THE COFFEES OF
THE SECRETARY-GENERAL
NAOMI KLEIN

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Bringing New Perspectives to the OECD

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Short Bio

Naomi Klein

NAOMI KLEIN is an award-winning journalist, syndicated columnist and author of the New York Times and #1 international bestseller, The Shock Doctrine: The Rise of Disaster Capitalism. Published worldwide in 2007, The Shock Doctrine has been published in 30 languages with over one million copies in print. It appeared on multiple ‘best of year’ lists including as a New York Times Critics’ Pick of the Year. Rachel Maddow called The Shock Doctrine, “The only book of the last few years in American publishing that I would describe as a mandatory must-read.”

Naomi Klein’s first book, No Logo: Taking Aim at the Brand Bullies was also an international bestseller, translated into over 25 languages with more than a million copies in print. The New York Times called it “a movement bible.” In 2011, Time Magazine named it as one of the Top 100 non-fiction books published since 1923. A tenth anniversary edition of No Logo was published worldwide in 2009. The Literary Review of Canada has named it one of the hundred most important Canadian books ever published. A collection of her writing, Fences and Windows: Dispatches from the Front Lines of the Globalization Debate was published in 2002.

In 2007, the six-minute companion film to The Shock Doctrine, created by Alfonso Cuaron, acclaimed director of Children of Men, was an Official Selection of the Venice Biennale, San Sebastien and Toronto International Film Festivals. The Shock Doctrine was also adapted into a feature length documentary by award winning director Michael Winterbottom and premiered at the Sundance Film Festival in 2010. In 2004, Naomi Klein wrote The Take, a feature documentary about Argentina’s occupied factories co-produced with director Avi Lewis. The film was an Official Selection of the Venice Biennale and won the Best Documentary Jury Prize at the American Film Institute’s Film Festival in Los Angeles.

Her critically acclaimed new book, This Changes Everything: Capitalism vs the Climate, is the 2014 winner of the prestigious Hilary Weston Writers’ Trust Prize for Nonfiction. An instant bestseller when published in September 2014, it debuted at #5 on the New York Times list and was named to multiple Best of 2014 lists, including the New York Times 100 Notable Books of 2014. It was also shortlisted for the 2015 PEN Literary Awards in the nonfiction category. This Changes Everything is being translated into over 20 languages.

Naomi Klein is a contributing editor for Harper’s and reporter for Rolling Stone, and writes a regular column for The Nation and The Guardian that is syndicated internationally by The New York Times Syndicate. In 2004, her reporting from Iraq for Harper’s won the James Aronson Award for Social Justice Journalism. Additionally, her writing has appeared in The New York Times, The Washington Post, Newsweek, The Los Angeles Times, The Globe and Mail, El Pais, L’Espresso and The New Statesman, among many other publications. Naomi is a member of the board of directors for 350.org, a global grassroots movement to solve the climate crisis. She is a Puffin Foundation Writing Fellow at The Nation Institute and a former Miliband Fellow at the London School of Economics. She holds an honorary Doctor of Civil Laws from the University of King’s College, Nova Scotia.

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I would like to thank you for being so welcoming and open to different ideas. I feel a little like I have been invited to the lion’s den but I will hold up my end of the bargain. I called my book “This Changes Everything”, not because the book changes everything, but because when we talk about climate change in 2015, we talk about climate change in a very particular situation. That situation is that we have waited and procrastinated for too long and in the meantime the problems have become so much worse that we find ourselves in a very awkward situation. That situation is: there are no non-radical options left on the table.

So one way or another, everything is going to change. We can choose between some pretty radical options, but one of the options before us is not keeping the status quo. What I mean by this is that if we stay on the road we are on, the road that is often described politely as ‘business as usual’ it leads to some pretty unusual things. It leads to warming of 4-6 degrees Celsius above pre-industrial levels – this is not a figure that comes from Greenpeace or from 350.org – it comes...
from the World Bank. The International Energy Agency actually says it will potentially be 6 degrees; PricewaterhouseCoopers also says that we are headed towards a 6 degree world.

