

## Towards a Green New Deal?: Greening the Economy on the Island of Ireland

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## Background Research of Presentation

Barry, J (2009) 'It ain't Easy being Green: Sustainable Development between Environment and Economy in Northern Ireland', *Irish Political Studies*.

Barry, J (forthcoming/2009) 'Discourses of Transition to Sustainability in Ireland: Outlines of a Green Republican Strategy', in O'Mahony, P et al (eds), *Environmentalism in Ireland: The Communicative Turn* (Manchester University Press)

Barry, J and Doran, P (forthcoming/2009), 'The Environmental Movement in Ireland: North and South', in McDonagh, J et al (eds), *A Living Countryside – The Politics of Sustainable Development in Rural Ireland* (Ashgate)

## Outline of Presentation

Critical analysis/ of politics of the transition from unsustainability on the island of Ireland (Republic and Northern Ireland)

Policy/Political Context

Outline the key features of a 'Green New Deal'

Political Economy of Unsustainable Development in Ireland

Inevitability of transition away from unsustainability, oil dependence towards low carbon economy in a climate changed world

As outlined in official strategies via reformist path of ecological modernisation– state-based, greening of orthodox economic strategy, limited social dimension (democracy, citizenship and justice)

Concluding with speculative thoughts about emerging issues for the Greening of the Economy and Society on the island of Ireland



What was that bump?

## A Green New Deal: Dealing with the 'triple crunch'

1. Economic/financial crisis
2. Energy insecurity and price instability
3. Climate change

### Sample of Reports/Evidence Base

1. *Towards a Green New Deal* (July, 2008, new economics foundation)
2. *Green Jobs: Towards decent work in a sustainable, low-carbon world* (Oct, 2008, Int. Labor Org., UNEP, Int. Org. of Employers)
3. *Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal*, (Dec 2008, Dept of An Taoiseach)

## Political and Policy Context

Economic : Current economic climate and growing consensus around the idea of a 'Green New Deal' – job/wealth creation and renewable energy development

Climate Change and Renewable Energy

*Programme for Government in ROI* – 3% pa reduction (80% reduction by 2050)

The Energy Policy White Paper published in March 2007 and the Programme for Government of June 2007 set out a range of policy objectives to achieve environmental and energy sustainability in the context of maintaining security of supply and competitiveness.

Dec 2008 – *Building Ireland's Smart Economy*

*Northern Ireland* – part of the UK landmark Climate Change Bill committing UK to same levels of CO2 reduction

Also the Northern Ireland Executive' 2008 Programme for Government does (at least on paper) look like a 'sustainable development' agenda (social, economic and environmental foci)

Obvious all-island potential of renewable energy (scale, synergies, cost effectiveness etc.)

But... clear political and policy leadership needed to frame and respond to equally clear economic/investment leadership and strategy

## Green New Deal – ‘Don’t let a good crisis go to waste’

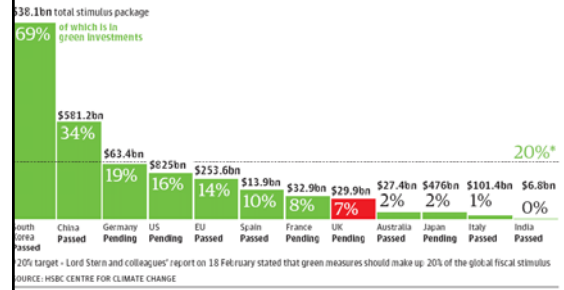
Green Keynesianism – fiscal stimulus packages with state’s investing in growing the ‘green economy’ rather than stopping at supporting household consumption (or the property market) or banking sector

‘I promised an economy run on clean, renewable energy that will create new American jobs, new American industries, and free us from the dangerous grip of foreign oil. This budget puts us on that path, through a market-based cap on carbon pollution that will make renewable energy the profitable kind of energy; through investments in wind power and solar power; advanced biofuels, clean coal, and more fuel-efficient American cars and American trucks,’ (President Obama, 2<sup>nd</sup> March).

