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MAKING SENSE OF THE GREEN ECONOMY

by

Federico Caprotti and Ian Bailey

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ABSTRACT. This special issue editorial explores potential research interfaces between human geography and the rapidly unfolding concept and practices of the "green economy". The article outlines a range of critical issues about the green economy that are particularly pertinent and suited to geographical analysis. The first concerns questions around the construction of the green economy concept and critical questioning of current, largely hegemonic neoliberal, growth-focused and technocentric definitions of the green economy. The second broaches the spatial complexities of green economic transitions, while the third discusses the need for critical appraisal of the logics and mechanisms of governance and transition that see the green economy as a key mechanism for economic, social and environmental change. The fourth focuses on the crucial issue of micro-level and individual practices and behaviour, and on links between individual behaviour and wider economic-environmental governance and economic systems. Finally, the article discusses the need for scholars to engage in imaginative consideration of alternatives to current, growth-focused paradigms and conceptualizations of the green economy.

Keywords: green economy, green growth, scale, governance, transition, alternatives

Introduction

The concept of "the green economy" has been in circulation in various guises for several decades but has gained renewed momentum in political, business and other circles in recent years. The green economy's renaissance was forcefully confirmed by its selection as one of the two central themes of the United Nations' 2012 Conference on Sustainable Development (Rio+20), where the green economy was promoted 'as a means for catalysing renewed national policy development and international cooperation and support for sustainable development' (Allen and Clouth 2012: 5). The UN identified the potential for green economy approaches (of various forms) to act as critical interfaces between economic and environmental issues in order to promote sustainable development and poverty eradication, as well as other desired outcomes including intra-generational and inter-generational equity, enhanced economic performance, and more equitable access to resources.

A renewed accent on green economy thinking is also evident at the national scale, albeit often with a greater emphasis on markets for environmental goods and services compared with the UN's broader foci on sustainability and poverty reduction. For example, in a 2011 UK government report, three serving secretaries of state – for Environment, Food and Rural Affairs, Business, Innovation and Skills, and Energy and Climate Change – went to great pains to argue that the green economy should be linked to the government's focus on rekindling growth in the wake of the 2008 global financial crisis and a corresponding focus on: sustainable long-term economic growth; efficient natural resource use; increased resilience; and the exploitation of comparative advantages (Spelman *et al.* 2011). The same report further highlighted largely market-based trajectories for achieving this transition, and called for close cooperation between government and businesses to make its proposed transition to a greener and resource-efficient economy a reality. Indeed, as Bruce Oreck, US ambassador to Finland is reported to have stated at a conference in Helsinki in 2009: 'If you don't adapt, your business is going to die … You don't have a choice. Right now, new and better and cleaner technologies are being developed all around the world and they are going to blow you out the water' (quoted in Murray 2012).

Whilst the green economy is clearly gathering momentum as a guiding logic for addressing economic, social and environmental challenges at various spatial scales, the forms and trajectories that this as-yet loosely defined concept might take remains the subject of considerable speculation and contestation (Caprotti 2012). Our aim in this special issue is to initiate greater critical discussion among geographers about the green economy's characteristics, sectors and geographies, and about the assumptions and discursive strategies which underpin much of the

thinking and marketing that accompany green economy initiatives and strategies. Although many strands of geographical research on sustainability, development studies, the spatialities of governance, the commodification of nature, socio-technical transitions and economic geography are directly relevant to aspects of the green economy, these have yet to coalesce into a coherent focus on the geographical dimensions and consequences of the green economy. However, there are compelling reasons for a vibrant contribution by geographers to understanding and analysing the green economy. In particular, existing analysis has tended to focus chiefly on the green economy's aggregate goals, *modi operandi* and challenges, but the undoubted reality is that its starting point is intense inequality in economic, social and environmental well-being and unevenness in the economic and political power relations shaping the definition and enactment of green economy priorities, investment and on-the-ground activities. The consequent likelihood that the green economy will produce varying outcomes (both beneficial and adverse) underscores the importance of spatially nuanced analysis of the green economy. Geographical expertize in the scalar and spatial aspects of socio-environmental transformations is also pivotal to understanding the processes through which technological, governance and social innovations associated with the green economy become established and proliferate. A basic and important set of questions here concerns whether and in what ways the spatial mechanics of green economy production and supply chains and consumer patterns operate differently to those of existing economic models, and what are the implications of these differences? Finally, geographers have been at the forefront of critically appraising developments in socio-environmental governance but have yet to apply the insights from these enquiries to the green economy. Relevant strands of geographical research here include critical investigations of the commodification of nature through the creation of environmental markets, the increasingly multi-scalar and multi-actor nature of climate governance, and the putative de-politicization of environmental governance through the construction of artificial consensuses about the character of environmental problems and solutions (see Bailey and Caprotti 2014 for a summary of these debates). The key issue here again is that the green economy arguably represents a significant merging of these trends that require integrated analysis in order to achieve more informed analysis of the potentialities and deficiencies of the green economy.

