

Countering the narrative of decline: the great transformation as a global story of hope

Speech by Former German President Horst Köhler
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I.

It is a great honor to speak to you today. I am proud that this convention takes place in my home state of Baden-Württemberg, in the vibrant city of Freiburg. For all those of you who are here for the first time, you must know that Freiburg's reputation in Germany is almost too good to be true: Many Germans not living in Freiburg envy Freiburg for its sunniness, its coolness, its openness and its greenness. Enjoy it while you are here!

When I read the participant's list of this convention, I couldn't help but feel humbled by the many outstanding women and men from all over the world assembled here. Many of you have been recognized by awards – you have been awarded for your creativity, your leadership, and your courage. I know that for many of you, the issue I am speaking about today is not just an intellectual exercise, but a very *personal* issue: the great transformation towards a sustainable world. Many of you have been passionate pioneers of this transformation for your whole lives. I deeply respect and admire your commitment, and I am grateful for being here with you.

Your convention takes place at a time of growing uncertainty. The world is in disarray – the refugee crisis, the chaos in the Middle East, the worries about the world economy, the ongoing environmental disasters in many corners of the planet, the rise of populism in some of the world's oldest democracies... We all know this list. And yet what is especially worrisome is that there doesn't seem to be a basis for confidence about how to really get out of the several messes we are in. It feels like the world, beyond all short-term crises, is going in the wrong direction on a very profound level. Maybe the biggest crisis of all is the crisis of confidence in the ability of politics to find lasting solutions.

At a time where crises suck up all the political oxygen in the room, it can be difficult to find energy to think about more fundamental issues. And yet I believe that it is important to think about the great transformation and to work on it precisely at this point in time, maybe more so than ever. Because many of the difficulties we encounter while moving towards a more sustainable world are symptoms of the larger state of disorder that we find ourselves in. They are symptoms of much deeper-lying tensions and dilemmas which our societies, our economies, and our political systems face in this extremely complex 21st century.

II.

Maybe we have such difficulties in shaping our future because we understand so little of our present. Aren't these strange times that we live in? At no point in history has it been clearer: our problems are complex, our problems are long-term, and our problems are global. And yet those political forces are on the rise whose answers are simple, whose answers are short-term,

and whose answers are national. What a paradox! And it's even more paradoxical to see that it is especially in Western democracies where global cooperation becomes more and more discredited and ridiculed. Wasn't it the West which set-up the international system of cooperation and trade after World War II? Wasn't it the West which benefited the most from this system in the past decades? And now openness and cooperation are supposed to be the enemy? This is as absurd as it is dangerous.

The populists of our times – in Germany, in Europe, and across the oceans – are the profiteers of uncertainty in this rapidly changing world. The speed and profoundness of the changes in this century are overwhelming for many. It is a world where politics seems to have lost control in many areas, and people have the feeling that control over their own lives is slowly slipping away. Slogans like 'build a wall' aim at creating an *illusion of control*.

We must take seriously those who fear that they are forgotten amidst all change, that the current social and economic shifts are a threat for their future. Business as usual as a reaction to those fears will fail. But it makes me angry to see charlatans exploiting people's anxieties for their own political gain. They will make life harder for exactly those people they are pretending to defend. All the populists have in common that they do not offer real alternatives. After all it is no coincidence that the rising stars of the extreme rights in Europe and the US deny man-made climate change: When they are confronted with a problem which very obviously cannot be solved by a nation state alone, the problem is declared to be non-existent.

Taking seriously the uneasiness of people requires taking seriously the real problems which this planet is facing. Let me therefore begin by describing what I see as the starting point for the great transformation.

III.

Most of you know this far better than me: the burning of fossil fuels has increased the concentration of greenhouse gases in our atmosphere to unprecedented levels. 15 of the 16 hottest years on record have been in the 21st century. Every snowflake in November here in Europe triggers inevitable jokes about global warming not being serious, but climate change is already today affecting millions of people in very real terms. And it threatens those the most who have contributed to it the least: Nomads in the Sahel, inhabitants of Pacific islands and coastal states like Bangladesh, or farmers in the Andes. The consequences for the global North will get real, the very latest, at the moment the first climate refugees arrive: The UN estimates their numbers over the next 30 years at up to 200 million, should the two-degree goal not be met.

