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Inhalt

Green New Deal

Miscellaneous gleanings on the flight back from Washington: Financial Times writer Paul Kennedy describes the shape of «our new post-excess neocapitalist political economy.» According to Kennedy, we will experience «a higher-than-welcome degree of government interference in ‹the market›, somewhat larger taxes …it will be a system where the animal spirits of the market will be closely watched (and tamed) by a variety of national and international zookeepers.» The official mouthpiece of the City of London at least has some consolation at hand for its frightened readers: that «capitalism, in modified form, will not disappear. Like democracy, it has serious flaws – but, just as one finds faults with democracy, the critics of capitalism will discover that all other systems are worse.» Another editorial on the subject calls for a global policy to rescue global capitalism, asserting that globalization requires more coherent international regulation.

Harold Meyerson of the Washington Post is discovering the «German model» of «better capitalism»: here industry still dominates the financial sector, and «long-term performance» trumps the pursuit of short-term profit. Employee representation on boards of directors ensures balanced company policy that evenly divides profits, provides generous social security, and yet (or perhaps because of this) German corporations are markedly competitive on the world market. Scandinavia serves as a second model of reference, with a well-developed service sector where well-trained workers earn good money. Even if the picture of Germany‘s «stakeholder capitalism» looks excessively rosy, it is noteworthy that the standard by which we measure economic systems‘ future sustainability has been turned inside out.

If we add to this the green wave that is currently sweeping the United States (improvements to renewable energies and the promotion of environmentally friendly technologies on a large scale), it paints a clear picture of paradigm change. We are in the middle of a transformation crisis for capitalism. This issue of Böll.Thema sheds light on how we can set the course for the future.

There is a centrist idea of a Green New Deal that is being discussed worldwide as a response to the dual economic and environmental crises. As different as these two concepts may be, they share a common core: both first require a great leap toward a sustainable economy. Steps include improvements to public transportation, environmental retrofitting to buildings, and broad advancements in renewable energies and environmentally friendly technologies. Second, there is a need for more equality of opportunity and social inclusion, achieved foremost through huge investments in education and vocational training. Finally, we must embed global capitalism into a global regulatory framework and prevent a return to protectionism and nationalism.

The monstrous sums that governments are now mobilizing to give the economy a boost must be used to lay the foundation for a sustainable economic and social model. If we let this historic opportunity pass us by, successive generations will inherit not just horrendous national debts but also an enormous pile of unsolved problems. This appeal is not just directed to governments and parliaments. We need a great social awakening if we wish to use this crisis to reform capitalism and improve the world.

Ralf Fücks, Executive Board of the Heinrich Böll Foundation

A Change in the Times

What is past and what is prologue

By Ralf Fücks

There are crises, and there are crises. Some blow over, without leaving a trace behind; others mark an historical break. We don‘t need much fortune-telling talent to predict that the current worldwide economic upheaval will go down in history books as a change in the times. A nearly 25-year cycle of growth is coming to an end, one that pulled almost one billion people in developing countries out of direst poverty and at the same time saw a phenomenal accumulation of wealth take place at the top of the social pyramid – and not just in the Old World, but also among the nouveau riche in China, Russia, India and Brazil.

This cycle was driven by a global liberalization of markets and a sharp increase in world trade, but above all by a feverish expansion of the financial sector. There the big money was made and the big wheel turned that has now led the world economy to the edge of the abyss. Yesterday Wall Street and the City of London were the dual heart of global capitalism; today they are the epicentre of the crisis. The global crash was triggered with the burst of the US real estate bubble, created by illusory values that led to further extension of credit. A model of growth that was driven by the expansion of public and private indebtedness has collapsed with it.

This turbo-capitalism over-extended the curve. The era of miraculous increases in capital from constant new financial products is over. In the future it will once again be more important to manufacture sensible things and offer sensible services that create added value for customers than to get rich quick through speculative transactions. The future economic leader will not be the investment banker, but the entrepreneur who contributes to the advancement of society. Rather than a determination to maximize profit in the short-term, the focus will be on sustainable value growth. The capitalism of the future will be a more virtuous one – because only responsible action can lead to long-term prosperity.

Global Rules for Global Markets

Market economies have a high number of prerequisites. They require transparency, limits on power through competition, effective price formation, owner responsibility and a balance of profit and risk. If these checks and balances are suspended, the system goes off course. That is exactly what happened. If we talk about the failure of the market, we need to mention the failure of the state in the same breath: it is incumbent upon the state to guarantee the order of markets, and it was the state governments that, in the course of global competition, released the entire financial sector from regulation. It is absurd that every medicine must go through a costly registration process, every automobile possess a vehicle inspection sticker, when financial products that can nullify entire national economies can be put into circulation without any risk provisions whatsoever.

The crisis reveals the affliction of globalization: a lack of global regulation, extreme imbalances in the world economy, unequal allocation of advantages and risks. Entire societies that in recent years have worked their way up to modest prosperity are now facing the threat of being thrown back into survival mode. A return to economic nationalism (protectionism, to put it plainly) would only exacerbate the problems. Deglobalization is no utopia – indeed, it‘s a nightmare. Not only because of the loss of prosperity worldwide, but also because an economic fragmentation would also fan the flames of political nationalism: say hello to the 1930s.

What we need now is more cooperation and coordination. We must strengthen the International Monetary Fund and the World Bank, so that they can play their roles in putting out fires around the globe. But we will not attain this without political reforms. The only way forward is to give increasing economic powers to these institutions and give developing countries a fair say in them. The era of Western rule of the economy is at an end. We must learn to divide power and prosperity in order to avoid a battle where it is every man for himself.

The crisis has also mercilessly uncovered the deficits in the European Union. We have a single market and have adopted a wide-ranging common currency, but we have no European coordination of economic and financial policy. What‘s more, European national economies have long since intermingled, for better or for worse. Solidarity with those countries that are now struggling to keep their heads above water is not just altruism, it’s common sense too. This includes binding rules to enforce fiscal discipline and prevent a taxation race at the expense of the community. If the EU uses this opportunity, it will emerge strengthened from this crisis. If the European governments fail, this threatens to erode society and break apart the Eurozone.

The Dual Economic and Environmental Crises

What distinguishes the present situation from all previous global economic upheavals is the concurrence of the economic crisis with an environmental one. Not only has the circulation of money and goods been disrupted, the ecosystem upon which human life on this planet depends is breaking down. The change in our climate is striking proof of this crisis. Dwindling oil supply, overfishing in the oceans, water shortages and the loss of fertile farmland are more alarm signals. This means that there is no way back to the old kind of economic growth.