Proposal to halt \$30b in tax breaks for the oil and gas industry, in order to fund sustainable energy projects and create new ‘green collar’ jobs.

Key issues – a) proportion of fiscal stimulus packages earmarked for green investment and b) whether the packages single a paradigm shift in the economy (esp. energy) or a means to ‘business as usual’

## Green investments as a percentage of economic recovery stimulus packages



Stern (Feb. 2009) recommendation: 20% of fiscal stimulus should be in green investments

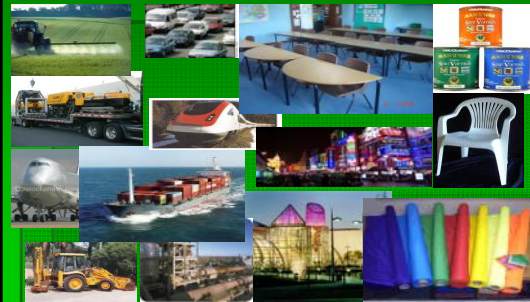
## The Political Economy of Unsustainable Development in Ireland

The pursuit of orthodox economic growth via neo-liberal strategies, which has caused, inter alia, environmental degradation and pollution, rising levels of social inequality and exclusion and decreasing levels of economic (and energy) security.

On the island of Ireland both the Irish and British state have prioritised orthodox economic growth as the state’s main goal (though in Northern Ireland security has long been the state’s primary interest until the recent fitful and as yet incomplete ‘peace process’), with little consideration or importance attached to environmental protection or sustainable development.

Over 90% of the energy needs is dependent on imported fossil fuels (mainly oil, coal and natural gas)

## All dependent on oil



## Peak oil and energy Insecurity



We need to decrease our dependence on oil, coal and gas

Not just electricity, but heating, transport and our food system is dependent upon a non-renewable, climate-change causing energy source

## Non-environmental aspects of unsustainability

1. The Republic of Ireland is second only to the USA in income inequality according to the 2005 UN Human Development Report with over 15% of its population living in poverty  
 \*Only Italy and the US had a higher poverty rate among 18 industrialised countries surveyed. In addition, Ireland had the second highest rate of illiteracy, after Italy, with 22.6 per cent of the population lacking functional literacy skills" (UNDP, 2005).
2. Northern Ireland has highest rates of childhood asthma and respiratory problems in the UK - linked to fact that it's the most car-dependent region of Europe
3. Northern Ireland also has some of the most energy inefficient housing stock and highest levels of fuel poverty in the UK

## Ireland's post-Celtic Tiger transition

Ireland's economy in the early twenty-first century is in transition to a new phase in its development. A combination of factors in 2008 is creating a particularly difficult policy context in which to continue managing this transition. The vulnerabilities that are present must not distract attention from the policies and actions that matter most for economic prosperity and well-being in the long-term.

A deeper shared understanding of the transition the economy has to make, and of the economic and social policies that will support it in doing so, helps ensure that policy adjustments in the short-term do not damage the economy's potential growth path.

National Economic and Social Council (July, 2008)

*The Irish Economy in the Early 21st Century*

## Towards a Green New Deal in Ireland: Building Ireland's Smart Economy

"implement a 'new green deal' to move us away from fossil fuel-based energy production through investment in renewable energy and to promote the green enterprise sector and the creation of 'green-collar' jobs...the greening of the economy and the development of green enterprise" p. 7

*Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal*, Dec 2008 (Dept of An Taoiseach)

Under threats to the Irish Economy we find:

"Ireland consumes more energy per capita than the EU average and is heavily reliant on fossil fuels (coal and gas) while the costs of energy are relatively high" (ibid.: 31)