Now – a refugee can be sent back (although he might not have somewhere to return to, if his home is underwater). But most *ecological* consequences of global warming are irreversible. The climate is not like an indoor plant – if the plant dries up, you just buy a new one; but there's no such thing as a store for replacement ecosystems. In many areas we are approaching dangerous 'tipping points' which, once crossed, may cause abrupt and irreversible (irreversible!) changes to the earth's ecosystem. That is what makes fighting climate change unique. Politics and policies are confronted with a new quality of challenge:

they need to meet concrete deadlines. You cannot ask the climate for an extension just because you failed to do your homework. You can't just make a deal with the climate. The method of buying time, which is so popular in politics, reaches its limits when it comes to global warming. I will come back to that later.

However, there is another issue that more than anything else shows the urgency of the ecological crisis: I am talking about global population growth, the more than 700 million people still living in extreme poverty and the growth of the global middle class. Decarbonizing the economies of industrialized countries would be difficult enough. But at the same time, we must enable massive growth in poor countries – where people need hospitals, schools, streets, and electricity, where they need education, jobs, and incomes. But which natural resources should feed this growth? After all we are *already* pushing our planet's boundaries!

I am asking this question because I am not always sure whether we have grasped the gigantic dimensions of this challenge. Sometimes our talking about sustainability can sound a bit too smooth, a bit too easy. Only when taking a global perspective and when considering the social and the ecological question *together* we get a feeling for what lies ahead. Humanity's greatest challenge in the 21st century is to enable all people to live in dignity without destroying our planet. This goal cannot be reached with the current models of economic growth. If everybody produced and consumed like Europeans and Americans, we would need three or four planets in reserve.

One possible solution is out of the question: Europe and the US can't just say 'Well, if our way of life is not universally applicable, then let the others do things differently'. That approach would be the definition of immorality. The philosopher Vittorio Hösle once wrote: "Since universal applicability is the principle of modern ethics, the realization that our lifestyle is *not* universally applicable can, by modernity's own yardstick, mean nothing other than that it is immoral". I had to think of this when I was at the annual meeting of the African Development Bank last year. There I learned that Germany, as a shareholder of the bank, had voted against a new coal-fired power plant in South Africa. A correct decision for the climate, for sure. But African presidents also told me: 'Dear brother, we know that Germany is still addicted to coal – because of the jobs. And now you want to tell us that we have to do without? How should we get our industry going without a stable supply of energy? Don't *our* young people need jobs, too?' – That is what my African colleagues said.

Ladies and gentlemen, don't get me wrong: I certainly know better than advocating for new coal-fired power plants at a meeting of environmental laureates. My point is: yes, there are alternatives to coal, but these alternatives exist in industrialized countries, too! Let's stop the hypocrisy! Fighting extreme poverty and protecting our planet is deeply intertwined, we cannot do one without the other. The transformation of developing economies requires a structural transformation in industrialized countries. The transformation needs to start here, in Germany, in Europe, in the global North. We need to change the way we produce and consume energy, how we travel and transport goods, how we eat and how we work. This will be a tremendous challenge, but it will also offer new opportunities.

IV.

These days we hear more about missed chances than about opportunities. We are getting used to ever more bad news from the world of international politics. That is why we should embrace all those developments that give us reason for hope. From today's point of view, it is almost a miracle what happened one and a half years ago in New York and in Paris.

I am talking about the United Nations' 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change. Both agreements show that it is possible for all countries on Earth to come together, to discuss and to define a way forward, despite different interests. That is why I see both agreements as the strategic antithesis to a world in disarray, a positive alternative to the storyline of decline. Both agreements are also a clear sign that the United Nations is needed more than ever.

All of this makes me hopeful. Taken together, these two agreements present a valuable consensus: that we want to be the first generation to end extreme poverty and the last generation to be threatened by climate change. Bringing together the economic, ecological and social dimensions of human development, the 2030 Agenda requires change in the North and the South, in the East and the West. The 2030 Agenda and the Paris Agreement provide a powerful conceptual and political framework for the Great Transformation: Now, no one can pretend anymore not to know where to go from here on onwards.

Since the adoption of the 2030 Agenda and the Paris Climate Agreement, much has been done already: In 2016, 22 countries have presented their reports on how they are implementing the 2030 Agenda, amongst them heavyweights such as China, industrialized countries including France and Germany, and a number of developing countries, Sierra Leone and Uganda, for instance. And at the last climate negotiations in Marrakech in November last year, four countries went ahead and presented plans on how they want to reach their climate commitments by 2050. Germany was one of those four countries.