We know that there will be a big meeting about climate change in less than one week, but we also know that if governments do what they are pledging to do – and whether it will be legally enforceable – those pledges add up to warming, not of 2 degrees Celsius, which is what was agreed to in Copenhagen in 2009, but to 3 degrees Celsius. That is a radical future, it is a future in which a great deal, if not everything about our physical world changes. A 3 to 4 degree warming world is a world of major crop failure; it is a world of sea-level rise that threatens the existence of low lying island nation states; it threatens major coastal cities around the world and it intensifies conflict.

Some people look at these changes to the physical world that we are bringing on and propose some really radical engineering changes. There is increasingly serious talk of climate engineering or geo-engineering or planet hacking – this idea that we could physically turn down the sun by spraying sulphur into the stratosphere and fertilise the oceans. These are technologies that are fraught with risks, they are untested and fundamentally untestable because you cannot build a physical model of the earth’s atmosphere; all you can do is deploy. One of the book’s chapters looks at the geo-engineering solutions, particularly the most serious one, which is sulphur in the stratosphere or often referred to as the Pinatubo option because it imitates what powerful volcanoes do. We do know, for example, that they lower temperatures; and we also know from historical records that they interfere with the summer monsoons in Asia and Africa.

The good news is that it is not too late to avoid these radical, physical changes. We could give ourselves a very good chance of keeping temperatures below 2 degrees, we could even set a
target of 1.5 degrees and decide that is what caution demands. That is what I personally believe. But doing so requires changing a great deal about our political and economic system.

In the book I argue that it is not the end of the world, that our political and economic system is, in fact, failing a great many people. With or without climate change, previous speakers like Thomas Piketty, have talked to you about how the same model is breeding widening inequality. We know that there are many other reasons to want a more stable and more equal economic system, other than rising sea-levels. The argument I make is that climate change puts us on a firm and unyielding science-based deadline and tells us that we cannot afford to lose. It also tells us that we are in what is sometimes referred to as decade zero. This is the decade that we have to turn our emissions trajectory around. We don’t have to get off fossil fuels in this decade, but if we want to stay within our carbon budget we have to start getting emissions pointing in the right direction by the end of this decade – and we’ve already blown the first half, in case you haven’t noticed.

The way climate change is usually discussed is in fairly technocratic terms, whether we are talking about the policy solutions or the technological solutions. I believe that the technological and technocratic solutions to climate change are incredibly important, but I think one of the things we don’t talk about nearly enough are the real world economic and political barriers that actively stand in the way of implementing the solutions that we’ve all known we have to do – whether it is putting a real price on carbon or whether it is rolling out renewables very rapidly with existing technologies. This is not rocket science, we know what we need to do but something is blocking us. I want to talk about what that something is: it is economic power and economic ideology – and I think it relates to a lot of the work that goes on here at the OECD.
This book came out in September 2014 and one of the things that has changed since then is that the idea of responding to climate change requires system change. It is not merely tweaking the edges; we are talking about something fundamental and this is something that we are hearing from a lot of different sectors. The IPCC, the leading scientific authority on climate change, in their Fifth Assessment Report Working Group III, states: “Effective response to climate change may require a fundamental restructuring of the global economic and social systems which in turn would involve overcoming multiple vested interests and the inertia associated with behavioural patterns and crafting new institutions that promote sustainability. Those that wield the greatest power either consider it against their interests to facilitate rapid progress towards a global low-carbon economy or insist that the accepted solutions must be aligned to increase the power and material gains.”

In other words, making progress is less a matter of knowing what to do than understanding who is standing in the way, how much power they have and how that power can be confronted. This is why I focus a lot on social movements and particularly their importance of being a counter-power to those vested interests. Another game-changer since the book came out is the Pope’s intervention on climate change. Pope Francis’s game-changing encyclical on ecology. Even though people talked about this as a climate change encyclical, it is very much a systemic critique, drawing the connections between widening inequality, the refugee crisis and climate change.

The Pope describes the throwaway culture as being at the heart of all of this. The throwaway culture in our attitudes towards consumption in wealthy countries – we use things up and throw them away. Treating the planet and people as if they are disposable. That kind of mentality that would see refugees disappear beneath the waves is the same mentality that ultimately will allow entire nations to disappear beneath the waves because we have failed morally to place sufficient value on those lives.