The parallels between the paths that have led us to these dual economic and environmental crises are astonishing. Both rest on massive borrowing from future generations: the one in the form of monetary debts that have been financed through consumption, the other in the form of environmental debts. Both cases involve the externalization of consequent costs at the expense of the future: buy now, pay later. We must stop this ruinous form of debt-based economy once and for all. This also means that prices must reflect the costs to the environment, so that the market can give the proper signals to investors and consumers. The instruments are well-known: green taxes and capping CO2 emissions, the costs of which must be reflected in corporate and consumer budgets.

In view of the threat of collapse of the biosphere, this is nothing less than a green industrial revolution: a rapid increase in efficient use of resources, the transition to renewable energies on a large scale, the development of a new generation of environmentally friendly products and technologies, the switch to organic raw materials and procedures and the building of houses that will become net energy producers. To put it another way: this is a green economic miracle that is creating meaningful employment in huge numbers.

Green New Deal

The enormous amounts currently being disgorged by governments worldwide to boost economic activity must be used to lay the foundation for sustainable growth. If we miss this opportunity, we will be caught in a double bind: we will then be sitting on giant mountains of debt that will limit governments‘ room to manoeuvre right at the point when the environmental crisis intensifies.

Investments in green technologies are at the top of the agenda. Next up is investment in people, primarily in education and vocational training. This way we can kill more birds with one stone: education is the key to equality of opportunity and social advancement, a more just society. At the same time, we help Europe to remain a creative, dynamic society that can also ensure its future prosperity in spite of demographic change.

If we go about it in the right way, we can use the crisis for a great social awakening toward environmental consideration and fairness. Whether we call it a Green New Deal or a pact for the future, it remains important that we now mobilize all of our forces as a society to come out of the crisis better than we went into it.

«Breathtaking opportunities disguised as insoluble problems»

By Christopher Flavin & Robert Engelman, Worldwatch Institute, Washington, D.C.

This lovely quote is from John Gardner, the founder of the American public interest group Common Cause. But the earth is going through unlovely global warming: the glaciers are melting, the ice caps are thawing, and the oceans are turning acidic. Warnings from scientists are becoming more insistent: the world must change course faster. And all of this is happening in the middle of the largest economic crisis since 1929. In their report State of the World 2009, Christopher Flavin and Robert Engelman of the renowned Worldwatch Institute in Washington compile the ten economic, political, and social challenges that we must confront in order to achieve climate stability.

1. Thinking Long-term

Human beings have evolved to be very good at focusing on an immediate threat – whether it is wild animals the first humans faced on the plains of Africa or the financial panic that gripped the world in late 2008. Climate change is a uniquely long-range problem: its effects appear gradual on a human time scale, and the worst effects will likely be visited on people not yet alive. To solve this problem, we must embrace the future as our responsibility and consider the impact of today’s decisions on future generations. Just as Egyptians built pyramids and Europeans built cathedrals to last millennia, we need to start acting as if the future of the planet matters beyond our own short lives.

2. Innovation

The world needs to develop and disseminate technologies that maximize the production and use of carbon-free energy while minimizing cost and optimizing convenience. (Convenience matters: the ease of transporting, storing, and using carbon-based fuels is among their attractions, not captured in price alone.) An effective climate pact will offer incentives that accelerate technological development and ensure that renewable energy and other low-emission technologies are deployed in all countries regardless of ability to pay the costs. We need to dramatically increase the efficiency with which we use carbon-based energy and lower release into the atmosphere of land based CO2, methane, nitrogen oxides, and greenhouse gases stemming from cooling and various industrial processes. The opportunities for quick and inexpensive emissions reductions remain vast and mostly untapped. The business community is responding as well: 27 major corporations, including Alcoa, Dow Chemical, General Motors, and Xerox, have announced their support for caps on national greenhouse gas emissions.

Developing countries are joining in too. In June 2008, the prime minister of India released the much-anticipated National Action Plan on Climate Change. It focuses on eight areas intended to deliver maximum benefits in terms of domestic climate change mitigation and adaptation: solar energy, energy efficiency, sustainable habitat, water, sustaining the Himalayan ecosystem, green India, sustainable agriculture, and sustainable knowledge for climate change. China announced a new climate plan in 2007, and during the course of 2008 continued to strengthen its energy efficiency programs, including a new incentive system that ties promotion of local officials to their success in saving energy.
These advances are welcome. But the world needs to change course much faster. To concentrate the attention of policymakers, a mass global movement is needed in support of a new climate treaty that picks up where the Kyoto Protocol leaves off in 2012. It is everyone's planet, after all, and everyone's climate. There are signs that such a public movement is now growing in industrial as well as developing countries, but it is not yet sufficiently strong or pervasive to counter the vested interests that stand on the other side.

One reason is that climate negotiations are numbingly hard to follow. Outside of a hard-working community of government negotiators, nongovernmental organizations, and academics, most people have little sense of what is happening. In a modest effort to help demystify the process, this book eschews terms of art and uses everyday language as much as possible.

3. Population

It is essential to reopen the global dialogue on human population and promote policies and programs that can help slow and eventually reverse its growth by making sure that all women are able to decide for themselves whether and when to have children. A comprehensive climate agreement would acknowledge both the impacts of climate change on vulnerable populations and the long-term contribution that slower growth and a smaller world population can play in reducing future emissions under an equitable climate framework. And it should renew the commitment that the world's nations made in 1994 to address population not by pressuring parents to have fewer or more children than they want but by meeting the family planning, health, and educational needs of women.

4. Changing Lifestyles

The world's climate cannot be saved by technology alone. The way we live will have to change as well – and the longer we wait the larger the needed sacrifices will be. In the United States, the inexorable increase in the size of homes and vehicles that has marked the past few decades has been a major driver of greenhouse gas emissions and the main reason that U.S. emission are double those of other industrial countries. Lifestyle changes will be needed, some of which seem unattractive today. But in the end, the things we may need to learn to live without – oversized cars and houses, status-based consumption, easy and cheap world travel, meat with every meal, disposable everything – are not necessities or in most cases what makes people happy. The oldest among us and many of our ancestors willingly accepted such sacrifices as necessary in times of war. This is no war, but it may be such a time.

5. Healing Land

We need to reverse the flow of carbon dioxide and other greenhouse gases from destroyed or degraded forests and land. Soil and vegetation can serve as powerful net removers of the atmosphere's carbon and greenhouse gases. Under the right management, soil alone could absorb each year an estimated 13 percent of all human-caused carbon dioxide emissions. To the extent we can make the land into a more effective «sink» for these gases we can emit modest levels essential for human development and well-being. Like efficiency, however, an active sink eventually faces diminishing returns. And any sink needs to be secured with «drain stoppers» to prevent easy return of greenhouse gases to the atmosphere when conditions change.