"The Smart Economy is a 'Green Economy' in that it recognises the inter-related challenges of climate change and energy security. It involves the transition to a low-carbon economy and recognises the opportunities for investment and jobs in clean industry. The core of this Green New Deal is a move away from fossil-fuel based energy production through investment in renewable energy and increased energy efficiency to reduce demand, wastage and costs". Ibid, p. 8

"A decoupling of economic growth and environmental performance; a high quality living environment; widespread adoption of modern technology (including the development of a Green Technology sector); and an equitable society. A smart economy is a low-carbon economy, with sustainable development as its ultimate aim. ... **We must address the situation where there is a flow from oil consuming to oil producing nations and plan for the eventuality where oil supplies contract rather than expand. Those countries that reduce their dependence on oil will have a distinct competitive advantage.** Ibid, p.34

## Green economic targets

40% of electricity from renewable resources by 2020;

10% of Ireland's road transport fleet being electrically powered by 2020;

15% of our power to come from renewable electricity supplies by 2010;

EirGrid will spend €4 billion between now and 2025 building a new electricity transmission system to tap into renewable energy resources;

GREEN INVESTMENTS AND JOBS	
STRATEGIES FOR GREEN ECONOMIC INVESTMENT	REPRESENTATIVE JOBS
Building Retrofitting	Electricians, Heating/Air Conditioning Installers, Carpenters, Construction Equipment Operators, Roofers, Insulation Workers, Carpenter Helpers, Industrial Truck Drivers, Construction Managers, Building Inspectors
Mass Transit/Freight Rail	Civil Engineers, Rail Track Layers, Electricians, Welders, Metal Fabricators, Engine Assemblers, Bus Drivers, Dispatchers, Locomotive Engineers, Railroad Conductors
Smart Grid	Computer Software Engineers, Electrical Engineers, Electrical Equipment Assemblers, Electrical Equipment Technicians, Machinists, Team Assemblers, Construction Laborers, Operating Engineers, Electrical Power Line Installers and Repairers
Wind Power	Environmental Engineers, Iron and Steel Workers, Millwrights, Sheet Metal Workers, Machinists, Electrical Equipment Assemblers, Construction Equipment Operators, Industrial Truck Drivers, Industrial Production Managers, First-Line Production Supervisors
Solar Power	Electrical Engineers, Electricians, Industrial Machinery Mechanics, Welders, Metal Fabricators, Electrical Equipment Assemblers, Construction Equipment Operators, Installation Helpers, Laborers, Construction Managers
Advanced Biofuels	Chemical Engineers, Chemists, Chemical Equipment Operators, Chemical Technicians, Mixing and Blending Machine Operators, Agricultural Workers, Industrial Truck Drivers, Farm Product Purchasers, Agricultural and Forestry Supervisors, Agricultural Inspectors

*Political Economy Research Institute (Mass., US) (Oct. 2008), Green Recovery: A Program to Create Good Jobs and Start Building a Low-Carbon Economy, p. 6*

## The Green New Deal as Ecological Modernisation

Ecological modernisation – de-carbonising the economy, maintaining orthodox export-oriented economic growth while improving resource efficiency and environmental protection

Narrow focus on an economically-constrained conception of the environment

Focus on technological solutions – Science Foundation Ireland agenda

Focus on 'economic' bottom line, supply-side rather than consumption side, technological solutions favoured

The 'greening' of 'business as usual'

## The Ecologically Modernising State and Economy in Ireland

Origins and subsequent development of the Irish Environmental Protection Agency The then Minister for Environment, Mary Harney, from the pro-business Progressive Democrats, was at pains to make sure the EPA was not seen as 'anti-industry'

Northern Ireland 'Programme for Government' (Jan 2007) – orthodox export-orientated economic growth and competitiveness, plus an Environment Minister (DUP's Sammy Wilson) who denies climate change

In 'weak' understandings of ecological modernisation, such as is the case in Ireland North and South, the limits of environmental protection are set not by the natural world or ecosystem limits, but by the non-negotiable limits of a capitalist organised economy for capital accumulation and exponential economic growth connected to political negotiation.