I think it is very important that we have this moral intervention in the climate debate. All of you who will be participating in COP21 in the coming weeks know just how turgid and bloodless the discussion on climate change can be; but then there are these moments when somebody will stand up from the Philippines whose home town is being battered by a cyclone and they will weep at the microphone because the stakes are so high. Reality intrudes during these moments and says, ‘no this is not just about numbers, this is about lives, this is a moral crisis.’
I had the honour of being invited to the Vatican to help launch the climate change encyclical, which was a little weird for a secular Jewish feminist like me. I actually asked to be introduced that way by the Pope’s spokesperson; half the press corps almost dropped. One journalist said to me that she had been covering the Vatican for 20 years and she never thought she would hear the word feminist there.

What I was left with after my time in the Vatican was this incredibly powerful sense that we are being challenged. I felt like I was witnessing leadership commensurate to this existential challenge that we face. Pope Francis is trying to change this ancient tradition-bound institution, so laden with secrets, and yet he is somehow managing to do it. What I was left with was, if the Vatican was able to change so much this quickly, what’s our excuse? What’s the OECD’s excuse? Take it as a challenge.

It is a strange time to be speaking about this issue. We meet in a city that is still reeling from shock, very much still in pain and mourning; unsure of what is going to happen next. But if the past 11 days have demonstrated anything, it is that crises can produce change when leaders decide that they are going to treat something as a crisis. When nation states act, they can mobilise huge resources and they can change laws and policies. We are seeing individual changes in behaviour and a collective change in the subject.

Those of you who know my last book, “The Shock Doctrine”, it was inspired by experiencing the way 9/11 changed the subject from a lot of things that needed to be talked about at that time. So here we are, only two weeks ago when you said the word Paris, people thought about climate and now we think about terrorism. We have a right to be worried about how the decision to respond to the horrific attacks here as an act of war, how that will impact the climate talks.
We know the bare outlines of what will happen at the COP21, but there is still a lot to be decided. Everything from the level of financing, the actual enforcement mechanisms and a ratcheting up of ambitions. This is all left to be decided; the reason I raise this is because the voice of civil society which pushes for more ambition inside the COP but also on the streets, is not going to be as strong during this Summit. We know that because marches and protests have been banned. We also know that public pressure has an impact on politicians. For example, when Obama announced his emission targets he said ‘people have marched’, it was only a few weeks after 400,000 people marched on the streets of New York during the UN Summit in September 2014.

It is also harder to get media space for climate change. Climate is a tough media sell at the best of times, at a moment like this, it is extremely difficult. Some of us in the climate world are having a Copenhagen déjà vu. That was the last time that the world was really focused on climate change, but that was also happening against the backdrop of another crisis – the economic crisis. By the time that Summit happened in 2009, even though Obama had been elected promising that his Presidency would be the moment when the planet began to heal, attention had shifted to the bank bailouts and we did not see the ambition and the follow through. We can’t afford to have the subject changed once again, the financial crisis derailed European leadership on climate and, as I said, we already blew the first half of decade zero, we just cannot afford for the same thing to happen in the second half.

So why is it that climate change never receives this kind of treatment, why does it seem like every other crisis is more important than climate change? A few years back, the answer to this question was obvious, climate change was far off, other crises were banging on the door. But I do not think that argument holds any more. It doesn’t hold anymore after Hurricane Sandy flooded Wall Street, it doesn’t hold after John Kerry compared climate change to Weapons of Mass Destruction and explicitly talked about climate change as a driver of the civil war in Syria. Syria experienced its worst drought in history, which led up to the outbreak of conflict, crop failure and the internal migration of 1.5 million people.

