

# Governance Failure

Why carbon markets will not bring about radical emissions reductions

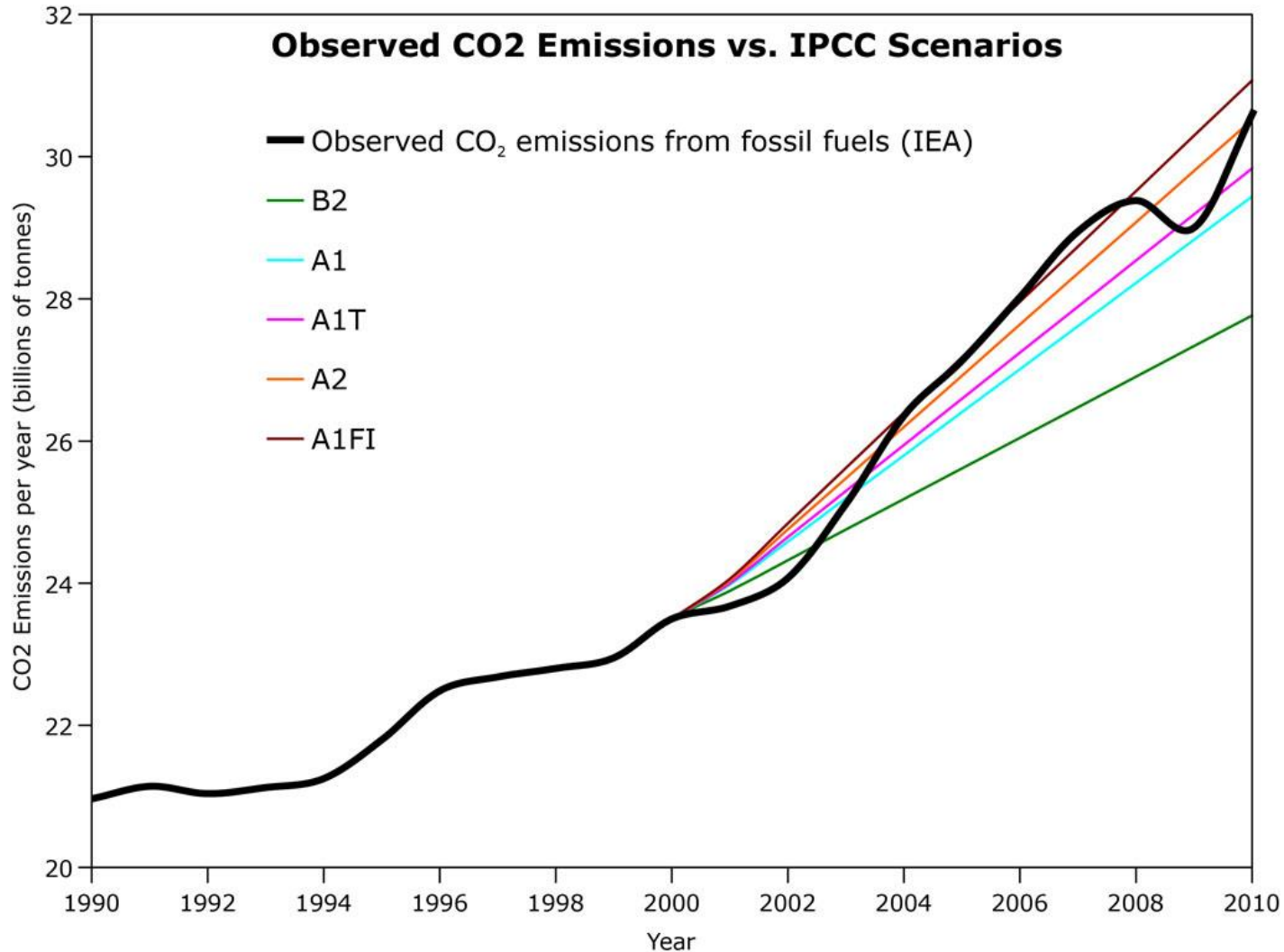
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The Radical Emission Reduction Conference  
10-11 December 2013