But is this really enough? I think we all agree that the two agreements are as much a reason for optimism as they are a call to action. Already the forces of a counter-transformation are gathering strength. The consensus of 2015 is fragile and we will need to fight for it. Furthermore, even those countries which are at the forefront of taking action must ask themselves: is this really enough? Are our actions commensurate to the measurable requirements posed by climate change? Have we really understood the speed and the extent of the necessary changes?

Allow me to give you an example from my own country why I think these questions need to be asked. Germany presented a climate action plan in Marrakech and was rightfully applauded for that. And yet the way in which this plan came into being was a bit painful to watch. It tells us a lot about the real-life difficulties of transformative policies. The environmental minister had put forth an ambitious draft of the plan. After weeks of industry complaints and consultations with the various governmental departments, little ambition was left. The plan lists the necessary emission reductions for each industry until 2050, but it does not spell out *how* these goals will be met. Don't we all know that reducing emission at such a scale will not be possible without saying good bye to the combustion engine, without phasing-

out coal power, without reducing our meat consumption, without an ecological tax reform? And yet, instead of telling the truth fair and square, the plan beats around the bushes. Bold action is postponed.

I am asking myself: Why does it prove so difficult to translate knowledge into action? Why is the politics of transformation moving so slowly, so timidly?

Let me try an answer. Maybe this answer also gets us closer to understanding our troubled present.

V.

Ladies and gentlemen,

Humans are full of contradictions: we can love and hate at the same time; we often know what is right and still do the wrong thing. Politics is a reflection of these inherent human paradoxes. Politics stands for all our conflicting needs, hopes, and fears. Democracy is an attempt to reconcile all those different interests co-existing within our societies.

What makes the great transformation so difficult is that we do not only need to balance and reconcile these different interests in our societies of the present, but also across time and space. I have said at the beginning of this speech that our challenges are global and long-term. Consequently, the two basic principles guiding a great transformation are interdependence and permanence.

The first principle, interdependence, means that our fates are bound together in a common ecosphere and a globally connected economy. No country, as powerful or as rich as it may be, will be able to sustain its prosperity without taking into account the perspectives of other countries. Politics in an interdependent age needs to consider the interests not only of the citizens of a specific nation state, but also of those living in other parts of the world. How is this possible if those legitimizing political decisions are only the citizens of that specific nation state?

The second principle, permanence, means that our actions and political decisions in the present have effects far into the future. I borrowed this term from the German-American philosopher Hans Jonas, who in 1979 wrote about the “Imperative of Responsibility”: “Act so that the effects of your action are compatible with the permanence of genuine human life on earth.” And yet our democracies think in terms of electoral cycles. Elections legitimize political decisions; this is the very foundation on which our system is built. The problem is, however, that policies are made and legitimized at a point in time when their long-term effects are not felt yet. This is why our systems encourage short-term solutions instead of long-term ones. So, every generation has to live with the consequences of policies made before them, policies which they had no say in. What does this mean in times of irreversible climate change?

To make a long story short: Our democratic systems are bound by time and space and yet the solutions which our democracies produce must transcend exactly these boundaries. This is the core of the dilemma which makes the great transformation so challenging.

I don't want to ruin your evening, but this is not the moment when I pull a white rabbit out of my hat. There is no easy solution to this dilemma. But there are two thoughts on how to deal with it which I would like to share with you – one economic and one political thought.

VI.

First: Long-term thinking is not only a moral issue, it is first and foremost an economic one. The longer we put off adapting to the reality of climate change, the harder and the more expensive it will ultimately be, once change is inevitable. That is why the argument of possible job losses, with which many in the car industry or the coal industry resist transformation, is so weak. Yes, any job loss is painful, for the individual, for the company, and for society. But that cannot be an excuse to bury the head in the sand. On the contrary: if you are serious about securing jobs, you need constant adaptation to the reality, meaning innovation, innovation, innovation. And the reality is: the decarbonization of our economies will come. Desperately clinging to fossil fuels does not save jobs, it kills them.

It is a constant struggle for all businesses in a market economy to reconcile their short-term profits with their long-term business model. This tension has always been there and it is not going away. But in the light of the gigantic challenges in the 21st century we need to rethink the relationship between the market and the state governing this tension.

For a successful transformation we need both: the market and the state. Markets create innovation through the competition of ideas as well as through creative destruction. But they do not simply change everything for the better. The 'invisible hand' is successful only under certain conditions; conditions that have to be set and enforced by the state. These conditions include free competition and prices that tell the truth; that is, prices that reflect the real costs of products regardless of when and where they occur.

