

## **Moving Europe from Extraction to Regeneration**

**Article by Olivia Lazard**

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The green transition is reshaping our societies, our economies and the international system. More than a break with extraction and growth, so far it looks like a different version of the same pathway that is straining the planet's limits. Can moving beyond growth help land societies in a more stable future? Olivia Lazard's research explores the geopolitics of climate-disrupted futures and ecological breakdown.

**Green European Journal: The European Green Deal is the European Union's plan to reach net-zero carbon emissions by 2050. What is the material side of Europe's green transition?**

**Olivia Lazard:** The fact that we're entering a new industrial energy digitalisation revolution means that we're increasing our material footprint on the natural world. There's only so much that a circular economy can rein in if we stick to this logic of growth.

Over the past 10 years, there has been a lot of talk about decoupling economic activities from greenhouse gas emissions. As far as we can see – and there's been a lot of scientific studies – there are moments when you can decouple economic activities and greenhouse gas emissions, but you can't do it in the long term, and there are also two larger problems at play.

The first is that the European Union's claims to be successfully decoupling some of its activities away from greenhouse gas emissions is partly because a lot of the material activities that it depends on are outsourced to countries outside of the EU. Within the carbon accounting, when the EU says we only emit 6 to 7 per cent of global greenhouse gas emissions per year, it is only possible because the EU relies on supply chains in Asia, Africa, Latin America, and the eastern neighbourhood.

The second aspect is that there's a complete fantasy about the dematerialisation of the economy through digitalisation. Digitalisation requires a huge amount of physical infrastructure with a lot of metals and carbon-intensive infrastructure around steel and concrete. These infrastructures such as the massive underwater cables that connect the internet are again encroaching on ecosystems. Human civilisation is still tearing at the last integrity of ecosystems. We're coming to the limits. And we don't know what lies beyond in terms of stability, health and evolution for human systems.

**You work on the link between the green transition, conflict and peace. What does the link between growth, extraction and conflict mean for the EU?**

Like any energy-intensive economy, the EU relies on exponential extraction. By the nature of its single market and the fact that the EU is largely a service-oriented economy, it outsources the costs of extraction to other economies that use trade and commercial exchanges to climb up the economic growth ladder. In some contexts, extraction is intimately related to violence, elite predation, corruption and illicit financial flows.

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*ecosystems. We're coming to the limits.*

The EU is not blind to the problems of extraction. It has developed tools such as supply chain oversight mechanisms. It is currently working on one for critical minerals for example. But regulations can easily be bypassed where there is high demand. Energy-intensive economies tend to ignore those extractive economies, especially highly concentrated ones such as mining, produce political economies that either instrumentalise violence or marginally try to mitigate it to avoid the cost.

Regulatory tools can only superficially mitigate these violent political economies. What is needed instead is either to address them upstream before supply chains get created or organise systemic investments to tackle economic, ecological, governance, social, and financial fragility that truly transform violent political economies around extraction.

**Our economic and social systems were built on growth and extraction and the green transition is so far following a similar logic. Is there an alternative relationship with natural systems?**

If you look at human history, there are other ways of functioning. Indigenous communities have been shouting this fact at “modernised” peoples and societies for centuries. We know, for example, that the Amazon Basin is not just the result of natural processes and ecological sequencing, it is the result of human stewardship and curating positive interactions between human societies and natural living systems. The relationship between humans and natural living systems remains understood in certain parts of the world as reciprocal. This knowledge is what we need to reacquaint ourselves with in the long term. But it is very difficult to take indigenous civilisations as the starting point compared to how we live in Europe or the US today. That is a fact that we can't and shouldn't ignore. What's at stake for European societies is to land extremely complex and fine socio-economic equilibriums into a space that is mutually reinforcing with complex living systems.

Social welfare systems are key parts of the socio-political DNA of European nations and they rely on employment to generate a tax base. In Europe, that employment depends on macro-economic structures that rely on extraction from elsewhere and commercial exchanges that maintain fine balances with other countries. It's the principle of globalisation: no country is an island, we all depend on one another, and we all have stakes meshed into interdependencies that define national equilibriums and models of redistribution.

As we seek to transform our relationship with complex living systems by integrating so-called externalities into our economic behaviour, and if we change economic interdependencies, including through demand-reduction or degrowth policies, we have to understand what trade-offs we create and what instability we may generate. For Europeans, a key question is how to re-engage with complex living systems and work towards global climate and economic justice, whilst landing in an economic system that does not break social safety nets in Europe.

