

**Comment**

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**Of Heroes, Villains and Climate Capitalism: A Response to Larry Lohmann****Matthew Paterson and Peter Newell**

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There is now an important and lively debate about the role of carbon markets as one component of collective responses to the threat of climate change. For us, the question of their ecological effectiveness and political function in engaging powerful actors is subsumed by a broader one that we all have to face: what will it take to bring about a transformation in the global economy from one based on fossil fuels to one which is based on low carbon development? This conversation takes place in a world in which, like it not (and we don't), control of the production, technology and finance to deliver such a transformation in the time available to keep global warming below tolerable thresholds, lies in large part in private hands. What does this mean for those of us wanting to see aggressive mitigation actions within short timeframes?

This critical question forms the starting point for our book *Climate Capitalism*. Our contribution in the present paper is aimed at continuing a constructive engagement with the question of the political as well as environmental function of carbon markets against the backdrop of this larger and more fundamental debate about how change occurs, and what forms of change are possible, in a capitalist global political economy. It responds to a review essay by Larry Lohmann entitled 'Capital and Climate Change', published in this journal,<sup>1</sup> in which he provides a sweeping critique of our book *Climate Capitalism* alongside several others. His review of our book seems to us to be grotesquely unfair, and we attempt to respond here to some of the main misunderstandings and misrepresentations that he makes of our book. We leave the reader to judge whether or not the personalized attacks about the 'amateurish' nature of our work, or the description of us as 'contemptuous', are justified, and concentrate our remarks on the substance instead.

The essence of Lohmann's interpretation of our book is to lump it in with Nicholas Stern and Anthony Giddens as representatives of capital's take on climate change politics. He sees us as simple handmaidens of capital, arguing for responses that simply roll out a set of projects and programmes that suit global business interests, and ignoring the social dislocations, environmental

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<sup>1</sup> *Development and Change* 42(2): 649–68, March 2011.

contradictions, and widespread resistance to climate commodification. This is also the essence of his wilful misinterpretation of the book.

First, we absolutely do not, as he states on p. 653, ‘advocate various business-friendly climate change strategies’, notably carbon markets. Nowhere do we say they are ‘the answer’ in any general sense, in the way that the ideologists for carbon markets do. Rather, the book focuses on the one hand on the particular — neoliberal — origins of how climate is being governed and how this structures such governance, notably leading to the dominance of market-oriented governance measures; and on the other hand on the various dilemmas this poses precisely for people who share Lohmann’s (and our) worries about the climate commodification that results. This is not advocacy, and to suggest it is amounts to wilful misrepresentation.

The point is made numerous times in the book that the potential value of carbon markets in political terms, whatever else we might think of them, is to enrol powerful factions of capital in a project of decarbonization. This is what explains the repeated calls from carbon traders and some corporations for governments to set much tighter limits on CO<sub>2</sub> emissions to create the scarcity they need for the market to operate. Creating viable accumulation strategies for powerful actors with an interest in investing their capital and technology in low carbon development is an imperative in a capitalist economy and will be required to overcome the resistance of incumbent actors who make their money from fossil fuels and who have blocked progress on climate change for so long. We make abundantly clear that we believe we are a long way from achieving such strategies on a large scale — in part of course precisely because of the limited impact of carbon markets to date on the investment strategies of key players. Hence the distinction we draw between a carbon economy which sits on the periphery of a fossil-fuelled economy, and the creation of ‘climate capitalism’ in which accumulation is squared with decarbonization.

Where we depart from Lohmann is in relation to how to treat this phenomenon, in that he seems to want a world of strategy without dilemmas — strategy is to be determined simply by whose side you are on, and not also the overall structural power relations involved that will affect the ability of any actor to get what they really want. Otherwise put, Lohmann insists that the only legitimate approach to carbon commodification is one focused on the ideologically pure position (total hostility); our book refuses to do this (hence incurring Lohmann’s ire), preferring instead to think about the dilemmas produced by climate commodification and the pursuit of decarbonization for those interested in near-term change, including by actors with significant economic power to bring it about.

In this regard the charge against us of approaching such issues with the ‘wide-eyed innocence of academics who work at a distance from the rough ground of lobbying, the markets or grassroots politics’ (p. 655) is as laughable as it is plain wrong. Having worked with and for many of the groups Lohmann feels are leading the way in responses to the climate crisis, such as Friends

of the Earth and CDM Watch, as well as having worked as a lobbyist for Climate Network Europe, engaged with business to promote change amongst those open to it, and having been involved in plenty of direct action against the oil and many other industries aimed precisely at keeping the 'oil in the soil', we can appreciate very clearly the dilemmas of pursuing different roads to change. Inhabiting a fantasy world where the only valid or effective change is that which comes from below and through resistance, which leaves untouched all the powerful interests which Lohmann would rather not engage with for fear of compromise, might provide a morally comfortable cocoon to reside in. But it reflects a highly restrictive notion of change and dubious binaries of 'us' and 'them' in a world of complex and shifting alliances on all sides of the climate debate and in a context where time for maintaining such purist positions may not be on our side.

