
The “Green Economy”: giving immunity to criminals

“The goal is to transform environmental legislation into tradeable instruments”

Pedro Moura, founder of EcoSecurities, a carbon offsets company,
and creator and director of the “*Bolsa Verde Rio*”, Brasil’s green exchange stock market (1)

For over a decade, key national and international policy debate, aiming to introduce a new economic value to nature, has been re-defining forests as providers of “ecosystem services”. Promotional videos, slogans and attractive brochures promoting a “Green Economy”, repeat over and over how forests and biodiversity are essential for the “services” they provide to humanity. Policies and plans implementing the “Green Economy” are not about transforming the current damaging economy into a non-damaging one, but about something very different, about (re)creating “nature” itself. This new “nature” of the Green Economy reinforces the colonial understanding of “nature” as a collection of species, undisturbed by human interaction. This new “nature” denies even more the role of forest peoples in shaping nature over millennia, and puts “nature” at the service of the same economy that continues to destroy just as before. The result is a re-definition that reduces the underlying causes of the destruction of forests and other territories into an issue of numbers and units. In turn, technical discourses over how to measure each “service” and how to “compensate for” or “restore” the “unavoidable” destruction of “nature as a service provider” contribute to the creation of a smokescreen. These discourses silence the crucial issues of power relations and injustices inherent to the economic system, including the underlying causes of forest destruction and violation of forest and traditional communities’ rights. People, cultures, traditions, interconnections, among many other aspects in forests and territories, are not even considered as co-existing and inseparable with forests.

The concept of “nature as a service provider” is central for the “Green Economy”. For this logic to function, “services” must be precisely defined and quantified, priced, marketed and traded (2). “Nature” must be re-defined as a collection of “ecosystem services” that can be measured, and different, unique habitats, territories and localities are split into units that can be shown to be “equivalent” in terms of their number and quantities of “ecosystem services”. It is based on the conversion of nature’s functions, cycles and capacities that are useful to humans into “services”, including water regulation, carbon storage, habitat for diverse species that in turn provide e.g. pollination of crops, etc. This has many parallels with the process where human work was turned into wage labour. Some aspects of nature that were previously not used as part of capital circulation are drawn into capital markets and the capital market logic. Even though the process of extracting marketable assets out of “nature” is old, there are new elements to the current attempts of turning “ecosystem services” into an asset. New in the sense that “nature’s” newly defined “services” are now being “packaged” into a number of measurable units or “assets” that allow comparison, compensation and trade. These “services” do not need to be extracted in order to be marketed, as with timber, minerals, etc. For example, saving a certain quantity of “biodiversity” in a forest at risk of being destroyed can be used to “compensate” for the destruction of an “equivalent” quantity of “biodiversity” in a “comparable” forest area elsewhere. Therefore, this creates a new way to extract from “nature”: the absence of an activity that would destroy the “service” or the (re)creation of an area “equivalent” to the one that would be destroyed.

This “new economy with nature” is a process that is advancing with persistence and that is pursued by many actors as a means to different, even contradicting, ends. Among these are those actors that truly believe that by quantifying and pricing “nature” it can be saved from destruction, like some academics for example; others, like banks and brokers, have jumped in the boat for making financial gains out of the transactions of the newly created “assets”; the consultancy industry is profiting from this “new economy with nature” which requires many technical documents, certifications and auditing services; corporations in the extractive industries, agribusiness and infrastructure sectors are also powerful actors which directly benefit from this agenda: offering a way out from dealing with the destruction they create while receiving a “green” image for continue business as usual; and so on and so forth. And while some of these ends are advertised and thus publicly known through nice propagandas, others are carefully hidden. However, it is important to acknowledge the diverse agendas of the many actors active in re-defining nature, as considering only some of these motivations can easily prevent us from understanding why this idea has gained such prominence.

Conservation NGOs, ecologists, ecological economists, developmental cooperation agencies and banks, the World Bank and UN agencies have been crucial in assisting with the technical methodologies and delivering the “desired” image of nature. Mechanisms under the “Green Economy”, like REDD or biodiversity offsets, are top-down approaches which ensure that the power of how to define “nature”, how to “value” it and how to “protect” it remains in the same corporate and state hands that allowed and benefited from its degradation.

Consequently, a crucial point also for these actors (World Bank, UN agencies, conservation NGOs, etc.) is that governments revise their environmental legislation and regulations and create a legal basis for the compensation mechanisms proposed under the “Green Economy”. It is evident that, generally, laws with the potential to protect forests and peoples’ territories have shown to be easily broken or ignored when powerful interests are in play. Nonetheless, allowing destructive activities to expand legally, that is, *without* violating any law, exacerbates even further the threats to forests and the people for whom these forests sustain their way of life and provide their livelihoods.

