Bell of Friends of the Earth: “Nature is unique and complex—not something that can be bulldozed in one place and recreated in another at the whim of a developer.”

Additionally, because the price of ecosystem services is linked to supply and demand, the price rises and profits increase as the ecosystems providing the services become more scarce—as they must under an economic system that requires the transformation of natural resources into capital. Similarly, because some REDD funding is tied to how much a country reduces its deforestation, it creates a perverse incentive for countries to increase their deforestation now in order to receive more REDD funding in the future.

At the 2008 UN Climate Conference in Poznan, Poland, the Climate Justice Now! alliance denounced REDD as creating the climate regime’s largest ever loophole, giving Northern polluters yet another opportunity to buy their way out of emissions reductions. With no mention of biodiversity or Indigenous Peoples’ rights, this scheme might give a huge incentive for countries to sell off their forests, expel Indigenous and peasant communities, and transform forests into tree plantations under corporate-control.

In the film A Darker Shade of Green: REDD Alert and the Future of Forests, Gopal Dayaneni, of Movement Generation Justice & Ecology Project adds, “Nature is unique and complex—not something that can be bulldozed in one place and recreated in another at the whim of a developer.”

Sandra Bell

“In reality [carbon trading schemes are] a lot like trying to lose weight by paying someone else to go on a diet. [With REDD] it’s a lot more like starving somebody someplace else as a way of losing weight.”

Gopal Dayaneni

Indigenous Peoples march with an anti-REDD banner in Durban, South Africa to protest the UN Climate Conference. Photo: Langelle/GJEP-GFC & PhotoLangelle.org.
In reality [carbon trading schemes are] a lot like trying to lose weight by paying someone else to go on a diet. The idea is you give somebody else a bunch of money to lose weight and you add your two weights together, divide by half, and your average weight goes down if they lose enough weight. [With REDD] it’s a lot more like starving somebody someplace else as a way of losing weight.

**The Green Shock Doctrine, Climate Finance and Debt**

As extreme weather continues to take its toll on public budgets, countries in the global south—already struggling under decades of neoliberal World Bank and International Monetary Fund (IMF) policies designed to ransack natural resources, dismantle public services, and saddle them with debt—are having to fight for financial assistance from the very countries responsible for the climate crisis in the first place.

The battle over ‘climate finance’ has increasingly taken center stage at the UN FCCC as developing countries demand that rich countries pay compensation to help them recover from climate-related disasters they played no role in causing.

Led by the US, however, rich countries have repeatedly rejected these demands. Instead, they are borrowing a page out of the Green Shock Doctrine playbook to use these climate “shocks” to push through yet more unjust conditional finance, through which rich countries set conditions on money lent or given to the South to help them recover from climate disasters.

The Green Climate Fund (GCF) was formally established at the UN FCCC conference in Cancun in 2010, to oversee $100bn in climate finance pledged through President Obama’s secretly negotiated “Copenhagen Accord” in 2009. It is modeled on the same old unjust development financing of the World Bank, IMF, and others, but this time it is being done through a sort of climate blackmail. If countries want critically needed climate assistance, they must agree to the strict conditions.

Not coincidentally, in Cancun, the US and its allies successfully positioned the World Bank to be the first trustee of the Green Climate Fund. The Bank is now a leading facilitator of private-sector investment in climate mitigation strategies.

**The UN Promotes Privatized Response to Catastrophe**

In theory the “multilateral” consensus-based decision-making process of the UN is designed to prohibit the most powerful countries in the world from exerting control over the weakest nations. It is intended to be transparent and participatory, and to distribute power more equally. This has not been the case with international efforts to slow climate change.

About the 2007 UN Climate Conference in Bali, Walden Bello, then Senior Policy Analyst at Focus on the Global South, wrote,

> Bali will probably be remembered as the conference where big business came to climate change in big way ... Shell and other big-time polluters have been making the rounds touting the market as the prime solution to the climate crisis, a position that meshes well with the U.S. opposition to mandatory emission cuts.

The trend has continued, and at the 2008 UN Climate Conference in Poznan, Poland more than 1,500 industry lobbyists attended.
US negotiators and their allies, acting on behalf of the corporate elites, have repeatedly denounced legally binding targets and accountability mechanisms, arguing instead for voluntary action. They have used bribes to force small countries to go along with positions against their best interests; included corporate representatives on government delegations; and met in small secret cabals to hammer out agreements in direct contravention to the official consensus-based process.

After the disastrous outcomes of the Durban, South Africa FCCC in December 2011, where once again no concrete action was taken to address the climate crisis, Nature Magazine stated, “It is clear that the science of climate change and the politics of climate change now inhabit parallel worlds.”

Nnimmo Bassey, Chair of Friends of the Earth International similarly condemned Durban’s outcomes: “Developed countries, led by the US, accelerated the demolition of the world’s international framework for fair and urgent climate action. And developing countries have been bullied and forced into accepting an agreement that could be a suicide pill for the world.” A report from Petermann and Langelle on Durban later quoted him saying, “An increase in global temperatures of four degrees Celsius, permitted under this plan, is a death sentence for Africa, small island states, and the poor and vulnerable worldwide. This summit has amplified climate apartheid whereby the richest 1% of the world have decided that it is acceptable to sacrifice the 99%.”

References


Global Justice Ecology Project | Green Shock Doctrine: Part I

Project. [www.globaljusticeecology.org](http://www.globaljusticeecology.org)


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**THE GREEN SHOCK DOCTRINE**

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**MISSION**

Global Justice Ecology Project (GJEP) explores and exposes the intertwined root causes of social injustice, ecological destruction, and economic domination.