We know climate change is happening now, and as President Obama said, this is not a grandkids problem anymore, this is an ‘us’ problem. We can no longer tell ourselves that the reason we are not acting is because it isn’t urgent enough. Not when you have a drought such as the one we had in India this summer, where two thousand people died because of heat, not when you have a drought as the one in California, currently in its fourth year and having a huge impact on agriculture in the United States.
Christine Lagarde said “if we collectively chicken out of this, we’ll all turn into chickens and we’ll all be fried, grilled, toasted and roasted – why aren’t we acting?” This is where the ideology kicks in; in the past, it was the great depression, it was the rebuilding after the Second World War. In fact, the history of this institution traces its roots back to a collective response to crises. However, we do not respond to crises like that anymore. The response to the banking crisis and to terrorism has not required the kind of systemic change which is necessary for climate change. It has not required the kind of public investments that this crisis requires.

I would like to talk about how we have this clash between the governing ideology, even if it is a ‘zombie ideology’, to use Paul Krugman’s phrase, and the dictates of the climate crisis. I believe that the reason why we have failed to rise to the climate change challenge is best explained by an epic case of bad timing. Climate change landed on our laps at the worst possible moment, I’m specifically talking about when it became a public policy issue for government to decide on a route to lower emissions – that moment was 1988. It was the year of the first intergovernmental meeting on climate change, the year when the intergovernmental panel on climate change was formed, the year when James Hansen the NASA scientist testified on Capitol Hill that he could now say with a great degree of certainty that humans were causing climate change. That was the year when we lost all plausible deniability.

It was also a fateful year, just before the collapse of the Berlin Wall, history is being declared over and this single pensée unique comes to dominate the world. The pillars of the Washington Consensus: privatisation, deregulation, low corporate taxes and mobility paid for with cuts to social spending, what in most parts of the world is called neo-liberalism. This ideology is now largely discredited – I don’t know if that still holds at the OECD – it has fewer true believers than it used to; you won’t hear people saying things like ‘there is no such thing as society’ as Margaret Thatcher said; or as Ronald Reagan said, the nine most dangerous words in the English language are ‘I’m from the government and I’m here to help’. But it still lives, for example, Charles Koch announced that he and his brother would be spending 900 million dollars in the next Presidential cycle, more than the Democrats and the Republicans. He said that it was to ‘hold back the march of collectivism’. That is the meta-narrative for this political project, whether it is fighting climate legislation, or gun control, or social security, it is the individual against the collective.

This is a problem for climate change because it is the essence of a collective crisis. It requires that we act together, it requires that we break every single rule in this ideological playbook. Of course we have to regulate corporations and tell them that they cannot dig up and emit as much carbon as they want to. We know that fossil fuel companies have five times more carbon in their proven reserves than is compatible with a 2 degree temperature target. Yet we are not doing the most basic things to keep that carbon in the ground. It requires that we make huge investments in the public sphere, to deal with the impacts of climate change that are already upon us and that we won’t be able to avoid. We have to shore-up the public sphere if we do not want hurricane Katrina-like responses.
In fact, for me Katrina was a wake-up call, I was working on The Shock Doctrine and I went to New Orleans while it was still under water. What we saw during hurricane Katrina was what climate change looks like under radical deregulation, under neoliberalism. By the way, it was not that much of a powerful storm, by the time it hit New Orleans it had actually been downgraded from a category 5 hurricane to a tropical storm. The levies should have held. However, like so much public infrastructure they had been neglected and allowed to crumble. Under pressure they collapsed and people were abandoned. If you had resources you were able to get out of the city, but if you depended on there being a functioning state at any level, you were out of luck.

You had a city that could not organise a basic evacuation, you had a federal disaster agency, FEMA, that couldn’t find New Orleans for five days, people were left in the Superdome without food or water. Then people started to be vilified, they were called looters and refugees in their own country. Then there was a feeding frenzy on the city and New Orleans became this laboratory for privatisation, today the city has the most privatised school system in the United States, public housing was demolished and replaced by private condominiums, major public hospitals were not reopened etc.

That is what our current system produces under climate change and that is why we need to change it. We need to invest in the public sphere just to deal with what we have unleashed and to prevent even worse from happening. That means big investments in renewable energy, in energy efficiency in public transit. But the opposite is happening in so many cases.

