

# The growth fixation of the European Union

## A commentary on the draft Green Deal

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As the introduction to this book describes, in the wake of the so-called ‘economic and financial crisis’ of 2007/2008, the EU was – along with the OECD and the UN – one of the most powerful and visible actors worldwide to address the growth paradigm. The 2009 publication of ‘GDP and beyond. Measuring progress in a changing world’ (European Commission 2009) was unusually clear in its description of the inadequacy of conventional measurement methods and indicator systems for assessing economic development and social prosperity and proposed the overdue inclusion of ecological and social indicators. Similarly, the fact that in subsequent years the EU-Parliament addressed post-growth approaches, at times very visibly (see the interview with Tom Bauler in this book), suggests that there may have been a rethinking of the development goals of economic, infrastructure and social policy. Details of the European ‘Green Deal’ presented by the ‘Von der Leyen Commission’ at the end of 2019 were therefore eagerly anticipated (European Commission 2019). Even though mid-February 2020 is too early for a systematic evaluation of the Green Deal, which has so far only appeared in broad outline, an initial assessment of this quite remarkable paper is undertaken here. The focus is primarily on the following questions:

1. What understanding of growth does the Green Deal employ? To what extent is it possible to identify reorientations in comparison to previous

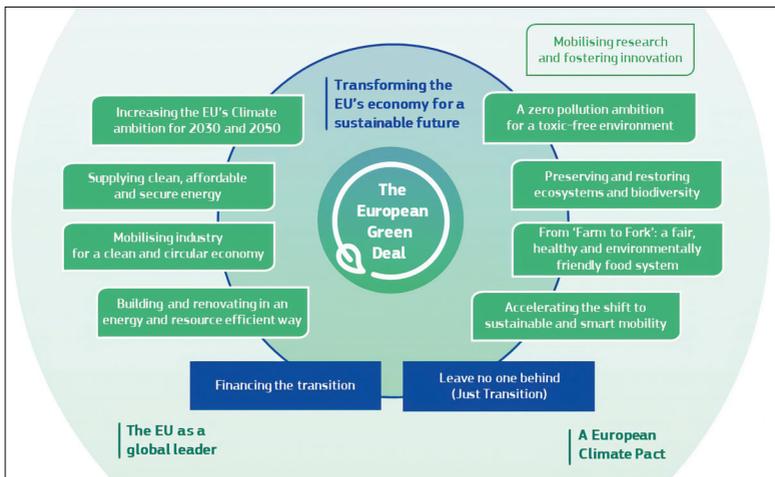
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1 On the general debate about the post-growth compatibility of Green (New) Deals – also including the US approach, the special issue ‘Green New Deal’ of the journal *politische ökologie* (Fuhrhop 2019) and the report by the European Environmental Bureau (EEB 2019) are recommended.

- development principles – e.g. the Europe 2020 Strategy (European Commission 2010)?
2. To what extent is the Green Deal ‘space sensitive’ both in terms of the inner-European diversity of spatial contexts and conditions (also see the article by Szumelda in this volume), and in terms of global distribution and justice issues (see the article by Bruns in this book)?

I am fully aware that this evaluation may shortly require revision but believe that a consideration of current political activities on the EU level is nonetheless a valuable contribution to this compendium.

Figure 1: Elements of the EU Green Deal / Source: European Commission 2019: 3



## The understanding of growth in the Green Deal

The Green Deal is presented as ‘a new growth strategy that aims to transform the EU into a fair and prosperous society, with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050 and where economic growth is decoupled from resource use’ (European Commission 2019: 2). Even just in this preamble, it is possible to discern continued belief in an efficiency-based solution to the resource problem. The subsequent text is dominated by terms such as ‘efficiency’, ‘smart’ and ‘competitive’ and similarly by an evident technology orientation – e.g.

‘keep its competitive advantage in clean technologies’ (ibid.: 19) or ‘leverage the potential of the digital transformation, which is a key enabler for reaching the Green Deal objectives’ (ibid.: 7). The term growth itself is not problematised and is used throughout with positive connotations (see Table 1). The terms of ‘sufficiency’, ‘less’ and similar concepts do not appear at all.

*Table 1: Selected key terms from the Green Deal and frequency of mention*

40	Investment/investor <sup>1</sup>
15	Efficiency/efficient
14	Technology/technological
10	Growth <sup>2</sup>
8	Competition/competitiveness/competitive
2	Well-being/welfare
0	Sufficiency/sufficient

Textual basis: European Commission 2019

<sup>1</sup> excluding names like European Investment Bank or InvestEU

<sup>2</sup> with positive connotations throughout

More serious questioning of market-based mechanisms and the resulting patterns of consumption is only undertaken in the section that discusses the upcoming action plan on the circular economy, which includes ‘measures to encourage businesses to offer, and to allow consumers to choose, reusable, durable and repairable products. It will analyse the need for a “right to repair”, and curb the built-in obsolescence of devices, in particular for electronics. Consumer policy will help to empower consumers to make informed choices and play an active role in the ecological transition. New business models based on renting and sharing goods and services will play a role as long as they are truly sustainable and affordable’ (ibid.: 8).