6. Strong Institution

«Good governance» can be a cliché – until someone needs it to survive. The final months of 2008 laid painfully bare the dangerous imbalance between a freewheeling global economy and a regulatory system that is a patchwork of disparate national systems. And if there was ever a global phenomenon, the climate is it. In fact it is not hard to imagine the climate problem driving a political evolution toward global governance over the long term, but given the public resistance to that idea the next most effective climate-regulating mechanism will be the strength and effectiveness of the United Nations, multilateral banks, and major national governments. New institutions and new funds will be needed, but it could take a major public awakening or a dramatically deteriorating climate to overcome the obstacles to inventing and establishing them.

7. The Equity Imperative

A climate agreement that can endure and succeed will find mechanisms for sharing the burden of costs and potential discomforts. Per capita fossil fuel CO2 emissions in the United States are almost five times those in Mexico and more than 20 times the levels in most of sub-Sahara. An effective climate agreement will acknowledge the past co-optation of Earth's greenhouse- gas absorbing capacity by the wealthiest and most industrialized countries and the corresponding need to reserve most of what little absorbing capacity is left for countries in development. Most people live in such countries, and they bear little responsibility for causing this problem – though it is worth recalling that a small but growing share of their populations already have large carbon footprints.

8. Economic Stability

In the fall of 2008 the global economy foundered, raising the obvious question: can a world heading into hard economic times add to its burdens the costs of switching from fossil to renewable fuels or managing precious land for carbon sequestration? Any climate agreement built on an assumption of global prosperity is doomed to failure. And as growing and increasingly affluent populations demand more of the resources of a finite planet, we may have to balance the future of climate against present realities of hunger, poverty, and disease. A robust international climate regime will need to design mechanisms that will operate consistently in anaemic as well as booming economic times. And a strong pact will be built on principles and innovations that acknowledge and accommodate the problem of cost – while building in monitoring techniques to ensure that efficiency is not achieved at the expensive of effective and enduring emission cuts and adaptation efforts.

9. Political Stability

A world distracted by major wars or outbreaks of terrorism will not be able to stay focused on the more distant future. And just such a focus is needed to prevent future changes in climate and adapt to the ones already occurring. A climate pact could encourage pre-emptive action to diminish insecurity caused or exacerbated by climate change. But unless nations can find ways to defuse violent conflict and minimize the chance that terrorism will distract and disrupt societies, climate change prevention and adaptation (along with development itself) will take a back seat. On the bright side, negotiating an effective climate agreement offers countries an opportunity, if they will only seize it, to practice peace, to look beyond the narrowness of the interests within their borders at their dependence on the rest of the world, to see humanity as a single vulnerable species rather than a collection of nations locked in pointless and perpetual competition.

10. Mobilizing for Change

As fear of climate change has grown in recent years, so has political action. But opponents of action have repeatedly pointed to the vast costs of reducing emissions. At a time of serious economic problems, the power of that argument is growing, and some of those who are persuaded are going straight from denial to despair. The most effective response to both of those reactions is, in the words of Common Cause founder John Gardner, to see global warming as «breathtaking opportunities disguised as insoluble problems.» Solving the climate problem will create the largest wave of new industries and jobs the world has seen in decades. Michigan, Ohio, and Pennsylvania in the United States are among those that have devoted enormous efforts to attracting new energy industries–with a glancing reference to climate change and a major focus on creating new jobs to revive »rustbelt" economies.

In November 2009, the world faces a test. Will the roughly 200 national governments that meet in Copenhagen to forge a new climate agreement come up with a new protocol that provides both vision and a roadmap, accelerating action around the globe? The challenges are many: Will the global financial crisis and conflict in the Middle East distract world leaders? Will the new U.S president have time to bring his country back into a leadership position? Will the global North-South divide that has marked climate talks in recent years be overcome?

State of the World 2009 presents some potential answers to these challenges. One vital theme stands out from the rest: climate change is not a discrete issue to be addressed apart from all the others. The global economy fundamentally drives climate change, and economic strategies will need to be revised if the climate is ever to be stabilized–and if we are to satisfy the human needs that the global economy is ultimately intended to meet.

We cannot afford to have the Copenhagen climate conference fail. The outcome of this meeting will be written in the world's history books–and in the lasting composition of our common atmosphere.

A Half-Century of Environmental Policy

Milestones on the Path to the Green New Deal

Compiled by Udo E. Simonis

Reviving Awareness

1952 Nobel Prize for Albert Schweitzer (Reverence for Life)
1962 Rachel Carson: Silent Spring The US environmental movement begins in the United States with the publication of this book.
2004 Nobel Prize for Wangari Maathai (The Green Belt Movement: Sharing the Approach)
2007 Nobel Prize for IPCC (Climate Change) and Al Gore (Climate Protection)

Momentous Environmental Catastrophes

1976 Seveso. Major disaster involving the release of the highly toxic chemical TCDD with severe damage to health (chloracne).
Legal consequences: Industrial Accidents Ordinance, Chemicals Act, Seveso Directive.
1984 Bhopal. Release of methyl isocyanate with severe human and animal casualties.
1986 Chernobyl. The nuclear environmental catastrophe leads to a worldwide revival of the anti-nuclear movement.

Significant International Resolutions

1972 First United Nations Conference on the Environment in Stockholm. Global awakening. Founding of the United Nations Environmental Program (UNEP); report to the Club of Rome (Limits to Growth).
The book on the scarcity of resources and overstepping of environmental limitations is a bestseller in Germany and many other places.
1987 Montreal. Protocol for curbing and ultimately freezing the production and use of hydrochloroflurocarbons (HCFCs); marks the historical beginning of the environmental conversion of industrial society.
1992 UN environmental conference in Rio de Janeiro. Ratification of the Agenda 21 global reform work and acceptance of significant UN conventions (climate, biodiversity, desertification, chemicals) with principles of

sustainability and justice enshri-ned in treaty form.

1994 Reform of the most important environmental financial institution (the Global Environment Facility, or GEF II), establishment of the Commission on Sustainable Development (CSD).

1997 Agreement and entry into force of the Kyoto Protocol on Climate Change.

Effective Laws

2000 German law on Renewable Energies (EEG). Original version and amendment. Most successful institutional innovation for environmental protection and sustainable development.

2008 Adaptation and adoption of the EEG in more than fifty countries.

Walk the Talk:
The Courage to Consider the Crisis and Structural Change Together.

Gerd Rosenkranz speaks to top Alliance 90/The Greens candidate Renate Künast

Ms. Künast, in actual fact, the German Federal Government has not put the environment and climate change first in its crisis management. Will the global economic crisis also become an economic crisis for environmental policy?

It seems to me, at least, as if the curtain has been drawn back on a Federal Government that has neither goal nor concept. Climate change used to be a central field of policy for the Chancellor. But nothing of that has resurfaced in the government's crisis management.

Is this not just the government seizing on the widespread sentiment that now is the time to focus on jobs, that everything else must be put aside in view of the size of the crisis?