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oriented towards regeneration.*

Fundamentally, that's what the degrowth conversation is having difficulty with. If you look at things from a national perspective, then you can have reflections about how to take away certain sectors, move the labour force to another sector, potentially re-skill them and so on. But once you put a national economy

in the context of its international ties, the conversation becomes a lot more difficult.

A really good example is the palm oil issue. Malaysia and Indonesia reacted against the EU banning palm oil because it threatens the social equilibriums around palm oil, not because they are against climate action. When the deforestation law was introduced in the EU, it didn't into account the effects on supply countries, generating instability in partner countries and breaching trust in international relations. Without proper attention to our partners, we will undermine some of the fundamental fabrics that the degrowth movement aims to reconstruct and strengthen, especially in the face of climate disruptions.

**If degrowth is too much of a rupture but at the same time we know that the logic of growth is destroying vital natural systems, what is the way forward for our economies?**

The imaginary of how to regear economies from being extractive to regenerative – ie. not extracting more than the regeneration rates of nature – poses two questions.

First, do we still have the time to regenerate knowing that the climate crisis is so far advanced? Natural resources and ecosystems are already on the move, we're seeing the change in the migration patterns of birds. State- and nationhood are based on established borders, established natural resource distribution, and imagined identities linked to borders. If they begin to move, it's going to create a lot of problems. Can we catch a last window of opportunity to sustain certain natural resource distribution patterns the way that they are today through regeneration? Or are we moving into something entirely different and therefore we don't exactly know how to regenerate?

Second, the fundamental question is not whether degrowth is a desirable outcome in and of itself but whether is degrowth effective and impactful within a regenerative economy and environment at the local, national, regional and international levels. Does degrowth serve the purpose of reducing unnecessary material use and shifting economies towards more localised, circular and bioregional economies that help to feed soils and plant water, meaning regenerate water retention landscapes? Can degrowth regenerate social fabrics and combat other social problems such as epidemics around loneliness, depression and mental health?

All of our political and social systems need to be oriented towards regeneration and the question for degrowth is whether it is part of that.

**Has the war in Ukraine revealed a link between Europe's geopolitical stance and degrowth policies?**

The fallout of the war has led to more reflection on resource efficiency. I wouldn't call it degrowth. Degrowth is more of a political proposition around how to arbitrate between the ethical, economic and social benefits of certain key sectors. This reflection needs to be about more than fighting unemployment crises or doing away with detrimental consumerist behaviours.

**True, but the kinds of policies called for by degrowth advocates have entered the window of political acceptability.**

That is also true. I'm a French national and it was interesting to observe the presidential campaign last year. I would have expected degrowth to become a keyword in the 2027 presidential campaign but it already happened in 2022. So it is happening. The climate-disrupted futures are calling in a new political spectrum.

The war in Ukraine has sent a reality check and shock to our systems, particularly in Europe. The different avenues to talk about the reality of degrowth because of the war in Ukraine were sparked by the key connections between fossils as a commodity that creates a chronic crisis and war and Europe's strategic autonomy.

There is an argument to say that the more strategic autonomy Europe gains by investing in open and decentralised energy systems, the better off we'll be. But that is true only if you take decarbonisation as an endpoint. Getting there is riddled with obstacles that are likely to make the conversation about degrowth very hard in the next decade.

### **How so?**

I remember this poster last year by the Greens that had the Ukrainian flag in the background and some workers who were putting up a wind turbine saying we'll have more peace if we invest in more renewables. I understand it from a communication perspective but its message is questionable when you consider that the shift away from fossil dependency is a move towards mineral dependencies. It's another era of extraction, just with different base materials. The EU does not have enough minerals in its territory, despite the so-called discovery in Sweden, to fulfil its own clean tech needs. These minerals will create dependencies and extraction may drive economic relations that will shape systems rivalry. This is not an invented threat. It is a real one. We can only degrow by making sure we take care of the security dilemma at the centre of our international system right now.

*The global balance of power cannot expand beyond planetary boundaries. Even China knows it.*

The EU needs to look at the dependencies we want to develop 20 years from now. China and Russia are ahead of the game in terms of supply chain autonomy and sovereignty and are using their economic advantage to shift governance systems in the Global South. The rise of authoritarian regimes or at least non-transparent, not accountable regimes is in step with the energy transition. This is something which I think we need to debate when it comes to degrowth. Degrowth has a strong political-ecological proposition. It needs to have a strong geopolitical and geo-economic one too.

### **What would the geopolitical consequences of degrowth be for the European Union?**

If you start changing international economic relationships, removing some value and potentially bringing back production to Europe, then you may weaken partners outside of the EU. These partners are not just economic but political partners. Certain countries built their economies and social fabrics on Western demand, so degrowth needs to be co-designed and co-assessed. This is not something that we have started doing.