Most of the business community (indigenous or foreign) sees sustainable development not as a new paradigm for doing business and re-defining the economy for the 21st century, but as a negotiable and purely environmental/resource 'side-constraint'

## Sustainability and Innovation

Sustainable development as comprising the 'triple bottom line' of environmental, economic and social objectives **NOT** the same as undifferentiated 'economic growth', GDP increases or Gross Value Added (GVA) measures

**Economic bottom line** – regional sustainable development, through the identification and creation of markets, innovations in technology, production, distribution and marketing, new employment and investment opportunities in the public, private and social economies.

**Social bottom line** – advancing social inclusion, reducing social injustice and more participative citizen involvement in sustainable development policy-making and implementation.

**Environmental bottom line** – reconciling quality of life for all citizens with long-term sustainability, dematerialisation, decoupling energy and materials from economic development and decreasing regional ecological footprints.

## The billion euro question

Ecological modernisation via any putative Green New Deal – a platform/ladder towards sustainable development?

Or a temporary adjustment until 'normal service is resumed' i.e. business as usual?



Mainstream economists vs Mother Earth

## On-Going All-Island Developments

**All Island Grid Study** and urgency of building new grid connections

All-Island Grid Study showed the possibility of over 40% of electricity to be provided from renewable generation by 2020

Achievement of greater renewable energy penetration will need significant grid development, especially delivery of the proposed second North South electricity interconnector by 2012.

EU views the island of Ireland as one 'eco-region'

All island electricity market (since Nov 2007)

All island market actors in renewable energy sector

€14.5 million investment in all-island research excellence (Nov 2008), including 'Energy Storage and Future Energy Systems'

## The All-Island Context

Uniquely in history, and by contrast with previous periods of economic difficulties since independence, Ireland faces the current economic situation as an island at peace. The institutions established by the Good Friday Agreement and the transformation in relationships between the two traditions on the island, between North and South and between Britain and Ireland, provide an entirely new and positive basis for tackling the current economic challenges together. There is now an important all-island dimension to all aspects of Government policy. **To the extent that it is appropriate, and by agreement with the Northern Ireland Executive, all of the policies, programmes and initiatives in this Action Plan will take full account of the mutual benefits available through North/South co-operation.** *Building Ireland's Smart Economy* (2008: 27; emphasis added)

Increasing cross-border co-operation versus competition between both jurisdictions – cross-border shopping.

## All-Island Political/Policy Levers

1. Energy and economic departments and Ministers in Northern Ireland and Republic
2. Cross-border bodies set up under the Good Friday Agreement
3. North-South Ministerial Council
4. British-Irish Parliamentary Assembly
5. Proposal for North/South Parliamentary Forum
6. All-island parties – Sinn Fein, Green Party, FF?/SDLP?

Main problem with such political/policy bodies – Unionist opposition/scepticism – now changed?

And (relative) lack of priority accorded to energy in such bodies – now changed?

Challenging issues of novelty of planning/co-ordinating issues across jurisdictions

Policy capacity for integrated cross-border harmonisation renewable energy policy development

## A Sustainability War Economy?: Ireland's Coming Green 'Emergency'?

"In our living memory, the scale of economic re-engineering needed to prevent catastrophic climate change has only been witnessed in a wide range of countries during war time. No other approach looks remotely capable of delivering the necessary volume of emissions reductions in the time needed. In that light, we can learn from war-time experiences, positively and negatively. The best of those lessons can then be translated into our contemporary circumstances. As Churchill said, it is not enough that we try our best: we have to do what is necessary".

(Green New Deal Group, 2008: 41)

'Planned retreat from imported fossil fuels' – Eamon Ryan/Green Party

Conference of Religious in Ireland (CORI) – need for post-Celtic, less unequal and more well-being focused government policy

Calls for greater solidarity and community-based action -

## Ireland's Green Emergency

"Ireland now needs a Meitheal mentality if we are going to get through this together. We must do this or we will let ourselves down. All of us... There is a future to be fought and I will lead that fight".