But such a reaction disregards the laws of the natural sciences. Climate change doesn't take a break because we have manoeuvred ourselves into a financial crisis. It is a fundamental error to pit the climate and economic crises against each other. They both belong together. If we pay out money to retain jobs today, we are going to be sorry tomorrow unless we put environmental stipulations on it.

Economists are advocating that people distinguish between measures that support the economy and those that accelerate structural transformation.

I think that's short-sighted. Of course interventions will not bring about structural change overnight. But any support for the economy must provide a second dividend: for ecology, climate, and protection of resources. The chemical industry, with its emphasis on pesticides, had its problems well before the crisis. Now it must set new priorities. The auto industry needs to build cars that people can still buy when oil costs 200 dollars a barrel on the next upswing. Otherwise the jobs will be gone by then at the latest.

At least the government is paying out considerably more money to modernize buildings to make them more energy-efficient.

That's true, but at the same time it's still half-hearted, because it is not backed by clear energy efficiency standards, particularly for existing buildings. We must have the courage to give renters the appropriate rights if landlords do not provide the insulation themselves. This would create jobs and reduce the amount of expenses paid with the rent. It would then be no flash in the pan, but a real change in direction.

In 1990, your party campaigned in the parliamentary elections of re-unified Germany under the slogan, «Everyone is talking about Germany; we're talking about the weather.» The result is well-known. Should we expect a new edition? «Everyone is talking about the economy; we're talking about the climate»?

The Greens, like most people, learn from their mistakes. Protecting the climate is an absolute necessity, but there's another dimension to it as well. Management consultant Roland Berger himself calculated that today's 1.8 million environmental jobs will be double that number by 2020. The Greens are showing how to achieve that; we have already proven it with renewable energies and organic farming. Now we're taking on the chemical industry, the auto industry and machinery construction.

The Greens as the party of the economy – that would be something else.

It's really not as far off as you think. In Germany there's an economic party for the higher earners, another one for conserving old structures and finally one that ensures pointless subsidies. We are the party that supports a sustainable, climate-friendly economic policy for the mid-term and the long-term. We fill a gap there.

In the crisis, the relationship between policy and the economy is changing. The economy comes in as a supplicant and opens up unforeseen opportunities to create through policy...

...right, opportunities that the Federal Government just isn't using. The bailout packages were drawn up in the headquarters of the banks that made them necessary in the first place, as well as in large law firms that were paid by the industry to do it. This is what the policy priority looks like so far. Government policy is too rarely oriented toward the common good. They must stop putting the authorship of laws for the future in the hands of those who just want to keep the automobile industry, the chemical industry or the energy economy the way that they have been. The crisis management so far has boiled down to us leaving unprecedented debts to the younger generation, and they don't even get a modernized economy.

US President Barack Obama stands up and calls the crisis an opportunity, and everyone gets inspired. Why is something like that inconceivable in Germany?

Barack Obama himself is not a miracle worker. But he has the courage to consider the crisis and structural transformation together. This puts him in a different league from the German Federal Government. He promised change and new beginnings during the elections. There's an American challenge to «walk the talk». Angela Merkel doesn't do what she says she will, but rather makes promises for 2050. That's the difference.

Be honest: is this really primarily a matter of the government? Or do the Germans simply react differently to crises than Americans?

We are certainly not under the impression that something different is happening over there than is here. But I won't be convinced until Obama asserts himself against the reactionary forces in his own country, perhaps in connection with the sequel to the Kyoto Protocol. We need a debate in German society about the economy and the climate crisis. It takes more than politics to do it. I think it's important in this election year to put the basic premises of our life and economy up for discussion. How do we want to live in the future? How will we manage to not live our lives at the expense of young people any longer and at the expense of those at the other end of the world who are already sensing the consequences of our way of life?

ERENE
A Deal Where Everyone Wins
Stimulus for a sustainable energy supply in Europe

By Michaele Schreyer, former EU Commissioner

Al Gore's plea for a green stimulus at the economic summit in Davos could not have come off more urgent, but neither could it have been more encouraging: a plea for worldwide measures to switch over the worldwide energy supply to renewable energies. In Gore's view, this meant creating an all-encompassing «smart power grid.» This grid could, for example, transport clean electricity from the sunny states in the American southwest and the wind corridors of the Midwest to the big cities and places where it is consumed. This grid would be capable of efficiently managing both supply and demand.

This exact idea also forms the basis for ERENE: the European Community for Renewable Energy. Europe's wealth lies in its diversity, and this goes for the energy sector, too. Its climatic, geological and hydrological diversity means that Europe has access to all of the renewable energies: wind, water, sun, geothermal, and biomass. Of course, these are not equally distributed throughout the Member States. On the contrary, they are found in concentrations and combinations that vary by region: the highest potential for hydropower is in Scandinavia and the Central Alps, and the Mediterranean countries have the best potential for solar power installations. The southeast of Europe has the geothermal energy, the coasts have the wind power, and the north and northeast of Europe have the highest biomass potential.

Detailed analyses from the German Aerospace Center show that European Union members, including Norway, Iceland, and Switzerland, have access to a green electricity production capacity that is considerably larger than the total amount of electricity required today, and that this will probably be true for the future as well. So it is possible for Europe to completely satisfy its electricity needs through renewable energies.

Only a small portion of this capacity is so far being used in the EU: The average in 2005 was just ten percent. Even if the rate of development of renewable energy sources has risen since then, it is clear that Europe is only just beginning to use its own extensive sources of renewable energy.

The EU has now resolved to bring the use of renewable energies up to 20 percent of total energy consumption by the year 2020, which is gratifying. This goal is to be reached through national action plans, but ERENE could grant Member States the chance to lead the way and meet all of their electricity needs with renewable energies.

This new community must also have the ability to contribute to building an integrated European power network and with it an internal market for renewable energy. This means they must be able to:

- promote research
- construct demonstration facilities
- found common corporations
- develop a common system to promote incentives for investment

ERENE would be a deal among countries of the energy avant-garde, a deal among those who have access to far more potential to generate green electricity than they themselves need, and who may not be able – at least economically – to achieve the goal of a complete changeover. A deal in which some bring the know-how, the industrial capacity or the finances, and others bring their renewable energies. It's a deal where everyone wins: more energy security; growing independence from fossil fuels – whose fluctuating prices tend to rise; modern technology; promising jobs; and a reduction in the immense risks that climate change brings.

ERENE: it could be a fascinating model project, a green stimulus for Europe. It could be a project with high return on investment that combines economic stimulus with environmental structural transformation and uses the great advantages of common European action. The United States has started off the competition for the best green ideas. ERENE could put Europe one step ahead.