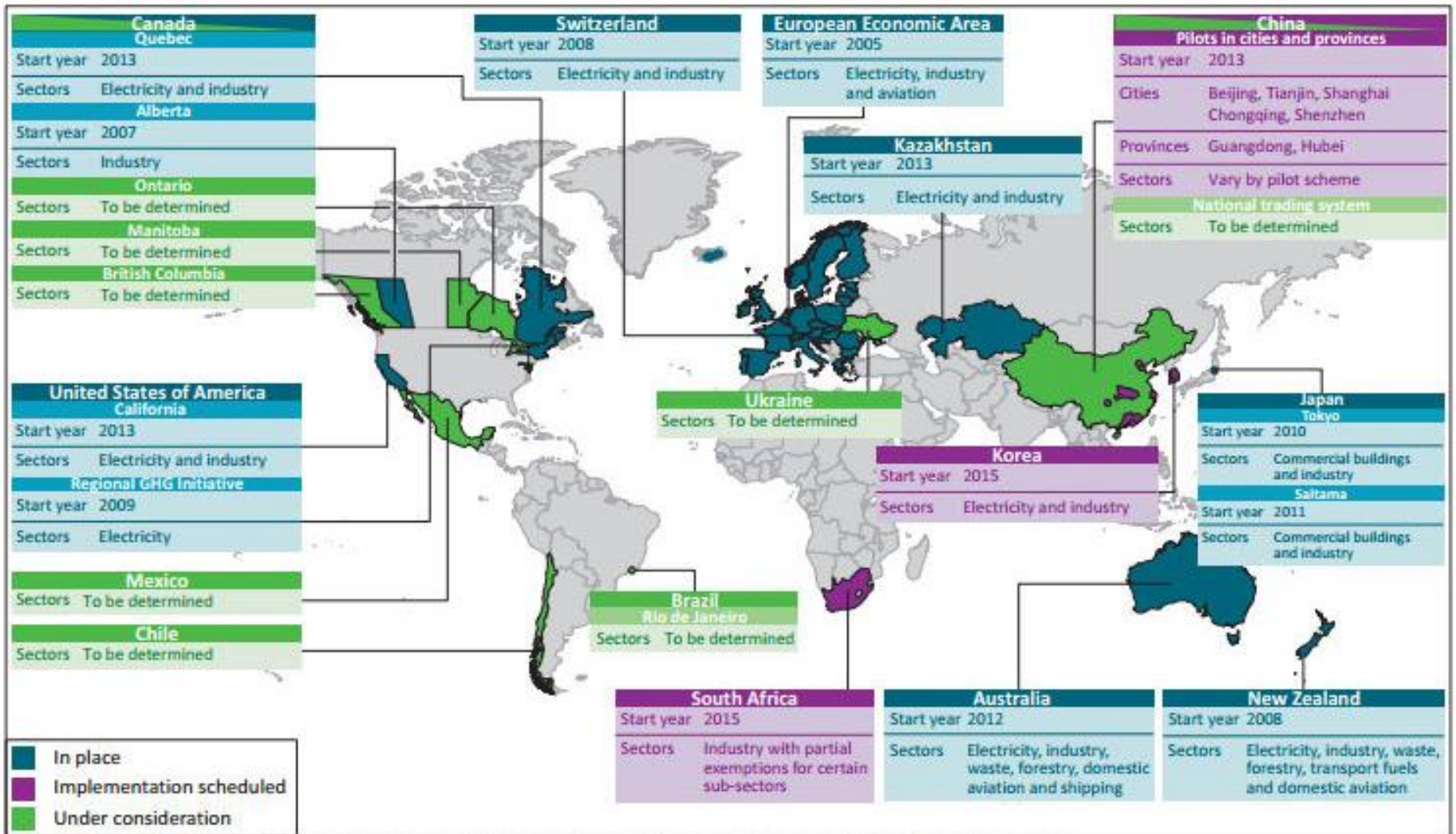
# Despite overshooting, growth mantra continues

- The Earth has already exceeded its capacity to supply source and sink resources;
- Consumption and population drivers continue to rise dramatically;
- Overshoot is already happening; more resources are being used than can be regenerated each year;
- Economic growth and rise of GDP are still primary political goals in most countries;
- Yet, indefinite growth is impossible in a finite world;
- Overshoots of consumption will create crashes when finite limits are reached.