There is another question about the connection between economic growth and security. In political theory 101, we learn that the state is defined by the monopoly of violence. To have a monopoly on violence, we need to invest in military, security and defence systems. If you look at the wider global constellation, we see China, Russia and the United States investing more and more in military capabilities. So, from the perspective of people who are in charge of security, now is not the time to rock the boat. Degrowth could mean stepping away from the socioeconomic stability that allows the nation-state to invest in security.

To my understanding, the degrowth movement has only started to peel at these questions.

The current circumstances are very delicate and an ideological degrowth agenda only focused on planetary health without understanding how human systems organise themselves is counter-productive. It runs against the role degrowth can play in systemic planetary and human security.

**You've called for a global public good regime, ie. deeper global cooperation to maintain stable planetary conditions. Isn't the prospect of Putin, Xi, Biden and others sitting around the table to manage global public goods more distant than ever?**

Yes and no. In any critical historical juncture, you always have concurrent and simultaneous forces at play. The war in Ukraine created tectonic shifts of historical dimensions. The EU shifted its view about the European Green Deal from being a project that was created for Europeans by Europeans, to recognising with the REPowerEU Directive that the Green Deal depends upon an international dimension. The Critical Raw Materials Act will see the EU engage in a new type of diplomacy which is mineral, technological and economic.

I talk about a global public good regime because I believe that the reality of climate disruptions is going to hit so hard, that even the fundamental path dependencies around understanding security from a very nationalistic perspective will change. They will still have moments of last-minute glory, like the fossil fuel industry is having its last-minute glory as a result of the war, but it's going to be very hard to tackle complex problems without global cooperation.

The global balance of power cannot expand beyond planetary boundaries. Even China knows it. Redesigning collective security systems and folding economic exchange under global security will be possible as a result of the urgency and gravity of climate disruptions that are hitting us.

*People working as chief economists within various DGs are engaging in these conversations behind closed doors.*

If you look at where policies are supposed to go until 2030, it brings home this notion of planetary boundaries, of re-reasoning with economic sectors to move towards regenerative ecosystems writ-large, including human ecosystems. I've seen all of these words for the very first time in EU documents. These new initiatives only date back a year. The rupture caused by the war in Ukraine opened up a new world of possibilities around what diplomacy and cooperation should look like. We also had, for example, the finalisation of the High Seas Treaty which had been in negotiations for 20 years.

**Ideas such as planetary boundaries, wellbeing and postgrowth are making their way into EU policy. The degrowth community and European Union bureaucrats and MEPs are two different communities, not to say planets. Where might this growing dialogue lead?**

They used to be very distant planets but the planets are trying to come together, maybe through Saturn-like rings. I take as great hope the fact that the European Commission is funding a 10-million-euro research project that Giorgos Kallis, Julia Steinberger and Jason Hickel are leading. It's one of the largest Horizon grants. It is an incredibly positive sign.

I know from private conversations that even people working as chief economists within various DGs are

engaging in these conversations behind closed doors. They are grappling with the question of what is degrowth and what does it mean? It's an entirely different way of thinking about economics and everyone needs time for everyone to adapt. It's not as if people within the EU – and I insist on the notion of people rather than institutions – are not concerned about the situation.

However, moving institutions is difficult and it takes time. I think they will move faster and faster as a result of various crises. The reality that we need to avoid is what I call “planic”: planned panic. Take the responses around food security as a result of the war in Ukraine. President Macron said we need to double down on wheat production in the EU and countries like Egypt. This is nonsensical. It makes sense with the current economic rationale but it is baking more and more shocks into the system because how to produce wheat through monoculture is a systemic risk.

The more the Commission prepares the ground by funding solid research – and it needs to be solid research that is not ideologically invested but asks complex questions with open-mindedness and equanimity – the more we're going to see an EU able to say, when the next crisis comes, wait, “What did we fund? How can we learn from that research in policy development and design? What effective institutional processes will lead to truly actionable results?”

The simultaneous job is that we need intra-institutional cooperation, coordination and communication. It is not news that the different DGs in the Commission function like isolated houses. We need to bring them together, not to fundamentally challenge how they work, but to invite them to think about working differently. What should the next Commission look like if it is to work systemically and coherently? What kind of project is it going to carry forward if the EU is to meet together those challenges of energy, economic, climate and ecological security? These things will be the basis of all future policies.

*This conversation is part of an interview series led by the Green European Journal and EU Observer as media partners of the European Parliament's [Beyond Growth 2023 Conference](#).*

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