

## The EU's green deal is a colossal exercise in greenwashing

Yanis Varoufakis, David Adler, *The Guardian*, February 7, 2020\*

Emergencies tend to reveal our true priorities. When our house is burning down or the storm waters are flooding in, we hold on to what we value most, and leave the rest behind.

A decade ago, the leaders of the European Union found themselves facing such a moment. With the French and German banks falling into a black hole, they did whatever it took to save them. Between 2009 and 2013, European governments channelled €1.6tn (£1.36tn) to Europe's bankers, while imposing stringent austerity upon the European citizens they pledged to serve. When in 2015 they realised that more support was necessary, the European Central Bank printed €2.6tn over just four years.

Now, Europe confronts a crisis of far greater severity: a climate emergency. And so, last month, EU commission president Ursula von der Leyen unveiled the European green deal, a €1tn, 10-year plan to reduce the EU's greenhouse gas emissions by at least 50% compared with 1990. "This is Europe's man on the moon moment," said Von der Leyen.

At first, one cannot resist comparing the two sums and the priorities they reveal: more than €4.2tn to save Europe's financial sector; €1tn to save our world. But things are far worse than that. Whereas the €4.2tn for the financiers was new, actual funding, the €1tn that Von der Leyen has promised across 10 years in her green deal – €100bn annually – is mostly smoke and mirrors.

Contrary to Von der Leyen's pledge to deliver a "green investment wave", the green deal is largely composed of reshuffled money from existing EU funds and reheated promises to mobilise private-sector capital down the road. In total, the green deal will generate just €7.5bn in new budget commitments, stretched over seven years. By way of comparison, the commission is set to spend €29bn – almost four times more – on "unnecessary" and environmentally destructive gas projects, according to a recent study. So much for a lunar landing.

Looking at it dispassionately, Europe's green deal fails to inspire on all three important criteria: size, composition and scope.

Setting aside the fact that the €100bn per annum is so far fictitious, it does not come close to the funding needed to deliver the targets. Don't take our word for it. The commission itself estimates that Europe needs €260bn annually to achieve its 2030 climate and energy targets – more than double the amount on offer. And that was before the commission upgraded those targets last year.

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The composition of the green deal is another cause for despair. The so-called sustainable Europe investment plan waxes lyrical in the language of “mobilisation”, pledging to unlock billions of privately held euros in the interests of sustainable investment. Much like the Junckerplan before it, the green deal proposes to encourage private investment by shifting risk from privateers to the EU budget. But this does not reduce risk – it simply shifts it on to the shoulders of the European public, while ensuring that private investors enjoy all of the gains. Without a plan to coordinate energy production and distribution within a proper energy union, the commission's commitment to private capital promises only to intensify inequalities within and between member states.

This brings us to the green deal's scope. On paper, the plan looks impressively holistic, from a “farm to fork” sustainable food strategy to a “new circular economy action plan”. However, its capacity to transform Europeans' lives is circumscribed by the commission's commitment to the austrian straitjacket of the “stability and growth pact”, which has condemned Europe to chronic stagnation. Valdis Dombrovskis, the commissioner at the helm of the green deal's investment plan, has said that he is keen to avoid the “divisive debate” of loosening fiscal rules.

In short, the Green Deal is a plan for preservation, not transformation.

The so-called “just transition mechanism” – the commission's plan to support communities negatively affected by the shift away from fossil fuels – illustrates this logic of preservation. Von der Leyen has pitched the just transition mechanism as a “pledge of solidarity and fairness”. But to whom? Will there be “justice” for the communities across Germany and France that have been asked to shoulder the costs of the climate transition? Does it speak to the swathes of Greek or Portuguese people who cannot afford to care about carbon emissions in 2050, preoccupied as they are with making ends meet this week? The stark answer is no.

The just transition mechanism will “mobilise” a total of €100bn over 10 years towards coal-producing countries such as Hungary and Poland, which expect to see a “very significant part” of the funding. Support for coal-dependent regions is an essential dimension of the just transition. But it does not take a cynic to see that the deployment of just transition funding in the green deal is a pork-barrel payoff to rightwing governments that supported Von der Leyen's election and who she fears might throw a spanner into her proposal. Entrusting these governments to deliver the just transition – given their extensive track record of corruption and abuse of EU funds – seems unwise.

Von der Leyen is fond of speaking about the green deal as a big structural change. “Our goal is to reconcile the economy with our planet,” she has said. But at the same time, the EU has approved and supported the construction of a multibillion-euro pipeline to transport gas between Israel and the EU, passing through the debtor's prison in which the Greek people continue to languish.

Thankfully, hope is alive here in Europe. Together with our organisation, the Democracy in Europe Movement 2025, a coalition of European scientists, activists and trade unions has developed the Blueprint for Europe's Just Transition, a plan to invest 5% of the EU's GDP in carbon-neutral, just and shared prosperity.

Climate activists will not be placated. In Brussels and around the world, the calls for a genuine green new deal continue to grow louder. They will not allow the EU green deal to co-opt their slogans while excluding their substance. Because this is an emergency, and a "greenwashed" status quo is simply not enough.