Download the study: www.boell.de/erene

Green Stripes on the Horizon

By Achim Steiner, UN Under-Secretary General and Executive Director, UN Environment Programme

The Global Green New Deal concept, launched by the United Nations Environmental Program (UNEP) in October 2008, is a direct reaction to the current economic and unemployment crisis. If the Green New Deal is introduced in the right way, however, it could set off wide-reaching processes of transformation and create the proper conditions for the sustainable green economy of the 21st century that we so desperately need. The state of affairs.

With unemployment soaring, bankruptcies climbing, and stock markets vulnerable it may at first glance seem sensible to ditch the fight against climate change and put environmental investments on hold.

This would be an enormous mistake of immediate as well as inter-generational proportions.

Far from burdening an already over-stressed, over-stretched global economy these are the very investments needed to get people back to work; to get the order books flowing and to assist in powering economies back to health.

In the past the environment was viewed as a luxury, today it is a necessity. A point grasped by some but by no means by all economic architects yet.
A big slice of US President Barack Obama's $825 billion stimulus package includes a boost to renewable energy, 'weatherizing' a million homes and upgrading the country's inefficient electricity grid.

It could generate an estimated five million ‹green collar› jobs, prove a shot in the arm for the construction and engineering industries alongside getting America back into the equally serious business of combating climate change and achieving energy security.

The Republic of Korea, where jobs are being lost for the first time in over five years, has also spotted the green lining to grim economic times.

President Lee Myung-Bak's government is to invest $38 billion employing people to clean up four major rivers and reduce disaster risks by building embankments and water-treatment facilities.

Other elements of his ‹Green New Deals› include construction of «eco-friendly» transportation networks such as high-speed railways and hundreds of kilometres of bicycle tracks alongside generating energy from waste methane from refuse tips.

With an eye on both the short and the long term, the package will also invest in developing hybrid vehicle technologies for the car industry.

Similar pro-employment Green New Deal packages have been lined up in China, Japan and in the United Kingdom. They are equally relevant to developing economies such as Kenya or Laos in terms of jobs but also in fighting poverty and creating new livelihood opportunities at a time of increasingly uncertain commodity prices and exports.

In South Africa, the government-backed Working for Water initiative which employs over 30,000 people including women, youth and the disabled has also seen opportunity in crisis.

The country spends around $60 million annually fighting invasive alien plants–trees and shrubs like wattles from abroad that are waging an environmental and economic war against native wildlife, water supplies, important tourism destinations and farmland.

This work is set to expand by harvesting over 40 million tonnes of invasive alien plants as power-station fuel. An estimated 500 MW of electricity equal to two per cent of the country's electricity needs will be generated along with over 5,000 additional jobs.

So it is clear that some countries are now deliberately viewing environmental investments in infrastructure, energy systems and ecosystems as among the best bets for recovery.

Others may be unsure, about the potential returns from investing in ecosystem services such as forest carbon storage or in renewable energy for the 80 per cent of Africans who have no access to electricity. Others may simply be unaware of how to precisely follow suit.

In early February UNEP convened some of the world's leading economists at the UN headquarters in New York.

Here a strategy for Global Green New Deal, one that echoes to different national challenges has been fleshed out to assist world leaders and ministers make stimulus packages work on multiple fronts.

Its inspiring recommendations were put before over 100 environment ministers attending UNEP's Governing Council/Global Ministerial Environment Forum in Nairobi a few days later and the response is gathering pace.

The Global Green New Deal, which UNEP launched as a concept in October 2008, is in response to the immediate economic and employment malaise.

Spent wisely however these stimulus packages could trigger quite far reaching and transformational trends: setting the stage for a more sustainable, urgently-needed Green Economy for the 21st century.

The 2.5 to 3 trillions of dollars that have been mobilized to address the current woes, alongside the trillions of investors' dollars waiting in the wings, represent an opportunity unthinkable only 12 months ago.

An opportunity to steer a more resource efficient and intelligent course that can address the problems of now and also those looming from serious climate change and natural resource scarcity to water shortages and biodiversity loss.

Blindly pumping the current bail-out billions into old industries and exhausted economic models will be throwing good money after bad while mortgaging the future for the next generation- it is they who will pay off our debt and it is our children's jobs which will be at risk if we selfishly care only about our own.

Political leaders must use these windfalls to instead invest in innovation; promote sustainable businesses and new patterns of decent, long lasting employment.

Asked why, at a time of recession, the UK was bothering to invest in wind power and electric cars, Prime Minister Gordon Brown pinned his colours firmly to the Global Green New Deal lifeboat – «the environment, it is part of the solution».

China's Economic Stimulus Program
And What We Know About It

By Barbara Unmüßig

China, with its gigantic domestic market, its appeal to foreign direct investments, and its monetary reserves – the largest in the world at almost 1.6 trillion euros – is believed to be better prepared for the consequences of the financial crisis than all other emerging countries. Having grown to become one of the strongest national economies in a period of thirty years, China is now one of the supporting pillars of the global economy. But how deeply has China's economy really been affected by the crisis, and what measures are being taken by its government?
Sharp declines on the stock market and heavy losses on investments in US and EU banks in the billions of euros show that Chi-

na also made risky transactions on the international financial markets. The bulk of China's currency reserves is invested in fairly secure US bonds. The worst was prevented by state control of capital transactions and the solid financing of Chinese banks and most companies.

Nevertheless, China is suffering massively from the financial crisis. The slump in demand from the United States has hit China's export sector hard, and this sector is responsible for forty percent of China's gross domestic product. «China's inefficient growth model and unbalanced economic structure make the PRC's economy vulnerable» says Yu Yongding, Director of the Institute for World Economics and Politics at the Chinese Academy of Social Sciences. The opportunity has now come to push forward a long-overdue reorganization, to develop the domestic market and focus on creating more value in the production of exports.

In mid-March, the World Bank corrected its prognoses for China's economic growth down to a mere 6.5 percent. The Chinese leaders also no longer count on a double-digit growth rate, though they do promise that GDP will rise by eight percent in 2009. China needs this growth to create additional jobs. Urban unemployment is officially at 4.2 percent, but other sources estimate it at nine to twelve percent. One and a half million university graduates are jobless, and seven million more will flood the labour market in 2009. What's worse, according to official statistics, is that 26 million migrant labourers have lost their jobs in factories making commodities for export and can no longer earn a livelihood in their villages. This threatens the social peace. Last year already saw violent protests in front of factories.

During the boom years, too little was invested in agriculture and rural infrastructure. Millions of farmers lost arable land to industrial zones, often without having received sufficient compensation. Soil and water contamination, erosion, and flooding are further problems. Since 2005, the leadership under Hu Jintao has promoted the development of rural areas, exempted farmers from taxation and abolished dues for the nine years of mandatory schooling. Now, however, the economic crisis has arrived at the countryside in the form of a crisis in purchasing power, as millions of migrant labourers send less or no money home.