Lohmann's attempt to illustrate what he claims is naïvety on our part forces him to take a series of examples out of the context in which they were used. Suggestions, for example, that we endorse the role of the World Bank in promoting carbon markets (as opposed to recognizing their role in creating them) or that we 'praise' land-based offset projects, rather than merely describe 'proposals' (not ours) to include such sectors (p. 657, citing p. 159 of our book) are just outright misrepresentations and again ignore advocacy work we have been involved in regarding the World Bank's role in climate finance whilst continuing to bank-roll large-scale investments in fossil fuels. Likewise the claim (on p. 661) that we engage in 'vacuous anecdote' by extolling Wal-Mart's decision to insist that its suppliers reduce their carbon footprint is taken out of a context in which we note the move as an example of how 'For some big corporations, climate change has proved to be an opportunity to challenge their reputations as laggards' (p. 52 of our book). We mention on the same page the poor reputation the company has for other areas of its social and environmental performance, as well as repeated fines it has incurred for environmental negligence: hardly a ringing endorsement.

Second, Lohmann grossly misrepresents how we see opposition to carbon markets. For example, on p. 660, he says we are 'dismissive' of these movements. But we express a great deal of agreement with the various critiques of carbon markets and have contributed to them ourselves based on extensive research and fieldwork on how carbon markets operate in practice. This is contrary to Lohmann's claim about an 'indifference to the empirical realities of carbon trading': a fact which has put us directly in the line of fire of advocates of carbon markets. We regard the movements against carbon markets as essential elements in building a decarbonized world that is also socially just (whether we hold the view that this is potentially consistent with capitalism or not). Furthermore, we absolutely do not regard those movements as 'misguided' (see pp. 657–8), but seek simply to situate that opposition in relation to the various forces it confronts. Lohmann suggests that we think that opponents of carbon markets 'will see that their objections

to carbon trading are really only just disguised calls for improved regulation' (p. 658). We absolutely do not say this. We suggest that the effect of such resistance may in fact be to contribute to increased regulation — whether this is what the opponents want to happen is a separate question.

Third, we insist on thinking of carbon markets as a dynamic phenomenon without any abstract 'essence'. Thus whether or not the EU ETS has the various failings Lohmann describes, or offset markets are plagued by scams, cannot be taken as the definitive statement about what all carbon markets *must* be like. They are shaped in a variety of ways and we do think there are reasons for believing that they may 'improve' over time. Indeed, one of the principal drivers of this process, and the broader question of what type of future we get — decarbonized or otherwise, capitalist or otherwise — is precisely the effectiveness of ongoing activism in exposing the various problems and injustices associated with such markets. We draw a good deal of attention to this in our book; if we go back to the point about 'advocacy', if we advocate anything at all in the book, we advocate resistance politics precisely for this (amongst other) reasons.

Fourth, we reject the claim that we do not have 'a clue' about capitalism, and that our argument is 'political economy-lite' (p. 658). If this critique derives from us not using theory explicitly enough in the book, Lohmann will know that this was never the intention, nor would it be appropriate for a book explicitly aimed at reaching a broader audience than academics alone. Lohmann seems to reduce political economy to the concept of 'the commodity form', but capitalism cannot usefully be reduced to this: indeed plenty of non-capitalist societies also have commodity production as a core aspect of their social relations. What is usually taken as definitive about capitalism is the commodification of labour specifically, and the way that sets up both a fundamental class antagonism and a techno-economic dynamic focused on endless accumulation. This is true of Marxist conceptualizations that Lohmann for the most part relies on, despite his forays into ways of thinking about this drawing on Michel Callon that in fact undermine any possible claim about 'the commodity form' as having an abstract essence. Any political project is, therefore, going to be resolved in the context of the particular state of class conflict, and the dominance of particular factions of capital at a given moment in time, and thus around the construction of specific sorts of hegemonic blocs. Any project that entails massive transformations, such as responses to climate change, will produce complicated political dynamics to do with resistance, coalition building, co-optation, and so on that we describe at length in the book, yet stand accused of ignoring.

Lohmann seems to us to want to reduce this complexity to a narrative of heroes and villains, which we refuse to do. In this rendition we are conceived as *compradors*, as people who align themselves with critical social movements but who allow themselves to be co-opted and duped by capital. Indeed, we were acutely aware that the choice we made to try to go beyond a 'carbon markets and how they are awful' analysis left us open to

this interpretation. But we insist on the importance of trying to understand the political dynamic that plays out when you have the combination of attempts at neoliberal ideological roll-out of carbon markets, varied business strategies regarding climate change, widespread resistance politics against carbon commodification — all in the context of the necessity of securing some sort of coalition that can sustain the legitimacy of policies aimed towards decarbonization (i.e., the ‘leaving the oil in the soil’ that Lohmann and ourselves all want) — a coalition that, within capitalist conditions, must contain some elements of capital to be viable.

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