Responding to these agendas, the special issue draws on a range of approaches in order to probe critical questions about the nature and implications of the green economy and about how geographical perspectives can help to inform understandings of this emerging phenomenon. In particular, the multi-scalar and multi-theoretical approaches utilized by the authors seek to explore questions about: *how* the green economy is being defined and constructed; the *scales*

across which visions of the green economy are being enacted and negotiated; *transition strategies* and the role of *governance* within these strategies; questions concerning the relationship between micro-scale change, *individual behaviour* and broader state- and business-focused processes; and *alternatives* to dominant, growth-focused paradigms which seek to interpret and position the green economy within current frameworks and orientations in capitalist development. We argue that developing a deeper understanding of the green economy "concept", the mechanisms and processes of governance, economic development and the cultural economies associated with the green economy, its socio-technical transition logics, and alternative approaches to sustainable socio-economic and environmental-technological development form essential components of achieving a fuller understanding of the *geographies* of the green economy.

The green economy "concept"

Examining the cultural-economic construction of the green economy provides one way of shedding light on the discourses which have contributed to the green economy being seen by many as an essentially neoliberal project aimed at placing market logics firmly at the centre of socio-technical transitions to 'sustainable' and 'low-carbon' futures (Bina 2013; Spash 2012). Such discourses generally treat the green economy as an arena of economic opportunity, where even slippery, sometimes borderless environmental externalities such as greenhouse gas emissions can be commodified or constructed in ways that technological solutions provided by markets come to be seen as synonymous with green economy "solutions" (Makower and Pike 2008). The green economy has also become incorporated into economic growth agendas at the national scale (with terrifying energy in some cases), frequently accompanied by articulations that conflate more benevolent interpretations of the green economy with agendas for economic growth and market freedom. As the US Department of Commerce recently stated in a report on the green economy (ESA 2012, p. 1):

> The Administration is committed to fostering the development of a clean and energy-efficient economy; that is, a "green" economy. This means encouraging the development of green businesses and green products and services, which in turn will create "green jobs."

Such statements appear very clearly to disclose a discursive strategy which conjoins what is green with strategies amenable to 'business', 'products' and 'services', and that aims to foster transitional strategies predicated largely on growth and the incorporation of the green economy

into a further evolution of neo-liberal capitalism. While this may be a currently dominant interpretation of the green economy, enquiries informed by critical analysis of the marketization of environmental resources and the construction of economic logics may assist in drawing attention to these dominant discursive strands and alternative interpretations of what the green economy currently means and could mean. Building on this, the article by Georgeson, Caprotti and Bailey (2014) interrogates the social construction of the cleantech investment sector and definitions of the sector's remit, future prospects and logics for growth by finance executives and investments advisors in the financial centre of London.

If, as Georgeson *et al.* argue, the green economy is not a concept with a single definition or indisputable purposes, one goal of this special issue is to highlight some of the ways the green economy is currently being defined, debated and contested to encourage further research and debate that enriches understandings of the green economy as a constructed concept. In particular, this opens up opportunities for critical work that promotes awareness of the fact that dominant discourses on the green economy are contested and reinterpreted at a variety of scales, by different networks of actors, across the Global North and Global South.