Where you most vividly see the clash between the logic of austerity and the imperatives of the climate crisis is right here in Europe and particularly in Southern Europe. In Italy, in Spain, in Greece, in Portugal support for renewables has systematically been clawed back, transit costs are going up, rail systems are being privatised, there is a push to frack for gas, to drill for oil offshore in both Italy and Greece.

We have this conversation about austerity and climate change in different silos. Even the European governments that are taking on the logic of austerity most forcefully, almost never talk about climate change. There is this sense of ‘first we need to get out of the crisis and then we deal with the climate’. But if you look at a country like Germany, it is filled with paradoxes, it
prescribes austerity on southern Europe and yet at home it has been investing in the public sphere and showing the potential of a rapid energy transition – so that it is now getting 30% of its electricity from renewables, it has created 400,000 jobs and is demonstrating the clash with another pillar of the neoliberal project, privatisation.

One of the parts of the German energy transition project that we rarely hear about is that in hundreds of cities and towns the privatisation of energy has been reversed – a process that is sometimes called 'remunicipalisation'. This sometimes happens through referendum, while sometimes local governments decide to do it. What is increasingly happening is that people want to get to 100% renewables but their private energy provider is unable to do this fast enough, so they take back control over the grid to do this. There was a referendum in Hamburg where people voted to do exactly this a few years ago. The other thing that is driving this change is simply a desire to keep the energy generation resources in the local community and not see them go to shareholders; because people need the money to pay for services. Here we see a real win-win situation where people are getting access to energy in a way that actively fights austerity by keeping the resources in the community. This model is called energy democracy.

Another clash is with the logic and the rules of some of our free trade agreements. Germany’s energy transition is being challenged by Vattenfall, the Swedish state-owned company. This is an example that state owned companies can behave very badly as well. They have launched a 4.7 billion Euro trade challenge, stating it interferes with their right to continue to make money on the previous model.

We have seen a few of these trade challenges. Where I live, in Ontario, the provincial government introduced a very ambitious green energy bill in the midst of the economic crisis. They did it as a way to respond to climate change but also to respond to the fact that we were haemorrhaging manufacturing jobs. The Ontario government introduced a plan to get completely off coal by 2014, the most ambitious target in North America at that time. The plan also stated that 40-60% of the technology had to be produced in Ontario as a way of creating manufacturing jobs; and it worked, 30,000 new jobs were created very quickly and a lot of the workers who had lost their jobs in auto-plants were retrained and got jobs making solar panels. This is the essence of what is sometimes called adjust transition; it is a transition which takes care of the workers who lose their jobs in one industry but makes sure they get jobs in the next industry. So it should have been a happy story but Ontario was challenged at the WTO by Japan and the EU who said these bi-local targets interfered with their free-trade rights and were protectionist, and they won.

Further bans are also coming under trade challenges. The US has challenged China’s and India’s renewable energy supports, this is going in the opposite direction of where we want to be. These are the same governments that will reliably go to every single COP and point fingers at each other for not doing enough quickly, and then those same governments go to the WTO and try to knock down each other’s windmills, it just doesn’t make any sense.
Obviously these investments in the public sphere are expensive and we have to find ways to pay for them. In the book I go through the various ways that we can raise the money for the transition. All of it is familiar, whether it is a financial transaction tax or higher royalties on extraction – which certainly makes sense for a country like Canada – or whether it is a bold and sensible progressive carbon tax. We know how to do this, but the problem we have is that it bumps up against the power of money and politics. I mentioned the Koch brothers, and it is always worth remembering how they made their money, it was through fossil fuels, they are the single largest leaseholder in the Alberta tar sands, so this isn’t just any money this is fossil fuel money, they have diversified but this is still their primary business. This is why I say climate change changes everything. We can do this, the policies are clear but they butt up against the prevailing logic, wisdom and ideology and they require that we make these changes on a deadline. As I said, this is not all bad news because getting money out of politics is something most thinking people know we need to do and climate change says we have to do it now.