China's household appliance subsidy program in rural areas is meant to provide a short-term remedy. Consumers will receive 13 percent of the purchase price of televisions, washers, air conditioners, microwave ovens and mopeds from the government in cash. The government will spend 1.7 billion euros on this program in 2009 to deal with electronics and domestic appliance producers' excess capacity. This might appear rather helpless In light of exports that have fallen by 25.7 percent as compared to the same month last year, but China's government has other cards up its sleeve.

In November 2008, it announced a 458 billion Euro economic stimulus program. The largest payments are slotted for infrastructure, new housing and the development of rural areas, including rebuilding the areas devastated by the earthquake in the Sichuan Province. Forty billion euros are to be allocated for environmental protection and energy efficiency. The World Resources Institute has praised the stimulus program as a step towards greening the Chinese economy.

Critics inside and outside of China condemn the large percentage of infrastructure projects and the relatively small investment in human capital, however. The most vehement criticism is of the lack of transparency. After the package was announced in November, a national movement was formed to demand that the details be made public on the Internet. The press supported the campaign and a Shanghai lawyer threatened to sue by applying a new law on transparency, should the relevant authorities fail to disclose exact numbers on the use of the funds. Even the state news agency Xinhua supported the movement. In the end, the government agreed to publish the details after the vote in the National People's Congress.

The annual People's Congress, China's legislative assembly, met in mid-March. The main issue was passing the budget and stimulus package. More than 400 of the 2898 representatives voted against the package or abstained. This unusually high number of nays within the one-party parliament is possibly a reaction to the lack of transparency. Hu Shuli, Managing Editor of the renowned financial magazine Caijing, praised this year's assembly for making great progress in the disclosure of the budget but called for many further improvements.

In the first days after the assembly, no details on the stimulus program were released, but the numbers that had previously been made public were updated, showing that criticism of the package had been taken into account: Investments in education and social services were greatly increased. Funds for health care and education were almost tripled – from 4.6 to 17 billion euros. Considerably more money is also to be allocated for research and innovation: 31 billion euros rather than the 18.3 billion euros originally announced. Peking is determined to jump-start the long-term reorganization of the economy, away from the world's workbench and towards a knowledge- and service-oriented economy. Funds for infrastructure and transportation were reduced in order to do so, but they remain the largest item. Funds for environmental protection were also reduced by 40 percent in the revamped stimulus program.

The financial crisis cannot solve China's developmental dilemma. In a crunch, the government will choose the development of its poorest provinces, and the concurrent social stability, over environmental protection. There will be no radical rethinking on this front. However, investments in infrastructure and innovation still provide opportunities for a Green New Deal. The extension of the rail system and the demand for energy and resource efficiency are good initial examples of this, and 24 billion euros are nevertheless still slotted directly for environmental protection.

Now it is not only decisive which concrete measures these funds will be invested in, but whether China will be able to implement the package sensibly. The devil is in the details, Yu Yongding declares. If the stimulus package does not fuel the demand of private households and small business, but only animates provincial governments to make further short-sighted investments, then it will fail.

Even before the People's Congress, the Ministry of the Environment had already announced that it would be issuing green guidelines for direct investment that originates from abroad. In February of 2009 this was down by more than 30 percent from the previous year. As the country with the largest domestic market, however, China will remain attractive to investors and continue to make a significant contribution to global economic development. Whether we can justify this development to future generations depends upon whether we can all make fundamental changes in our consumption and production habits. We have the opportunity.

«If not now, when?»
Considerations for Sustainable Economic Development

By Hanns Michael Hölz, Chairman of the Forum for Sustainable Development of German Business

The 20th-century model of the economy is reaching its limits – the limits of its capacity, as far as improving the living conditions of the world's 2.6 billion poor is concerned, and the limits of the environment. Can we use the capitalist dynamic to achieve an ecological realignment – to ride the tiger, in other words? Can the crisis be dealt with by cutting back its excesses? What would be the possible alternatives?

A whole book could be written for each of the questions posed to me by the Böll.Thema editorial team. These questions are already giving sleepless nights to many researchers. «I stand here today humbled by the task before us», said President Barack Obama in his inaugural address, and we are probably all having the same reaction in the face of the challenges worldwide.

The tasks are well-known, defined, discussed – but there is no agreement on the solutions. This is not surprising, given the sheer immeasurable complexity and the scarcely comprehensible interdependencies of a globalized world. In the following I would therefore like to illuminate just a few aspects, perhaps symptomatic ones.

Interdependencies – A Problem and Solution in One

«Snowploughs for Guinea» – this is the title of an article that Bartholomäus Grill, a member of the Federal President's Africa Advisory Group, wrote for the journal Internationale Politik (12/07) to describe the reasons that the development aid of the last fifty years has failed. Countless initiatives, organizations, and projects are searching for solutions: «There is no master plan that will produce dignified living conditions in a world that has been turned upside down. But it is gradually becoming time to comprehend development policy as global structural policy, beyond the humanitarian obligation.» This was the experienced Africanist's conclusion.

Yes, we need a global structural policy, and not just for developing and emerging countries, but one that encompasses the entire world. You do not need to be a gifted analyst to recognize that all of our problems are connected – they are mutually dependent. The constant exploitation of environment, humanity, and capital leads to an ever-increasing loss of stability. But the nature of these interdependencies also contains the solution: we must harmonize environmental, social and economic factors to reach more stability on a global scale.

Sustainability as Maxim

This cannot take place in a hurry. What we need to do quickly, however, is to change our thinking. We need a new maxim on trade – one that holds for individuals, corporations, governments, global organizations, and initiatives. The sustainability maxim is the one that best does justice to the complexity of the challenges. When we act sustainably, we are conscious of all three factors of humanity, economy and environment, and constantly endeavour to bring them into harmony. Because money plays a large role here, it is precisely the corporations that can make a decisive contribution to turning awareness of sustainability into a global New Deal.

Huge Opportunities for Corporations

The business opportunities for action on sustainability can be found, for example, in the development of innovative products that solve problems. The areas of energy production and energy efficiency alone open up an immense field that requires ideas daily, from new technologies to renewable energies to climate-friendly products, vehicles and buildings – global tasks that can produce new jobs and new industrial sectors. After all, long-term engagement and success in these and other sustainable spheres is the best means to combat recession and instability.

Of course, sustainability also means actively perceiving social responsibility, as well as openness and transparency toward society – namely, the values of «good governance» (corporate and global) that are starting to be implemented worldwide. This also includes forward-looking and comprehensive risk management that recognizes the economic and social risks for the company early on and takes the appropriate countermeasures. A truly sustainable corporation will generally not need to worry anymore about risks to its reputation: following the maxim of sustainable action excludes misconduct and unethical activities as a rule.