Scale

A second theme highlighted in this issue is that of geographical scale and the functioning of the green economy in its various manifestations from a multi-scalar perspective. The articles underline the point that the green economy can be considered not only across a range of sectoral and functional spheres linked to policy, governance, economics, industry and technology, but also at multiple scales, from household and individual choice-making, to regional development, national policy and international agendas and policy-making. A further related aim of the issue is to investigate the construction and workings of the green economy *across* such scales: as Knox-Hayes and Hayes (2014) argue in their analysis of carbon markets, it is in the multi-scalar aspects of processes aimed at bringing about certain visions of a decarbonising or green economy that culturally, politically and economically-informed refractions, challenges and alternatives to standardized green economy narratives and practices begin to become apparent. Indeed, while economists like Paul Krugman argue that the scale and complexity of climate challenges allow only for market-based solutions (Krugman 2010), closer analysis of techno-centric policy initiatives and discourses predicated on particular visions of the market vis-à-vis environmental challenges can help to place a critical spotlight on questions of: *how* to transition towards a green

economy, and *for whom* – within and across societies – the green economy actually functions (Newell 2012).

Such questions focus attention on one of the major multi-scalar considerations facing the green economy: that of perspectives and trajectories across the Global North and the Global South. Much literature on the green economy, and especially that on governance and economic and technological development, tends to focus on perspectives from the Global North and on high-tech industrial and service sectors. As Depret and Hamdouch (2012) argue, if the green economy "project" is simply used to relight the global "growth engine", then an important opportunity for countries in the Global South to redefine their growth and development targets is lost. Indeed, the green economy holds potential for the Global South as a space and logic to re-envision economic trajectories that are not confined to the well-worn paths of (socially and environmentally) unsustainable economic development which has characterized much of the global economic growth trajectory in the Global North in recent decades.

Considering the geographically variegated nature of the green economy is, thus, an essential starting point for critical enquiry, and geographers are well-placed to interrogate the mechanisms of power and geopolitical influence which often go hand-in-hand with the creation of asymmetrical green economy-focused policies in the Global South, the emergence of new inequalities associated with the new economy and the perpetuation and reproduction of existing disparities (Tandon 2012). As Brown *et al.* (2014) argue in this issue, the construction of the green economy in the context of neoliberal visions of sustainable development needs to be critically interrogated by considering the consequences of these trajectories for energy poverty and marginalization among citizens of the Global South. Furthermore, and in light of the emergence of middle-income countries such as Brazil, Russia, India, China and South Africa (the BRICS) and Mexico, Indonesia, Nigeria and Turkey (the MINTs), a key question facing geographical enquiries into the green economy is not just its construction across the Global North and Global South, but its articulation in a rapidly changing and diversifying global economic landscape. From this, a further key focus for scholarship on the green economy centres on questions of justice and equity in the emergent economy: as Davies (2013, p.1294) argues, 'more progressive voices and actions that pay attention to non-market forces, community empowerment, environmental resilience and quality of life have not yet been entirely suppressed'. Thus, there remains an opportunity for analytical engagements informed by the recognition that 'it is unlikely that radical societal transformations will occur if left to "the market" and private actors alone' (Davies 2013, p. 1293). Building on this, we argue that the key issue then becomes not simply the identification

of opportunities for critical engagement, but on research, scholarship and engagement with shaping green economy trajectories at a variety of scales.

Governance and transition

Much green economy discourse emphasizes the green economy's self-organizing characteristics, as economic agents from investors to consumers respond to resource scarcity and environmental change through innovation and efficiency. Conversely, achieving large-scale green-economy transitions requires coordination, regulation and accountability. How existing and future institutions, working with and to steer various non-state actors, might balance these imperatives remains a major research frontier (Bailey and Wilson 2009). Thus, another vital question around the future shape of the green economy concerns the role not only of governance institutions, scales, processes, policies but also their linkages to the more "spontaneous" green transitions mentioned above. To date, this issue has been tackled most directly by the field of socio-technical transitions. This literature has shown its mindfulness of the ambivalent and "messy" processes through which economic-environmental transitions policies operate and in which they can become mired (Walker and Shove 2007), and of the problems inherent in studying transitions in contexts which are necessarily multi-actor, multi-scalar and operating to different agendas and interests (Meadowcroft 2007). Nevertheless, key debates remain about how adequately existing perspectives on socio-technical transitions deal with the scalar and spatial dimensions of transitional processes. Gibbs and O'Neill (2014) spotlight these questions by focusing on the spatialities of "transition regions", looking at the example of Boston and the importance of place and scale in transition strategies. They specifically parse out different strands of green growth discourse and agendas while critiquing the literature on socio-technical transitions and proposing an approach to transitions in which purposive strategies based on a relational understanding of state-corporate networks can be implemented.