# IPCC tends to underestimate carbon emissions



# Carbon markets: world's preferred policy choice



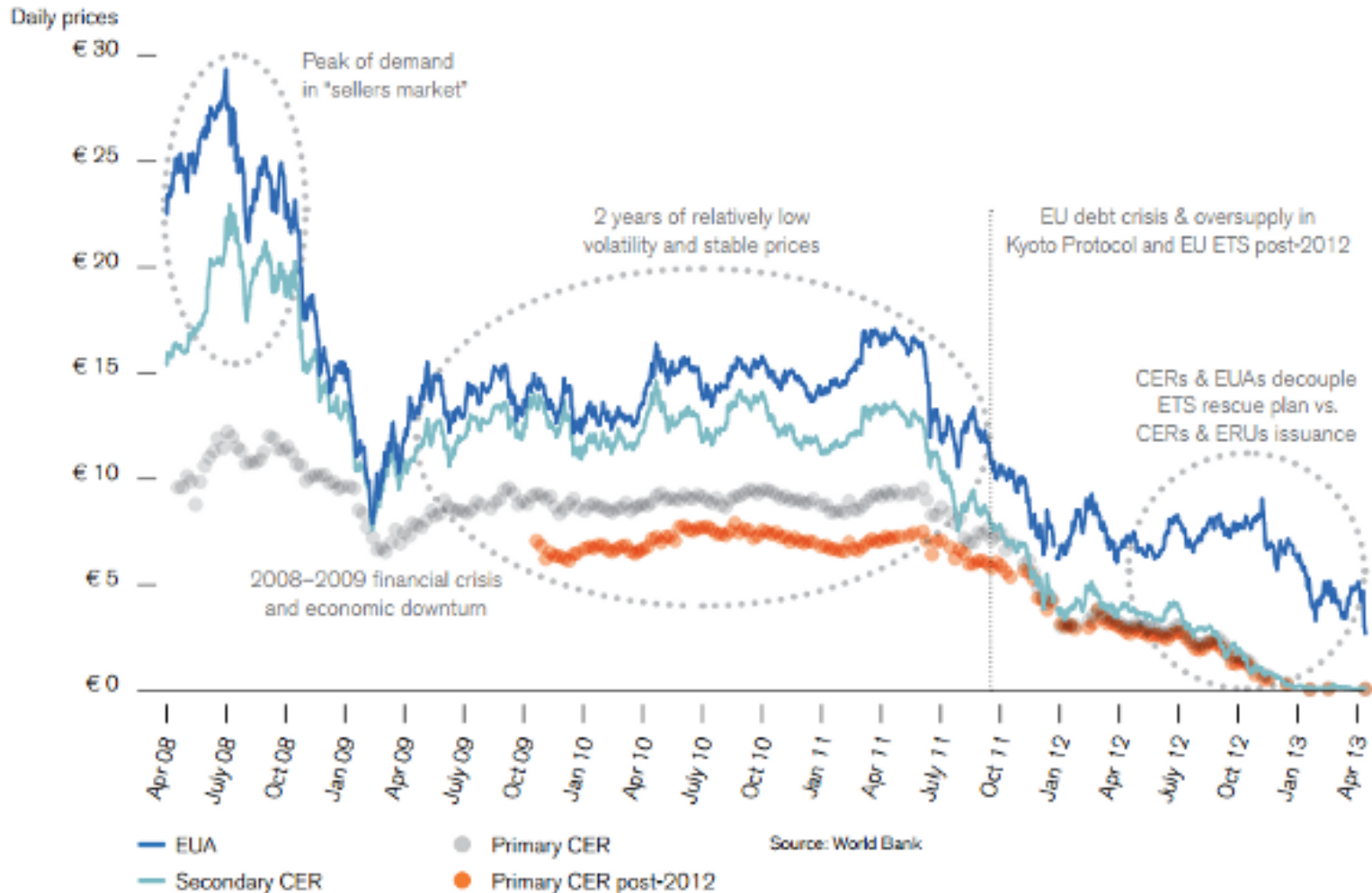


# Why have carbon markets failed? 10 reasons

- Non-additionality but business-as-usual
- Corruption and capture by elites
- Windfalls for fossil fuel industries
- “Total lack of environmental integrity” (Connie Hedegaard)
- Lip service to sustainable development
- Little or no community involvement
- Little or no accountability and transparency
- Carbon price provides no signal
- Enables the North to look green, while the South suffers most from climate change
- Production focus but consumption is key



