

# Debt vs. Localization: Climate Justice in the New Economy

David Korten: Where does the concept of “climate debt” fit into a New Economy framework?

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The people worst-affected by climate change—the developing world's poor—are also the ones who did the least to cause it. The image above is part of a collection from artists around the world who have painted canvases illustrating the human impact of climate change in their countries.

Image by [Oxfam International](#).

As the climate changes, the consequences for poor people in low-income countries—those who have had no part in the profligate consumption that created the problem—will be particularly devastating. This fact is bringing climate justice to the fore of the agenda for many progressive groups that deal with international issues. But even among those groups, all proposals for dealing equitably with the climate crisis are not equal. The differences between them highlight an important contrast between Old Economy and New Economy perspectives.

That difference is highlighted by blogs on the issue by two progressive friends and colleagues I greatly admire. A blog by Naomi Klein titled "[Climate Rage](#)" spells out the Old Economy's “climate debt” take on climate justice. A blog by Gustavo Esteva with Juliette Beck, titled "[Let's See Ourselves](#)," presents a New Economy take that focuses on localization. The contrast between the perspectives brings to mind the wisdom of Albert Einstein, who observed that a problem cannot be solved within the same conceptual frame that created it.

The underlying values and intention of the two perspectives are much the same: Both recognize the seriousness of climate change and the need for decisive action to address the unjust burden that it imposes on the poor. The solutions they put forward, however, are strikingly different. I urge you to read both articles with the following observations in mind.

The climate debt approach calculates the economic cost, for poor people in poor countries, of the climate disruptions caused by profligate consumption in rich countries and demands compensating financial payment. The moral case is clear and unassailable, but by framing both the problem and the solution in financial terms, it embraces an Old Economy frame in which money is the defining value, power is conceded to those who control money's creation and allocation, and the remediation of environmental damage is simply a financial issue.

The foreign aid system within which I worked for some 30 years used the same Old Economy frame. In

the name of helping the poor, that system consistently fed corruption as it transferred money from the poor of rich countries to the rich of poor countries. That money often supported aid projects that in fact transferred control of land and water resources to the relatively more wealthy—resources from which the poor traditionally derived their livelihoods. Rather than helping to balance the scales, this process accelerated the social and environmental destruction at the heart of current concerns about climate justice.



[Climate Action](#) What will it take to avert disastrous climate change?

Well intentioned though the climate debt solution may be, there is no reason to believe that a program of financial reparations from the global North to the global South will play out differently than the past 60-plus years of foreign aid. In itself, it will do nothing to redistribute wealth from rich to poor or to change the institutions and behaviors responsible for the climate crisis.

In contrast, by focusing on the local control and sustainable beneficial use of Earth's real resources, the localization perspective embraces the [New Economy frame](#). It recognizes life, rather than money, as the defining value. It recognizes that the locus of power and leadership initiative must reside with local people engaged in stewarding Earth's resources to ensure sustainable livelihoods for themselves and their children for generations to come. They know the devastating consequences of the Old Economy from their everyday experience. They have the needed moral authority, the political power of numbers, and the necessary local knowledge.

As Wall Street has so dramatically demonstrated, the world of money is a world of illusions, accounting tricks, and scams by which the rich expand their control of Earth's declining base of real living wealth without the burden of producing anything of value in return. We must turn our attention to defining problems and solutions in terms of the goal of restoring and equitably stewarding Earth's real living wealth.

The foremost obligation of those of us who have been the beneficiaries of the rapacious excesses of the Old Economy is to change the way we live to dramatically reduce our burden on Earth's biosphere and bring an end to our expropriation of the resources of others. [Restructuring and democratizing the institutions of money](#) will be a necessary part of this process. It requires a great deal more than the climate debt solution of a money transfer. It requires changing our values, our institutions, and the way we live.



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