One of the things that I did when I was researching the book was spend a fair bit of time with the climate change deniers in the United States. I went to the annual conference of the Heartland Institute, which is sort of Woodstock for climate change deniers. Rationality holds no sway at these conferences, and they are completely off the map scientifically. I was not prepared for just how incoherent it was going to be. But one person was saying it is sunspots, another was saying it is not happening, another was saying it is happening but it doesn’t really matter because the French can buy air-conditioning. It was just a crazy mishmash where the only real point was to spread doubt without coherent arguments.

The Heartland Institute is a free-market think-tank, it is not a scientific organisation, it comes from one of the major think-tanks in the US that had been pushing deregulation policies. When I interviewed Joseph Bast, the head of the Heartland Institute and a University of Chicago economist, I asked him: How did you get interested in this? His reply was that if the science was
true, that would mean that anything would be justifiable in the name of regulation and so he decided to take another look at the science. It is therefore the aversion to the policy implications that is driving climate change denial. If climate change is real then that whole ideological project collapses.

For two and a half decades we have been trying to get climate change to adhere to that ideological project; that we would have market-based solutions and we would barely notice them. In fact, not only does it not challenge consumption but we told ourselves we could actually shop more. We in the climate change movement primarily addressed people as shoppers, rather than citizens who could change laws. The Holy Grail was the market based solution, it was the only thing that was even entertained, in the United States at least.

The irony is that Europe resisted this forcefully in the Kyoto Protocol negotiations and said it would be like leaving climate to the law of the jungle if we tried to deal with this just through emission trading. The US stated they would not sign the Protocol unless this mechanism was in there, and we know they did not sign Kyoto, while Europe launched the largest emission trading system which has been a magnet for fraud and an unmitigated disaster.

One of the conversations that I had earlier with the Secretary-General is whether this is just a clash with neoliberalism or is it a clash with capitalism? Do we just go back to a more balance kind of capitalism with a larger role for the public sector with more regulation? This is a really complicated question and we have to ask why the neo-liberal era opened up in the first place. These policies spread throughout the world for a reason, they were new opportunities for growth which were badly needed. The other piece of this was that though neo-liberalism, I believe, is what has stood in the way of a robust climate response, we now find ourselves in a situation where the problem has gotten so bad that now we have a clash with growth itself.

That is what the climate scientist, Michael Mann at Penn State, calls the procrastination penalty. We waste a quarter of a century and make the problem a lot worse. In the time that we have been talking about lowering emissions, global emissions have gone up by 60%, and we accept that we have a carbon budget that we need to stay within if we are going to hit that 2 degree temperature target. That means we have to be cutting our emissions very deeply and very rapidly. Kevin Anderson, the Deputy Director of the Tyndall Centre for Climate Change Research, which is one of the leading centres around the world for this kind of research, says that in wealthy countries we need to be cutting our emissions by 6-8%, that means that globally we need to be cutting around 6% but if there is going to be any equity in the response, then wealthy countries have to start by cutting more deeply. This doesn’t mean we are letting China and India off the hook, it means we are leading by example. I know there are many brilliant
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economist in this room, please tell me how you reconcile emission reductions of 6-8% with a growth model? The question is not, can there be some growth and some emission reductions; the question is, can there be an economic system that is built to pursue growth at the same time as we see emission cuts by 8-10%, not in a decade from now, but immediately?

I have yet to see a single piece of writing that has challenged the Tyndall Centre’s research, we’re just glossing over it and we’re telling ourselves a story about how we can have win-win green growth because we think that that will be easier to swallow. Even the green growth reports acknowledge that this is not going to lower emissions quickly enough. What we are really seeing is politics, and particularly politics with numbers, based on the idea that nobody will accept it if we tell the truth. I would simply say that that’s not what we need institutions like the OECD for, we don’t need to be spun; we actually need institutions that will meet the challenge that climate scientists have left us with. Scientists are raising the alarm and it’s your job, the job of economists, to tell the truth about what those numbers mean, not massage them and make them seem palatable.

This is based on the idea that if we market this in the right way, we will have action. We must think about the historical precedence, about how countries tried to pull themselves out of recession, how they responded to the Second World War and transformed their entire economies very rapidly. We must think about how this continent rebuilt after the Second World War; it was not because leaders were saying it will be easy. They were leaders who had the courage to say this is going to be hard, this means we will have to change the way we live, but this is what we have to do if we are going to guarantee our survival, our security in the long-term. This is why I think we have entered a moment for some very hard truths.