# Indian carbon trader: "CER price is a joke"



# GFL: excessive profits, corruption, health impacts



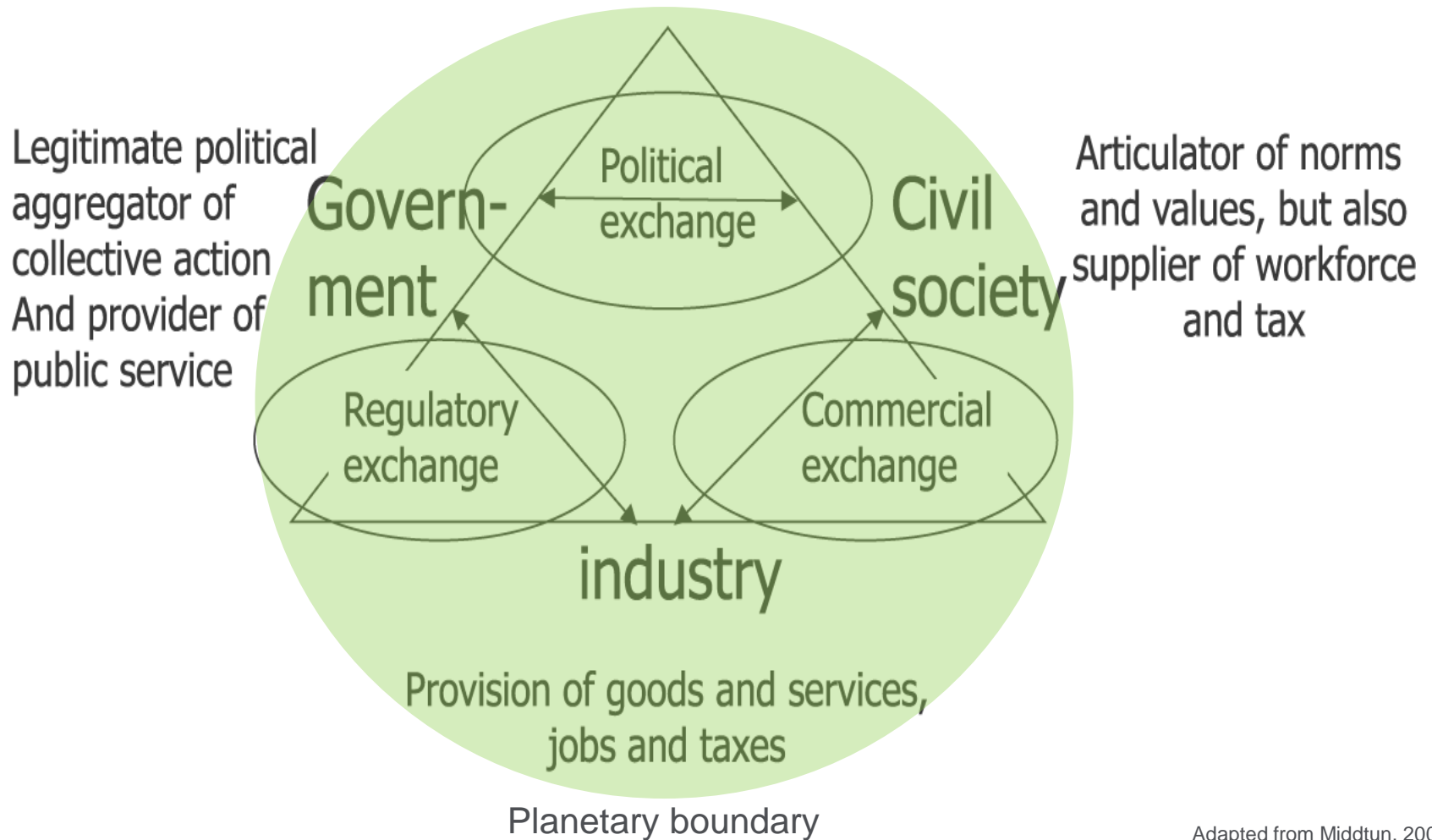