Global Regulations

Hardly anyone foresaw the dimensions that the effects of the current finance and economic crisis would take; stock market crashes are seldom predicted. The night before it happened, everyone still went to sleep peacefully, so the conditio sine qua non of a new era is an early-warning and monitoring system. This will require the introduction of better control of security and transparency provisions for financial instruments, as well as stronger supervision of financial institutions, funds and financial associations. All of the actors should follow the same internationally valid rules to ensure fair competition. This is therefore not a task to be resolved at a national or European level: only a global regulatory framework will promise a lasting and workable solution. This is a task that perhaps would be a good one for the International Monetary Fund – an IMF with a new structure and expanded authority. As global and efficient as possible – this is what the design focus in the creation of such a new institution must be.

The first financial summit of the G20 countries in Washington last November was an important step toward an organization of this type. It brought hope that the second summit in April 2009 would bring the breakthrough. Above all, we can hope for the success of the German Chancellor's initiative, a Charter for Sustainable Economic Activity that is to have principles that will establish a new global financial architecture.

Prosperity for Everyone

This is the great mission of our time: to find a fair balance between economic, social and environmental needs, and in the process overcome the pressing challenges that we see before us, particu

larly poverty, overpopulation, climate change and environmental destruction.

Do we have to «ride the tiger» to do it, to take a cue from the questions posed at the beginning? No. One does not ride the capitalist tiger – one has always tamed it, with a social market economy. So we should not allow any other alternatives. The trick is in how we design it – and we've had sixty years of practice already. It is necessary to create a solid, sustainability-oriented foundation within the framework of the social market economy – for both individual corporations and the economy as a whole – upon which we can develop and achieve a stable system of value creation. A new era can show us that sustainability and success do not have to contradict each other.

On the contrary, sustainability will take root as a driver of success in the new era.

Sustainable concepts should also determine national economic programs in the current economic crisis. The measures ought to trigger more than just a short-term stimulus. On the contrary, they must be suitable to initiate actions and projects that entail innovations and increases in efficiency, advantages that will be available to us after the crisis as well and help us to advance.

Prosperity for everyone – around the globe. As presumptuous as it sounds, this must be our goal. Indeed, Jeffrey D. Sachs, head of the Earth Institute at Columbia University in New York, titled his latest book Common Wealth. I recommend it to anyone interested in facts, in analyses, syntheses and prognoses. It is a handbook for a deeper discussion than is possible here.

Let's stay optimistic and end here with a quote from Robert Kennedy: «There are those who look at things the way they are, and ask why … I dream of things that never were, and ask why not?»

«What is Lacking is the Political Will»
Proposals for the Reorganization of Financial Markets

By Thomas Jorberg, Chief Executive Officer, GLS Bank

Throughout the world, governments are trying to stabilize banks with public funds. This is necessary in order to prevent further panic reactions that could still ensue after the obliteration of forty trillion euros worth of assets (according to the Asian Development Bank). Policy makers should map out a strategy to reorganize financial markets with the same dedication; otherwise, the measures already implemented will merely augment the causes of the crash and lead to even greater crises. The following outlines a few proposals for improving the regulatory framework of financial markets.

There are no alternatives to the packages aimed at stabilizing the banks, but these can only alleviate the symptoms of the ailment. Only systematic changes in the basic regulatory framework could in retrospect legitimize the risks that states have taken on. The chief goal of all policies must be to focus the finance sector on its core business: financing the real economy. The six points below will help in achieving this end:

1. A Differentiated Approach to Regulation

The classic banking business, with direct customer relations between depositor and bank on the one hand and credit user and bank on the other, has proven to be the actual stabilizing factor of the market in the current crisis. This banking sector, which directly serves the real economy, has come under pressure in the past ten years, however, as far as the structure of the business and the interest margins are concerned. In the same time period, the regulation of the classic banking business has increased on almost a yearly basis. The ensuing bureaucratization along with the corresponding cost pressure has particularly affected savings banks (the German Sparkassen) and cooperative banks (Genossenschaftsbanken). In this respect, we actually need deregulation of the classic banking business.

Some financial instruments, for example derivatives, serve the real economy indirectly, i.e., through the hedging of changes in the interest rate or currency risks. Such instruments are sensible and necessary in order to balance out the lopsided risks introduced by the various participants in financial markets and to make them controllable in the individual institutions. However, it is often difficult to clearly delimit this instrument from purely abstract instruments that do not serve the real economy. This area thus has particular need for greater regulation, standardization, and control.

Financial products and companies that serve the sole purpose of making money from money through speculation should simply be outlawed. They bet on actual or assumed price changes – in many cases even changes they have influenced or brought about themselves – in the trade of foreign currency, stocks, real estate, or raw materials. The causes of the current financial crisis are primarily to be found in this sector. They include short-selling, stock lending, and other activities pursued by hedge funds, as well as trading in securitized loans, to name just a few.

2. Limiting the sizes of individual banks

In their absolute size or structure, financial institutions or special products should not be in a position to destabilize global or national economic systems. We need limiting parameters, such as the maximum relation of a bank's total assets to a country's gross national product. The rule of thumb of «too big to fail» has in the past encouraged institutions to grow out of proportion and at the same time to take extreme risks. The events in Iceland should have taught us all a lesson and prompted financial service providers to reconsider their size, business, and risk strategies. But the opposite is the case, as is demonstrated in Germany by the merger between Commerzbank and Dresdner Bank. The collapse of either one of these two large banks could already threaten to bring down the whole system – a merger between the two might exacerbate the problem. Cooperation, not concentration, stabilizes the global market.

3. Countering asset inflation

Until the outbreak of the crisis, there was tremendous price inflation for assets such as land, real estate, stocks, and raw materials. Extreme price fluctuations led to considerable distortions in the real economy, for example to an often exorbitant increase in housing costs or to people going hungry because of rising food prices. There has been global consensus for many decades that we must combat price inflation on goods and services and allow independent central banks to gauge, control, and steer its growth. It is imperative that comparable measures be taken with regard to asset inflation.

4. Rating agencies and transparency

Rating agencies should no longer be involved in the development of financial products. They should also be obliged to make statements about how investments are used in the real economy and which general social and environmental conditions are being observed, in addition to performing monetary credit assessment. This regulation must be accompanied by a corresponding obligation for banks and financial institutions to provide transparent information.

5. Offshore financial centres

Offshore financial centres must be shut down, redlined, or incorporated into a new regulatory framework.

6. Education and information campaign

Policy makers and financial institutions alone cannot achieve a turnaround in the financial market. Customers must also develop critical awareness, taking into consideration sustainable social and environmental developments alongside short-term, maximum-yield investment criteria. A broad information campaign could boost awareness in this respect.