Brian Cowan's speech to Fianna Fail Ardfeis (March 1<sup>st</sup>), Increased speculation about a 'government of national unity'

Growing social and political unrest – strikes, more militant trade unionism

Breakdown of the 'social partnership' model?

Or opportunity for new thinking, new alliances and doing things that were impossible/unthinkable previously?



## Conclusions

Tackling the underlying economic model which is the root cause of ecological degradation, the intensification of inequality and eroding quality of life

To deal with the *causes* of ecological destruction, rather than simply dealing with its *effects*, we can expect to see a greater degree of analysis and action around critiquing, challenging and proposing alternatives to the underlying political economy

Coming battle between those proposing 'sustainable development' as part of the objectives from any Green New Deal against a coalition of state and business interests determined to find technological fixes for our energy hungry island economy

Are we using the economic and energy crisis as an opportunity to plan a transition to a more sustainable and different type of **society**, and different political relations between citizens and state, as opposed to a more resource efficient **economy** with no changes in structures of governance or concerns with the non-environmental bottom lines of sustainable development.

## Emerging Issues for the Politics of Transition I

Coming challenge and opportunity of transition to low-carbon energy economy and adapting to climate changed Ireland

Coming politics of vulnerability and resilience

Strategies and practices of localisation – transition towns, slow food, organic food, rise of social and informal economies

Coming politics of security – energy, food, economic – potato may

"The potato, long an essential staple of Irish agriculture, will be stressed by prolonged summer droughts. It is likely that potatoes will no longer be a commercially viable crop over much of Ireland" Changing shades of Green: The Environmental and Cultural Impact of Climate Change in Ireland, (2008, p.4)

Towards a 'Green New Deal' – new 'sustainability' contract between state, citizens and market and a new political economy model?

From efficiency to sufficiency? From economic growth to economic and job security? (ILO Report, 2005)

Tension between strategies for individualising responsibility for transition away from unsustainability ('Power of One' campaign?) and more collective, explicitly politicised strategies



### *Emerging Issues for the Politics of Transition II*

- Focus on reducing consumption not simply 'greening' production or simply encouraging 'green consumption'
- Low-carbon energy social/political conflicts – nuclear power?, siting of wind farms, anaerobic digesters, energy from waste/incinerators
- Role/place of the Trades Union movement on the island in relation to the transition away from unsustainability
- The emergence of the green, low-carbon economy and economic actors and interests and conflict with 'carbon capitalist' actors and interests i.e. economic winners and losers from the transition
- Removing subsidies which support unsustainable, carbon intensive industries and economic activity
- Ecological tax reform: carbon tax, carbon budgeting, personal tradable carbon rations etc.
- A 'Just Transition': Justice in relation to the winners and losers, threats and opportunities of the inevitable transition towards a sustainable economy

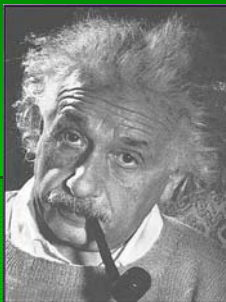


*As Dublin looks to the Shannon for new sources of water, protest signs appear at Athlone*

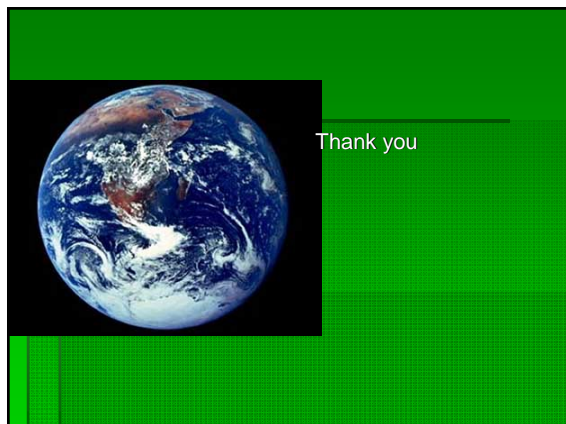
### *Governance for a Just Transition: No (eco) taxation without participation?*