Illusive limits: an open door for forest destruction

Immunity, according to the Oxford dictionary, means “protection or exemption from something, especially an obligation or *penalty*” (3). The changes to environmental accords, legislation and regulations that introduce compensation mechanisms such as [REDD](#) or [biodiversity offsets](#) – allow governments to limit nature’s destruction or pollution while at the same time enabling companies to legally ignore such limits, for example, when offsetting is introduced as one way of “achieving” these limits. In other words, the corporations, financial institutions and other actors behind the destruction of forests, biodiversity and forest peoples’ territories are being granted with a type of immunity: an exemption to the criminal acts they are responsible for when their operations destroy forests and territories. In this context, governments revising legislation all over the world are accepting the destruction of “ecosystem services” in areas previously protected, considered as ‘critical habitat’ or where destruction would have faced significant opposition and criticism – as long as the loss of a specific “ecosystem service” is compensated for elsewhere. Numerous international, national and sub-national initiatives are underway that highlight the diverse approaches that attempt to (re)create nature as a “service provider” (See article of this bulletin “Environmental regulation in the Green Economy”).

Besides the legal changes, investment criteria of multilateral banks such as the regional developmental banks or the World Bank also aim to influence environmental legislation. The International Finance Corporation (IFC), the private arm of the World Bank, changed its Performance

Standard Number 6 in 2012. Every company that wants an IFC loan and will destroy what the IFC considers “critical habitat” through its operations has to present a biodiversity offset plan, that is, a plan stating that the destroyed biodiversity will be compensated for elsewhere. With investments in over 100 countries, this “standard” allows the continuation of extractive industries while linking extraction with the (re)creation of nature as a provider of “ecosystem services”. This trend also threatens to facilitate extractive industries pursuing operations in protected areas.

Why is this transformation so crucial now?

The limits imposed by existing environmental legislation have increasingly become a problem for corporations to continue “business-as-usual”, either for carrying out their activities or for keeping their image intact. While on the one hand, companies and industries demand action to ease access to remaining areas of interest to them, an increasing part of society demands limits to the continued destruction. For politicians and investors, offsets are therefore an instrument that helps them out of a dilemma: citizens increasingly demand limits on destruction and pollution and call for the restoration of already damaged territories. At the same time, corporations demand that such limits not interrupt their business unduly and that such limits can be ignored where they would restrict corporate expansion. Legislation and regulation including offsets makes this possible: A company can ignore the limit in one place while pretending to comply with the limit through purchase of an offset credit. Environmental laws that include limits at the same time as they include the instrument to legally ignore such limits by promising “conservation”, “compensation” or “restoration” elsewhere are therefore the logical consequences.

What is crucial to recognise is that the “new economy with nature” is synonymous to an increased corporate and market control over territories since the “ecosystem service” certificates being sold need to be “protected”. REDD projects and plans have shown how very often these first blame forest loss – and thus the loss of the carbon stored in the forest - on peasant and forest communities while the corporations and government policies really responsible for large-scale deforestation continue unabated. Consequently, many denunciations of evictions, restrictions on communities’ use of their traditional forests, and even increase of pollution and deforestation in the quest of “protecting” the new “asset” are a result of projects that proclaim to reduce forest destruction (4). Besides, every offset project, apart from having an impact at the offset site, is also allowing the continuation of another destructive activity somewhere else, therefore impacting and grabbing land from yet another locality and territory. It is therefore equally crucial to monitor and denounce the effects for the forest and traditional communities on the ground.

Another crucial consequence for communities or community groups in resistance to the “Green Economy” is that these legal changes result in affected communities losing the possibility of bringing “environmental/territorial criminals” to court: When the law itself allows a company to exceed legal limits to pollution or destruction as long as additional “protection” or “re(creation)” is ensured elsewhere, such excess pollution or destruction is no longer an offence. In a nutshell, the right to ignore a legal limit can be bought. This, in turn, translates into another push to aggravate the grabbing of more territories, allowing corporate control. This new form of territorial grab through compensation measures, however, might be more difficult to grasp, because it does not require ownership or property rights to the land itself or the trees or biodiversity. It is about protecting “ecosystem services” that are converted into “asset-units”. And if (the absence of) an activity that would otherwise have harmed the “services” is what creates the asset, there has to come regular control and surveillance to make sure the activity remains absent – nature’s “services” need to remain intact over a long period of time or the compensation loses its validity! And these new “assets” being “protected” are located in territories of peasant and forest communities, not on land

occupied by corporations. As a result, peasant communities are the ones blamed for deforestation. New technologies of surveillance, such as drones, are used to monitor the new "asset" by monitoring local land use. This also leads to increased criminalization and abuse for local communities.

Consequently, it is imperative to be vigilant of this process. And to further reflect on why is it that even though no global "ecosystem services" market is in sight, the momentum for creating a "new economy with nature" remains or has even grown. Maybe the creation and trade of new assets based on "nature" was not the main motivation, but rather to be able to put more territories under the control of capital instead of communities. To pursue more changes of legislations so that limits on environmental destruction or pollution are easier to ignore without any consequence for corporations or investors appears to be a high priority of the "Green Economy".

Joanna Cabello, joanna@wrm.org.uy

Member of the International Secretariat, World Rainforest Movement

(1) *Environmental Finance* (2011): *EcoSecurities* co-founder launches Brazilian environmental exchange. 20 December 2011. http://www.bvrio.org/site/images/clipping/Environmental_Finance-BVRio.pdf

(2) In 2012, WRM addressed two related topics in its February and August bulletin issues: '[Environmental Services](#)' and '[The Financialisation of Nature](#)'.

(3) <http://www.oxforddictionaries.com/definition/english/immunity>

(4) <http://wrm.org.uy/books-and-briefings/redd-a-collection-of-conflicts-contradictions-and-lies/>