In that regard, the free market is currently playing a very dishonest game. We live in a global economy that is systematically externalizing the actual social and ecological costs of products to other continents and future generations. This has nothing to do with free competition: those who play fair and attempt to include all costs in their prices have a much harder time competing.

This is why global warming is the greatest market failure in the history of mankind. As long as emitting carbon dioxide is still mostly free of charge, the emissions party will go on. And while the bill is paid by all of us, it hurts especially those that have no benefits from it – the world's poor and future generations. We therefore finally need an effective price on carbon, either through a tax or a system of emissions trading that actually works. Only then will those companies be rewarded that take decarbonization seriously. A real price on CO₂ emissions would trigger a global race for the best solutions for a climate-neutral economy.

I was encouraged to read that a group of Republican elder-statesmen, the Climate Leadership Council, has put forward a plan for a carbon tax in the United States. Of course, it is unclear whether this plan will have any chance of success under the new administration. But it is encouraging to see that – even in the United States – the need for a price on carbon is starting

to be seen across the political spectrum. This is not about left or right. This is about sensible economics.

My second thought on how to deal with the dilemma of interdependence and permanence in time-bound democracies is about politics as such. We cannot just overrule democratic decision-making for the sake of future generations – this would be an eco-dictatorship. But we need a new awareness for the long-term consequences of our policies, just as Hans Jonas has proposed with his Imperative of Responsibility. With that awareness comes an understanding of democracy which does not shy away from a basic truth: there is no change without contradictions and conflicts. But if these conflicts are brought out in the open, if their complexity is made transparent, if the uncertainty of the answers we are trying to find is revealed – then politics will in my view not lose, but *gain* credibility. If we can find a new, honest, truthful way of dealing with the challenges of the 21st century, then the transformation could revive trust in the ability of politics to act. Then the transformation could renew faith in democracy as such.

I firmly believe that market economy and democracy, not planned economy and authoritarianism, are the best systems for transformation: Because only they can unleash the necessary creativity; because they allow for a learning process of ‘trial and error’; and because they can accommodate the fact that there is no central master plan. In the end there will be countless decentralized, bottom-up transformations which eventually will come together to form a comprehensive whole. The bottom-up character of many of these transitions also requires that we see action not only on the international level and by nation-states. Rather we also need to allow local communities and cities to play their role and be involved in the search process for solutions. They are much more flexible in experimenting and finding answers and they are also much closer to citizens and their demands. As laboratories of change they could increase the public’s ownership and support for the necessary changes. To me, Freiburg seems to be such a laboratory of change.

Be it the local, the national or the global level: I strongly believe that politics in democracies is more than the sum of all individual interests. Making sense of all the contradictions and dilemmas would overwhelm each of us individually. Finding coherent answers to our global and long-term challenges is something we can achieve only collectively.

VII.

And together, we will succeed. This is my last point for today: I believe we must frame the great transformation not as a horror story, but as a story of hope. There is much to say about the dangers of climate change or about the threats of population growth and poverty. But let’s make the great transformation about something else. What we see is not carnage, but promise, what pushes us forward is not fear, but curiosity, what we aspire to is not confrontation, but cooperation. The great transformation can give direction in times of disorientation. Whenever I talk to people who are concerned about this world in disorder, I am surprised by their willingness to search for new answers and their courage to question the old ways. Many people intuitively understand that ‘business as usual’ is no longer possible and that our economic model pushes the system to its limits.

The story which the transformation tells goes something like this: It *is* possible to shape our futures if we embrace the inevitable change and not try to evade it. It *is* possible to be prosperous *and* respect nature – it might even make us happier. It *is* possible to live a life in dignity and at the same time allow people in other parts of the world and our grandchildren to live such a life, too. The basic principles of the great transformation – respect for the interdependence and the permanence of human life on this planet – are inherently human: Everybody wants to live in a peaceful world, and everybody wants to breathe clean air. It was never more important than in these days to remind ourselves that in all our diversity, we all have the same basic needs.

And that is why I say tonight, particularly to those of you who have been fighting for global cooperation and environmental protection for years and decades now: Do not let anyone talk down the significance of your work. Do not get distracted by the prophets of doom and decline and division. If they want to change the conversation, if they say that other things are more important now, then answer with courage and pride: We need this transformation not *despite*, but *because of* all the crises.

And yes, allow others to challenge you. Dare to challenge yourself to get out of the comfort zone, dare to leave the expert communities, talk to those who have a different world view, talk even to those who cannot relate to you at all. Talk to those who are afraid of change.

Listen to them. And then: tell them a story of hope.