Practicing the green economy

Another core concern for geographers and other environmental social scientists converges on the implications of the green economy for *conceptions of consumerism and environmental citizenship* and how these might be reinterpreted and contested within the green-economy matrix. Barr (2014) tackles this question by targeting links between individual behaviours and practices, and wider economic systems. He argues that the individual sphere of green consumerism needs to be thought about in relation to the role, purpose and ethical dimensions of any project that aims to bring about a

transition towards a green economy future. However, although focusing on individuals and other micro-social units (such as households) as agents of change in any ongoing transition to a green economy can be criticized if it fails to take account of the broader social and economic processes and technologies shaping individual behaviours (i.e. the multi-scalar perspective we advocate above), it is equally clear that research on individual consumer behaviours (and the ways in which changes in behaviours can be initiated) remains crucial to the development of more analytical and critical approaches to socio-environmental change and transitions.

Alternatives

Writing more than a decade ago on post-industrialism and the green economy, Milani (2000, pp. xxiii-xxiv) argued that 'a transformation to qualitative development must ultimately be driven by new kinds of values – and not simply quantitative ones like money'. If, as Ocampo (2011, p. 3) claims, the green economy represents a new economic paradigm for moving from an economic system 'that allowed, and at times generated crises towards a system that proactively addresses and prevents them', an important task for analysis to contemplate alternatives to the economic logics that the green economy putatively seeks to transform and the neo-liberal and ecologically-modernizing logics that appear to pervade many of the mainstream narratives on the green economy noted earlier (Bina 2013). With this in mind, Schulz and Bailey (2014) explore a range of "post-growth" alternatives that seek to challenge or ameliorate conventional growth-centred economics – and especially ecologically modernizing smart growth – as preferred avenues for green economy transitions. More specifically, they argue that economic geography has a major opportunity to contribute towards understanding and critically analysing the space-related causes, processes and effects of current and potential future economic and social changes associated with mainstream and alternative green economy conceptualizations of growth and well-being.

Such investigations form a vital part not just of understanding the spatial dimensions of the patterns of innovation, investment, production and consumption that the green economy might induce, but also of working to prevent the green economy – unreflexively or calculatingly – perpetuating rather than confronting the socially and environmentally harmful effects of capitalist accumulation strategies (Boyd *et al.* 2011). Thus, another key issue within debates about green economy trajectories concerns the development of alternative theorizations – or imaginations – of what a future green economy could look like and allied to this, critical challenging of those key tenets and mainstream discursive strands which construct the green economy as a socio-economic and techno-environmental project that is inevitably and unquestioningly based on same

concepts of growth, production, and consumerism that characterized the old economies of neo-liberal capitalism.

The collection of articles in this special issue take forward many of the issues discussed above, using different perspectives to explore ways in which geographical approaches can aid attempts to make sense of the green economy as a socio-economic and political phenomenon. The perspectives presented in a single special issue clearly cannot be comprehensive and the papers are designed, in addition to their standalone contribution, to inspire further creative thinking about how different geographical approaches can help to understand the green economy and the prospects and perils it presents for sustainable development. In particular, the papers demonstrate the centrality of spatio-evolutionary processes and socio-political-cultural contexts and power relations to the key green economy arenas of cleantech investment, carbon markets, green industrial hubs and green consumerism, and the capacity for green economy discourses and initiatives to bring genuine benefits to citizens of the Global South. Equally, the papers show that the conscious fusion of economy, environment and societal concerns within the green economy concept makes similarly integrative approaches geographers and necessity for examining the co-evolution of economy and environment rather than just a desirable outcome (Patchell and Hayter 2013), not least because of the obstacles, consequences and path dependencies that regional legacies and other geographical factors create for attempts to develop kinder and more environmentally-sensitive, but still prosperous, forms of capitalism. Finally, the contributions illustrate forcefully that the green economy is not an ideologically or spatially neutral project. Rather, the green economy offers a vague but strongly agenda-driven and potent collection of ideas about socio-economic progress in the context of environmental crises and development imperatives, the enactment of which is likely to be deeply contested and have significant implications for the geographies of production and consumption.

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