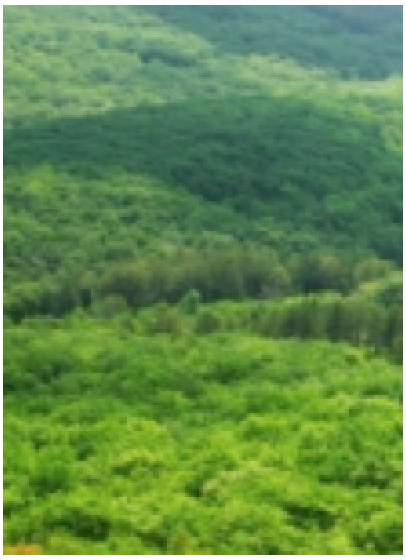
Written by **James Heiser** on February 26, 2011

UN's Green Economy May Cost $2.5 Trillion a Year



The report, *Toward a Green Economy*, was issued by the United Nations Environment Programme (UNEP) on February 21. The accompanying press release offered a mixture of fear and high finance, bemoaning the plight of the world's poorest citizens, while insisting that their economic woes could not be alleviated by means which would increase the damage which development inflicts on the environment. In the zero sum economics which have long plagued the thinking of the radical wing of the environmentalist movement, this means wealth must be shifted from the developed world to the undeveloped world. In the words of the press release:

> Investing two per cent of global GDP into ten key sectors can kick-start a transition towards a low carbon, resource efficient Green Economy a new report launched today says.
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> The sum, currently amounting to an average of around $1.3 trillion a year and backed by forward-looking national and international policies, would grow the global economy at around the same rate if not higher than those forecast, under current economic models. But without rising risks, shocks, scarcities and crises increasingly inherent in the existing, resource-depleting, high carbon 'brown' economy, says the study.
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> As such, it comprehensively challenges the myth of a trade off between environmental investments and economic growth and instead points to a current "gross misallocation of capital."

Note that the "current" level would be an average of "around $1.3 trillion a year" or "two per cent of global GDP"; in keeping with the usual distribution of such costs, the burden will rest on the developed world. Apparently that current "gross misallocation of capital" can be found in your home, your car and — in general— your bank account; and that "gross misallocation" needs to be corrected or (in keeping with the shopworn screed of the Eco-Left) the planet will burn.

However, as stunning as a $1.3 trillion per year redistribution of wealth would be, the actual number which the UN may seek to impose could be much higher; as noted by the Associated Press, the "investments" could actually be as high as "$2.59 trillion per year" to "make the world's economy environmentally sustainable."

The UNEP's "Synthesis for Policy Makers" explains that the problem of such "gross misallocation of capital" has developed because capitalism has the wrong priorities:

> Existing policies and market incentives have contributed to this problem of capital misallocation because they allow businesses to run up significant social and environmental externalities, largely unaccounted for and unchecked. "Unfettered markets are not meant to solve social problems" so there is a need for better public policies, including pricing and regulatory measures, to change

> the perverse market incentives that drive this capital misallocation and ignore social and environmental externalities.

Now, if the UNEP has its way, “pricing and regulatory measures” will apparently have an expanded role in changing “perverse” (i.e., profitable) market incentives. The UNEP’s “Synthesis” promotes manipulating the tax structure to force funding to flow to serve its agenda: “Taxes and other market-based instruments can be used to stimulate the necessary investment and innovation for funding the transition.”

But a market is no longer free when artificial “incentives” and “disincentives” are created to herd investment in directions which would normally be irrational from the standpoint of economics. Funds appropriated through taxation and government-imposed systems of “carbon credits” create a make-believe world where the real costs and benefits of business decisions have been replaced by artificial costs and rewards.

Furthermore, the UNEP even rejects standard means of evaluating a nation’s economic condition; in the words of the “Synthesis for Policy Makers”: “Conventional economic indicators, such as GDP, provide a distorted lens for economic performance particularly since such measures fail to reflect the extent to which production and consumption activities may be drawing down natural capital.” Of course, banishing the use of GDP from the lexicon of economics might make it a little easier to hide the crippling blow which the UNEP program would impose on the developed nations of the world.

International economic redistribution (termed “social equity”) remains a fundamental aspect of a “green economy” in the vision of the UNEP; Socialism is the subtext of saving the planet. In the words of the “Synthesis for Policy Makers”:

> UNEP defines a green economy as one that results in *improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities*. In its simplest expression, a green economy can be thought of as one which is low carbon, resource efficient and socially inclusive. [Emphasis in original.]

The two agendas — social equity and environmental risk — are inseparable in the U.N. agenda for the environment. “Social inclusivity” has little to do with addressing real world environmental problems, but it is a key, motivating principle for the UNEP’s plans to use as much as $2.5 trillion a year to reshape the global economy order. Those individuals responsible for drafting the proposal appear to be intent on ignoring the shift in Western opinion regarding the purported science behind manmade “climate change”; they are counting on continuing to inculcate a sense of inevitability in their proposals. However, as became clear when the Climate Change Conference in Copenhagen unraveled, the UN’s “environmental” agenda is far from inevitable. An informed public can keep the pressure on their elected officials to stop the implementation of UNEP’s redistributionist schemes.