We have known for decades that a primarily capital-oriented market economy causes social and environmental problems. Its economic performance, however, had previously been considered beyond question. By now it has become clear that reorganization is necessary for economic reasons as well. The guiding principle that «what is good for the economy is good for humanity» must be changed to read, «the only task of the economy is what is good for humanity». The aggravation of the poverty crisis, the climate crisis, and the financial market crisis offers a unique chance – provided that the regulatory framework is improved accordingly. There are already numerous sensible examples and proposals to address the problems of the financial market, questions of the environment, energy sources, and fair distribution.

Let it suffice to mention the concept of a basic income, putting a price on the use of natural resources, the restructuring of tax systems according to social and ecological standards, giving preference to renewable energy sources, and the regulation and restraint of purely speculative, abstract financial operations. Moreover, there is no lack of empirically proven findings stressing that we need a fundamental change in society; there is also no lack of suggestions as to the right measures to achieve this change.

What is lacking is the political will and corresponding implementation strategy. Those with ideological, material, and political vested interests must abandon their accustomed positions so that we can tackle the reconstruction of our social systems and behaviours without preconditions. This goes for politics just as much as it does for the economy, the media, and normal citizens. In the end, the barriers to the necessary changes do not lie in economic or systemic constraints, but exist in the hearts and minds of us all.

Take Responsibility, Count on Cutbacks

How entrepreneur Max Schön handles the economic crisis

By Annette Maennel

He‘s wearing it again. It‘s his favourite tie, beige with light blue stripes, the one he made famous in Plasberg‘s Hard but Fair. He’s liked it even more since he appeared on the program.

«Out of the Crisis and Into Debt», was the name of the show that both entrepreneur Max Schön and Saarland Minister-President Peter Müller were invited to. Müller swore to the miracle of the scrap tax. Then 48-year-old Max Schön was asked his opinion on this injection of money funded by taxation. Schön, whose firm is currently suffering greatly under the financial crisis, undid his tie to demonstrate as he spoke: the state may as well decide that starting tomorrow old ties should be thrown in the trash, give out fifty euros toward the purchase of new ones, and then say that something had been done for the textile industry. He continued, «what is now being tied into economic packages mostly adds fuel to the fire, and hardly allows people to cope with the crisis.» And Max Schön knows a thing or two about crises.

After his father’s death, the tall man had to take over the Lübeck wholesaling business in steel, tools, sanitary fixtures and heating at just 23 years of age. So much for his dream of studying music for one or two semesters. He managed to expand his medium-sized firm and pilot it through the construction and shipyard crisis of the time. Then came the first shake-up: an error in the will brought a good dozen partners out of the woodwork overnight, who wanted to be paid out. This cost a lot of money. He brought his firm into the Danish firm Sanistål A/S and became a part-owner of the Danish family joint-stock corporation. Then things got tight again: the construction crisis of the mid-nineties did not spare Max Schön AG.

And today? «We had the best combined net income in September 2008» – the steel industry was booming – «just six weeks later, we needed to make the largest wave of layoffs: of the 2,500 Sanistål-AG employees in Denmark altogether, 250 people were let go». So far, the barely 200 employees of the Max Schön Group have not been affected, but business in Germany is getting more difficult. Indeed: in his opinion, the Scandinavian countries are better prepared for a crisis than Germany, and this is due to the laws as well. Denmark has no legally stipulated social criteria for layoffs. The advantage of this is that the slightest increase in economic activity results in more rapid rehiring: there is no fear of costly staff reductions. And in another Danish anomaly, unemployment compensation amounts to ninety percent of salary.

When Schön talks about it, he gets right to the point: the bureaucratic hurdles for company owners are too high, innovations and flexibility therefore fail to materialize, and responsibility gets delegated – usually to the government, as the current crisis bluntly shows. But it is business owners who should bear the risk, in both good and bad times. The three families of Sanistål-AG have now invested using private funds made in the good times; this is another part of the responsibility that a family business owner must bear. Whether things go well remains to be seen, given that the forecasts for 2009 are gloomy: orders will decrease by thirty percent, losses that reduced working hours or longer production times will not absorb.

«Investing in a sustainable enterprise means thinking long-term. Investing in sustainably energy efficiency, education and knowledge, for instance, and making it possible for citizens and companies to raise their own capital.» This is what Schön supported on Plasberg's program, and there he was pigeonholed with Renate Künast of the Greens. But Schön finds that the Greens give freedom short shrift. «We must strengthen the freedom of the individual and the responsibility for making decisions that this entails; we ought not to hinder entrepreneurship.»

But freedom and responsibility also means putting what we call prosperity to the test. Schön knows what he‘s talking about: He and his wife are taking responsibility for raising five children between the ages of ten and eighteen. They talk about the crisis at the kitchen table – and about the dire condition of the company, that they all must count on cutbacks. How do his children react? »All I can do is be honest. Sharing also means that in the good years there will be more; in the bad years less."

Max Schön is a steel, pipe, and tool wholesaler. He is also the president of the German Association of the Club of Rome. His motto: Focus on the technologies of the future that do not contribute to climate change.

The Venture Capitalist Who Dared

A Profile of John Doerr, Financier of the Green Revolution

By Felix Groba

John Doerr, the new financier of the green revolution in the United States, is a microchip kid. He has financed corporations such as Compaq, Netscape, Sun Microsystems, Amazon.com, and Google. Now he uses his talent and network to invest millions in new green technology companies.

The electrical engineer began his Silicon Valley odyssey in 1974 at small chip manufacturer Intel, which was on the verge of a breakthrough. In 1980 the Harvard graduate moved to the investment firm of Kleiner Perkins Caufield & Byers (KPCB). As a partner there, he was responsible for financing new technology and communications companies. This is how he became one of the most significant and influential venture capitalists in leading global technology companies.

Doerr thinks ahead: he thinks green. As one of the founders of the TechNet political advocacy organization, Doerr was a driving force behind the introduction of the emissions trading system in California. In addition, this active supporter of the Democratic Party is a noisy and well-funded advocate for sustainable economic development. His primary focus is on promoting environmentally friendly technologies, commodities and services. Doerr's company created a GreenTech fund in 2006 with 600 million dollars in assets for this cause. In the six years prior, he invested 270 million in some two dozen new technology companies that aimed to reduce the emissions of greenhouse gases.

Doerr attracted environmental activist and ex-Vice-President of the United States Al Gore as a partner in his firm. In 2007, the two co-founded the GreenTech Innovation Network, which has as its goal the targeted promotion and comprehensive financing of green technologies and corporations. The newest idea at the investment firm is a collaboration with Think Global, a Norwegian electric car manufacturer, to put 50,000 electric cars on the streets of America and create a corresponding regional supply network.

Doerr‘s appointment to the Economic Recovery Advisory Board in February of 2009 shows how much importance President Obama attaches to gre

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