We can talk more about market mechanisms such as carbon taxes, I support a carbon tax, but I do not believe that alone will get us where we need to go, what we need is to get off fossil fuels. Those market mechanisms are very good at gradual change, but we do not need gradual change, the time has passed where the idea that a carbon price is the silver bullet. We now need a policy arsenal: a climate tax is one of those tools, big investments in the public sector – including in R&D, as Bill gates says – is another one of these tools, but we are going to have to use all of them and we cannot be constrained by ideology on any front. I am the first to acknowledge the role of markets is absolutely critical on this, we have seen huge innovation in the green sector but the stakes are too high to simply gamble this solely on the market. The market cannot do this on its own.

I have bashed capitalism, but right now capitalism, if we will let it, is helping. What I mean is the stars are aligning in a very interesting way and in a combination of factors. We are witnessing an opportunity being created for a punctuated change and the rapid transformation that we need. One of the big factors that has actually aligned in our favour is the drop in the price of oil from 105 US Dollars per barrel to 39 US Dollars in 14 months. This has already caused some political earthquakes. I live in Canada where we recently got rid of one of the most intransigent leaders on climate change, Steven Harper. In Alberta, where the oil sands are located, we had 44 years of uninterrupted conservative rule – in May that party was voted out and a Socialist party was voted in – one of the press headlines read: ‘hell just froze over!’. This is because Albertans were tired of the boom and bust cycle and were looking for something more stable. We are seeing a lot of support now for new policies being introduced, we just saw a pretty ambitious carbon tax introduced two days ago in Alberta, that represents a huge change. We have also seen something similar happen in Australia, Tony Abbott was ousted. That means that without Tony Abbott and Steven Harper at the COP21, that is a major barrier removed; but it doesn’t mean it will be smooth sailing by any means.
The reason why this is an opportunity, and this has also been pointed out by the OECD Secretary-General in his recent speeches, is that when the price of oil is down it is a very good time to introduce a carbon tax. We are also seeing opportunities being created because of the fact that the climate movement has been on a roll. In my book I call it ‘Blockadia’, this is not polite lobbying behind closed doors. We’re talking about people who are taking to the streets, taking to the courts and trying to stop fossil fuel projects such as the Keystone XL pipeline. There was a new word coined this past summer ‘kayaktivists’, people in kayaks that surrounded Shell’s rig when it parked in Seattle on its way to the Arctic. They did not actually stop it, but when the rig came back, Shell announced that they would be pulling out of the Arctic for the foreseeable future; they said they did not find enough oil, but I think there were probably a few other factors including the low profitability of this kind of project due to the low oil prices and the brand damage being done by the climate change movement.

We also saw President Obama cancel the Keystone XL pipeline. Shell has just pulled out of a mine in the Alberta tar sands in which they had invested quite a lot of money. They actually took a 2bn USD write-down pulling out of this project. There have been tens of billions dollars’ worth of projects which have been cancelled in the Alberta tar sands in the past year.

So we have the price of oil, the rising climate change movement and also the drop in the price of renewables; for example, the price of solar has dropped by 75% in the past 6 years. This is what I mean by the stars aligning. In addition, we also have the power of the big example. What Germany is doing right now in its energy sector cannot be overplayed, it is not a perfect transition but to have the most powerful economy in Europe in the midst of such a dramatic transformation is a game changer. These are opportunities that we have to seize with a great deal of boldness.

So what would that look like? There are a few demands that we are hearing that are not reflected in the draft agreement of the COP21. For instance, island nations have come together to say that there should be a moratorium on new coal mines. They state that we cannot just have policies that deal with the demand side, we also have to deal with the supply side. We need to leverage these victories against arctic drilling. Statoil have just announced that they are also pulling out of the Alaskan Arctic and will have a moratorium on Arctic drilling. We also have the rise of the fossil fuel divestment movement which is creating more uncertainty in the market. Currently, 2.6 trillion USD of wealth has been pledged to divest
in one way or another from fossil fuels. Some of them are only coal, some of them are only extreme energy, nevertheless this is a big shift.