# India wind farms: Triple bottom line vs triple profits

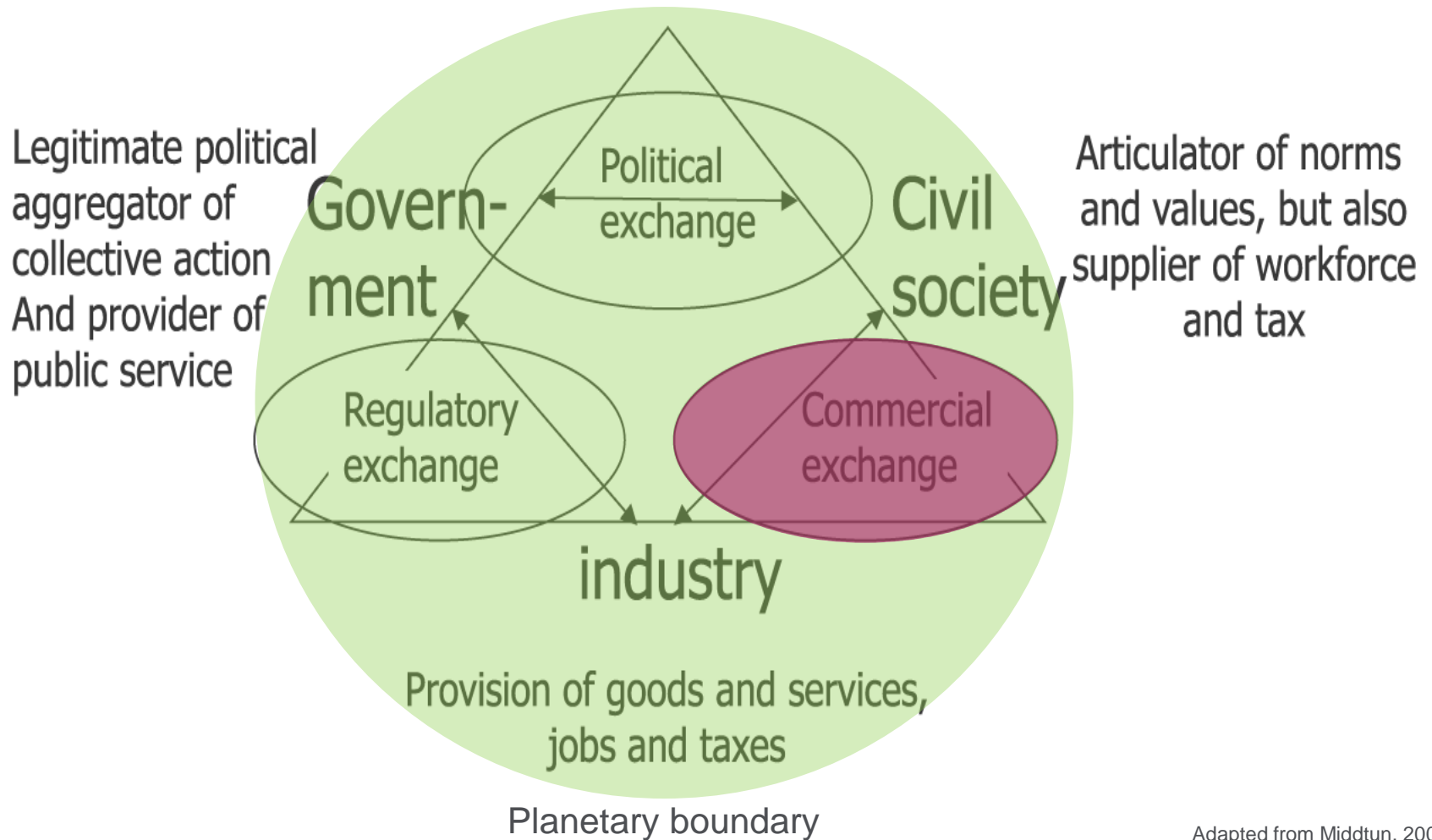




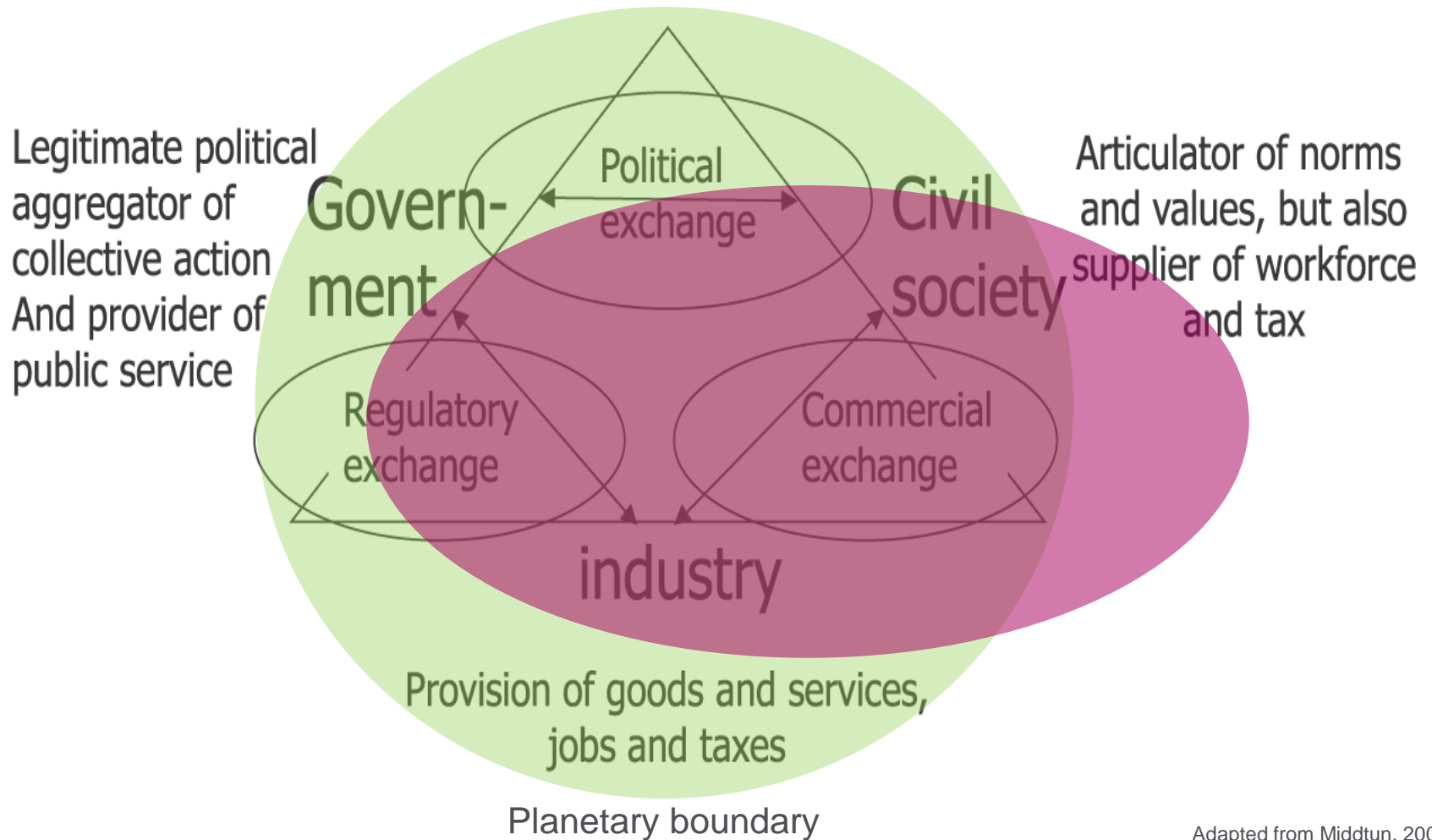
# Governance triangle



# Governance failure: Capture by commerce



# Commerce takeover: Testing planetary boundary



# The challenge: How to rebalance governance?