In contrast, other sections reveal a reliance on large-scale technological solutions and the substitution of, e.g., fossil fuels: ‘EU industry needs “climate and resource frontrunners” to develop the first commercial applications of breakthrough technologies in key industrial sectors by 2030. Priority areas include clean hydrogen, fuel cells and other alternative fuels, energy storage, and carbon capture, storage and utilisation. As an example, the Commission will support clean steel breakthrough technologies leading to

a zero-carbon steel making process by 2030' (ibid.: 10). In the field of renewable energies, the development of offshore wind parks is highlighted as particularly relevant, a very specialised and centralising approach.

The recommendations that are made for the transport sector do not problematise avoidable causes of mobility (e.g. in freight transport or settlement structures). They rather focus exclusively on changes in choices of transport mode (modal split) and, above all, on zero and low emission vehicles and alternative fuels. The investments planned in the building sector, primarily refurbishment intended to improve the energy performance of the existing building stock, focus on thermal insulation and especially on technology-based (smart) approaches. In contrast, there is hardly any mention of new forms of housing, reduced land take, combating high vacancy rates, directing new building activities, etc. (also see Fuhrhop 2019).

Statements made by the Green Deal in the field of agriculture and food production remain extremely vague. The planned 'Farm to Fork' strategy calls for higher product standards and the reduced use of fertilisers and pesticides. However, the inherent structural problems of industrialised agriculture in general and factory farming in particular are not addressed.

The criteria to be applied to sustainable investments (European Commission 2019: 17) will be defined in the EU taxonomy that is currently being developed (see article by Dörry/Schulz in this volume). The taxation reforms announced present the prospect of 'shifting the tax burden from labour to pollution' (European Commission 2019: 17). This refers primarily to CO<sub>2</sub> taxation rather than to the fundamental taxing of resources and materials – as the post-growth movement and the ecological economy have demanded for some time.

## Spatial dimensions of the Green Deal

There is no closer consideration of spatial structures or of the role of spatial planning and regional/local conditions for socio-ecological transition processes. Spatial differentiation is only undertaken in the context of structural and social policy measures designed to mitigate new regional inequalities. 'At the same time, this transition must be just and inclusive. It must put people first, and pay attention to the regions, industries and workers who will face the greatest challenges' (ibid.: 2); 'The Just Transition Mechanism

will focus on the regions and sectors that are most affected by the transition because they depend on fossil fuels or carbon-intensive processes' (ibid.: 16).

Spatial interdependencies are discussed for the sectoral policies on a global level:

- a. In relation to the boundlessness of environmental problems and their causes, e.g. 'The drivers of climate change and biodiversity loss are global and are not limited by national borders' (ibid.: 2);
- b. With regard to possible relocations or migration processes ('pollution havens') and the substitution of European products by imported articles from countries with lower environmental standards, e.g. 'there is a risk of carbon leakage, either because production is transferred from the EU to other countries with lower ambition for emission reduction, or because EU products are replaced by more carbon-intensive imports' (ibid.: 6);
- c. Referring to the prospect of attractive international markets for 'green' technologies and products, e.g. 'There is significant potential in global markets for low-emission technologies, sustainable products and services' (ibid.: 7).

Part 3 of the Green Deal (European Commission 2019: 20–22) is dedicated to the global role of the EU, primarily in relation to reliance on pioneering (product-) standards, the modernisation of global production chains (environmental and social standards) and the development of trade barriers for products that do not satisfy EU standards. Furthermore, there is favourable mention of global trading of emissions certificates and carbon offsetting measures, direct investment in renewable energies, sustainable everyday practices ('clean cooking') and urban infrastructures in countries of the Global South (especially in African countries). The somewhat utilitarian perspective adopted here is evidently one specific to industrialised countries and includes little serious reflection of global interdependencies or neo-colonial attitudes (see the article by Bruns in this book for more detail).

## Conclusion

In comparison with previous strategies, the European Green Deal aims to drive much more ambitious climate policy goals and more determined, cross-sectoral reforms. Nonetheless, the rather uncritical use of the growth concept, coupled with a strong emphasis on competitive technological development, market leadership and export opportunities, suggests strong parallels to other primarily efficiency-based approaches of the green economy (UNEP 2011). However, in contrast, e.g., to the UN Sustainable Development Goals (primarily SDG 8, see the Introduction to this book), this proposal does not use gross domestic product as a parameter for future development or define concrete growth goals. Whether this in itself indicates a move away from GDP and a reorientation towards development goals seems, however, doubtful.

As the article discussed here is only a communication, a proposal by the Commission to the European Parliament and Council, the Green Deal will be the subject of further discussion in the near future. This coincides with the contentious negotiations of the first post-Brexit budget and the budget discussions will also examine the content and objectives of the Green Deal and its funding needs. Initial reactions from the member states (such as France on the topic of agriculture) make it clear that the already moderate ambitions of the paper will be further watered down. There is an opportunity here to use the momentum of current debates on climate policy and growth-critical discussion found in much of society and the economy to take a major step forward. However, the Green Deal finally adopted – if it survives the negotiation process at all – seems very likely to fall far short of its original ambitions. And it will thus have still less in common with a post-growth reorientation than the document discussed here.

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