Six months ago, the OECD Secretary-General pointed out the low targets coming out of this Summit. He said ‘calling something a process, doesn’t guarantee an outcome. We have been in a process for over 20 years and so far the commitments simply don’t add up.’ That is a very brave thing to say, it reminds me of a quote in the beginning of my book from a 21-year old activist who spoke on behalf of all youth. There was only one allowed to speak at the COP in Durban, South Africa. She stood up and she said ‘you have been negotiating all my life!’ So this is exactly right, being part of a process does not guarantee an outcome. The OECD has a particularly crucial role to play at this juncture, especially during and after the climate Summit. Because you, especially the economists among you, know better than most how valuable emission reduction numbers can be; how easy it is to fudge the start dates and exaggerate what might have been. Some of us also know that governments can be masters of obfuscation and procrastination. From a Canadian perspective I can say this process has been like watching undergraduates bargain for extensions on their term papers.

What our governments have been doing at these Summits is kicking the can down the road and waiting for somebody else to make the hard decisions. But right now we have ran out of road. Now that tin can is bouncing off a brick wall and its coming back and hitting us in the face.

Climate change is real, climate blowback is real, we are out of road and it is time to act.

Thank you.
QUESTION AND ANSWER SESSION:

Question 1. It is very important to keep the big picture in mind and to realise how great a responsibility lies with the developed countries in showing the way. I would like to point out the very difficult situation with China. Perhaps you could elaborate on that and on social activism in China. It seems China lacks a vision for the world and for the preservation of the earth. Do you think that this will continue dragging down the process?

Naomi Klein. The ‘what about China?’ question is in the back of everyone’s mind. As you point out, it is certainly complicated because China is not a democracy and the freedom to resist there is not the same as elsewhere. But to me it makes it all the more remarkable that there have been huge numbers of protests in China against coal mining and coal fired power plants. For a long time it was containable from the government’s point of view because protests were mostly localised and in the countryside. But the crisis levels of air pollution in China’s cities have been a game changer, and I would count that among the game changers in terms of the stars aligning in this moment.

In my book I quote one of China’s most prominent environmental activists, Li Bo who says “smog is our superhero”. I know that sounds weird coming from an environmentalist, but up until that point, the winners of the globalisation process in China could protect themselves from all the environmental problems. For example, if the water was contaminated, they could buy bottled water; if the milk was contaminated, they had their own milk supplies. But everybody breathes air. And even though we see the construction of domed playgrounds, nobody likes to send their children to school in a pollution mask, and that is what parents are doing in Beijing and in other cities.

This is putting big pressure on the Chinese government, and when it comes to Paris next week, it will not be in the same position as it was in Copenhagen in 2009. They have agreed to cap emissions by 2030, and that is significant and shows a shift in their position. I know that India has not made the same commitments, but the fact that China has committed to this cap is not the result of Obama’s pressure – maybe that has helped – but essentially it is their own concern about their ability to hold on to control given the potential unrest in the face of air pollution.

Question 2. Earlier this month John Kerry said he felt there would be a non-binding agreement at the COP21 and the next day the EU hit back and said he must be confused. This is not very promising just before the talks begin.

Naomi Klein. The optimistic read on that is he was referring to the fact that any agreement cannot be called a Treaty. The Democrats do not have control over Congress and if it was a Treaty it would have to be ratified by Congress. So any decision coming out of COP21 should be one that doesn’t have to be ratified.

The optimistic scenario is that they are playing games with words and there is some way to make it binding without calling it a Treaty. Having been to a few of these COP meetings, things change and are fluid. One thing that needs to change is these climate movements have to be binding, this must become a red line. The reason why fossil fuel companies have 5 times more carbon in their reserves than is compatible with a 2 degree temperature target is not because they are planning on stranded those assets but because they do not believe that target is meaningful. This is because it has been non-binding and so they have continued as if it does not matter.

Photos: OECD/Julien Daniel
Organised in the context of
The Coffees of the Secretary-General

24 November 16h00
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