

THERE ARE NO JOBS ON A DEAD PLANET

This is the campaigning slogan adopted by the International Trade Union Confederation (ITUC) in its preparation for the Paris Climate Change Summit in December. It is intended to emphasise that the future of work is acutely dependent on environmental sustainability. It is, in effect, a core issue for unions.

However, in my reflection, I want to draw, not just on my experience as a representative of the labour movement, but also on perspectives I gained working in international development.

Mostly, though, I speak out of concern for my grandchildren and the condition of the planet we shall bequeath to them and their generation.

When people speak of the need for a 'green industrial revolution' what do they mean?

According to Mariana Mazzucato (2013) the basic premise is that the current global industrial system must be radically transformed into one that is environmentally sustainable. Sustainability will require an energy transition that places non-polluting clean energy technologies at the fore. It moves us from dependence on finite fossil and nuclear fuels and favours 'infinite' sources of fuel – the 'renewable' fuels that originate from the sun.

Building a sustainable industrial system also requires better agricultural practices, stronger energy efficiency measures, high quality water infrastructure, technologies for recyclable materials and advanced waste management.

Just how far we have to go in regard to the latter is borne in on me every time I cycle around the by-roads of North County Dublin. Ditches, culverts and field gateways are regularly blocked with illegally dumped waste. It is enough to make you despair of the mind-set of some of our fellow citizens.

In any event, any green industrial revolution must transform existing economic sectors and create new ones. It is a direction that continues without a clear stopping point but with a growing public benefit in the form of avoided planetary destruction.

Closely tied to the concept of a green revolution is the problem of climate change. Climate change is a global environmental crisis that impacts all of us and which is a direct result of current centres of major economic activity. Climate change is driven by the emission of greenhouse gases (GHGs), and the majority of these gases are a by-product of the dominant

energy production technologies (fuelled especially by coal, increasingly natural gas but also oil) that power modern economies.

It is important to realise that we simply have no choice but to act, and act decisively, in this matter.

We know that the science is unequivocal. Without urgent and ambitious action we will face a temperature rise of 4°C or more this century and irreversible changes in our climate. Climate catastrophes and extreme weather-cyclones, tsunamis, floods, droughts, fires, melting glaciers, season changes, threats to agriculture and more – are increasing. Indeed we have seen evidence of the destructive power of these events in the Pacific islands in recent days.

Even in Ireland last winter we saw unprecedented damage to many locations from coastal storms and coastal erosion is becoming a serious challenge.

But this pales into insignificance in comparison to the risks to sub-Saharan Africa. By 2080, between 65% and 100% of land currently used for coffee production will become unsustainable for that purpose. By 2050, 3% of Africa's land will no longer be able to grow maize. In Uganda alone, coffee exports represent 30% of foreign currency earnings.

Take Malawi, for example – a country I have visited several times – the impacts of climate change are manifested in various ways, such as intense rainfall, changing rainfall patterns, floods, droughts and prolonged dry spells. The latest episode which led to more than 100,000 displaced people, is confirming this sad trend.

It is still possible to avoid surpassing the 2°C temperature rise threshold, and it will continue to be possible for the next few years. After that the window will close and the opportunity to maintain global warming on a manageable scale will be gone.

The solutions are known. They include massive investment in renewables and clean technologies, getting the best we can out of energy efficiency, transforming agriculture, and protecting the forest.

It sounds simple, but of course it's not. Effecting a transition to a new type of economy involves very difficult trade-offs and choices.

Take, for example, the position of Poland. That country has 100,000 people working in the coal mines. It is an unsustainable industry but I doubt if anyone in this hall would suggest that the Polish Government should adopt a 'Maggie Thatcher' style approach to the

problem. Finding the means to a 'just transition', as called for by the ITUC, is a moral, economic and political imperative.

Can a just transition be accomplished?

I think the way to look at this question is from the perspective of creating institutions to manage change. Industrial restructuring is not a new phenomenon. It is more than 60 years since the Austrian Economist, Joseph Schumpeter, coined the phrase 'creative destruction' to describe how capitalism evolves.

Technological developments will, in any event, bring huge challenges. Consider the possibility of the driverless car which now seems a real prospect. This will be hugely disruptive. Immediately we can see that it will bring an end to current occupations such as taxi and bus drivers, and even perhaps traffic Police. But it will also doubtless save lives, reduce insurance costs and transform energy efficiency.

Viewed in this broader context, the challenge of transitioning to a low carbon economy is, in principle, not different to managing technological change generally.

So managing a just transition as advanced by ITUC requires us first to build into our economic system institutions with the capacity to handle both industrial restructuring and its social consequences.

Simply put, it means that markets must be embedded in society and not the other way around. This is one of the core theses of the great Hungarian born Political Economist, Karl Polanyi, who wrote an impressive critique of liberalism in 'The Great Transformation', published in 1944, which still influences progressive thinkers of today, like Mariana Mazzucato mentioned earlier.

Frankly though, I am worried about the current state of democratic capitalism in the world.

A discussion on this topic needs much more time than we have available tonight. Suffice it to say that there used to be a widely shared consensus, certainly between the end of World War 11 and the 1980s, that for capitalism to be compatible with democracy, it had to be subjected to extensive political control so as to protect democracy from having to be restrained in the name of free markets.

As the years since the 2008 financial crisis have revealed, markets are increasingly dictating the terms under which governments may govern. In other words, political economy has

been subordinated to a particular form of market driven economics. As Thomas Piketty (2013) and others have suggested, this is leading to unsustainable levels of inequality in society.

The paradox here is that markets will not drive the transformation to a low carbon economy because they have no concern with public goods. It is a project which must be State led, but will markets, allow governments the policy space to act? On empirical evidence it seems unlikely.

In the end, like so many other things, this boils down to a conflict of ideas, a conflict between maximising shareholder value and public goods. Ironically, for everybody's sake, the public interest must prevail on this occasion.

Perhaps the secret lies in a less orthodox way of looking at economics and the public interest.

A few days before he was assassinated, almost fifty years ago, Bobby Kennedy made a remarkable speech on the economy and society at the University of Kansas in which he spoke about the meaning of Gross National Product (GNP):

"The Gross National Product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country; it measures everything in short, except that which makes life worthwhile."

I spoke earlier about my concern for the kind of world we are bequeathing to our children and grandchildren. The debate on climate change we are initiating here tonight is very important in that context. Over all the years Kennedy's words resonate with the challenge we are trying to get to grips with.

But let's try to end on an optimistic note. In 1930 when John Maynard Keynes wrote the 'Economic Possibilities for our Grandchildren' wildly predicting, as it seemed to contemporaries, that in 100 years living standards would be four to eight times higher than they were at the time. In this he was completely vindicated.

This is ultimately about ideas and the choices that flow from them. Our idea is that there is a better, fairer way to organise the economy and society. The key is to minimise the losses and maximise the possibilities.

And ideas do catch on in time. The fastest selling luxury car in the US, for example, is now the battery powered Tesla that is transforming consumers' notions of what a car should be.

Today, also, we read that the International Energy Agency (IEA) is reporting that 2014 was the first time in 40 years in which there was a halt or reduction in emissions of greenhouse gas that was not tied to an economic downturn. This is not an excuse for complacency but a reason for hope all the same.

As Keynes himself famously said, "it is ideas that are dangerous for good or ill".