- Need for new visions and imaginative, creative policy options and institutional arrangements
- Inclusive sustainability leadership - civil society, community-based, citizen-focused sustainability
- Emergence of city-regions as part of a sustainability/green response to the current 'triple crunch' of energy insecurity, climate change and credit/liquidity crises
- Need for planning, coordination and decisive political leadership with democratic accountability, citizen mobilisation and inclusion
- Clear, given the recent strikes and protests, that there can be no transition away from unsustainability without justice and equity

### *New Thinking and Creativity needed...*



The thinking which got us into the problem cannot be the same we need to solve it.  
Albert Einstein



Thank you

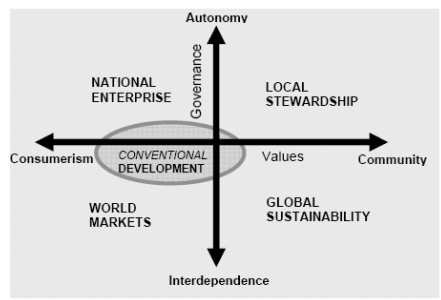
## Governance for Sustainability

Move beyond ecological modernisation towards sustainable development and democratisation, citizenship, socio-economic justice

State, market and civil society dynamics

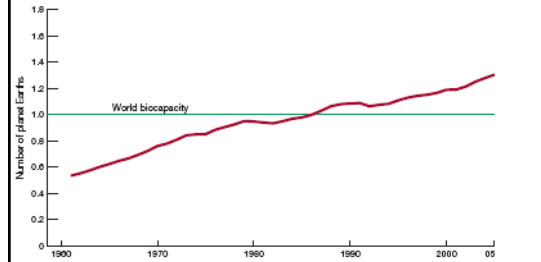
"Nothing less than a Minister for Climate Change in each part of the island may be needed to co-ordinate our endeavours"  
Hickey, 2008, *Five Minutes to Midnight: Ireland and Climate Change*, p.96

Four socio-economic scenarios for the UK



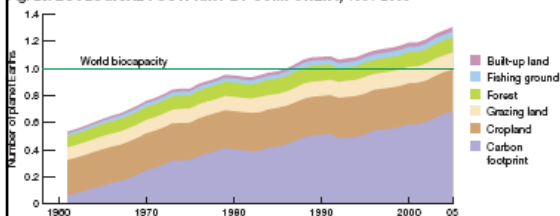
UK Climate Impacts Programme, (2000), *Socio-economic scenarios for climate change impact assessment: a guide to their use in the UK Climate Impacts Programme* (UKCIP, Oxford)

Fig. 2: HUMANITY'S ECOLOGICAL FOOTPRINT, 1961-2005



WWF (2008), *Living Planet Report*

Fig. 23: ECOLOGICAL FOOTPRINT BY COMPONENT, 1961-2005



## Eamon Ryan, Green Party Minister

"We bought bigger cars for the status that it gave. We built bigger houses with X number of bedrooms and bathrooms, regardless of how we were going to heat these massive properties. We flew to New York in a way that turned Madison Avenue into our latest Grafton Street... Let us be honest with ourselves that is the phenomenon that occurred... In the last decade China and India started to produce our goods for us at a fraction of the cost. That brought down inflation in the developed world and allowed the central banks to lower interests internationally, which led to easy lending, bad lending." (*Irish Times*, July 11th, 2008)

"We need a new economics to correct these mistakes. The fundamental change I see coming is that the markets will have to serve the needs of society rather than the other way around. The market will be a tool for societal and economic progression, not an end in itself." (Speech to Dublin Economic Workshop Annual Policy Conference, 11<sup>th</sup> October, emphasis added)