

Greening of capitalism: how Asia is driving the next great transformation

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BOOK REVIEW

Greening of capitalism: how Asia is driving the next great transformation, by John A. Mathews, Stanford, California: Stanford University Press, 2015, 368 pp., (USD \$65.00), ISBN: 978-0-8047-9150-2 hardback

Can the development model that served the West through cheap and plentiful fossil fuels be scaled up to serve the development needs of today's industrialising-country giants? According to John Mathews, the answer is a clear no. China and India's development alone will be 1000 times more intense than that of the first country to undertake the industrial revolution, Great Britain (p. 3). So what *can* be done; more to the point, what *is* being done?

In *Greening of Capitalism* (GoC), Mathews musters a convincing case that East Asia (especially China) is forging a new type of industrial capitalism, a greener version of the Western model of brown capitalism. That such a model has even been embraced in China and that China has emerged as Asia's and the world's leader in 'green growth' are surprising to say the least. The country's coal-based 'black growth' may be growing as many China-sceptics have pointed out, but at the same time China's use of renewable energy sources has grown rapidly, eclipsing Germany and France combined in 2013 (p. 10). Drawing from the usage of this concept from Korean policymakers, the author defines green growth as an economic system, which greens itself through state-mandated efforts to invest in the development of renewable energy sources. Such a system is grounded in the manufacture of devices such as solar panels and wind turbines (p. 16). Manufacturing such products can take place anywhere and is subject to falling costs through the learning curve, thereby enhancing energy security.

This book is organised in three main parts. In the first, 'How We Got to Where We Are', Mathews makes a case for the urgent need to embrace greening initiatives. He delves into the role that Great Britain's industrial revolution played in the use of fossil fuels, consequently benchmarked as the model to emulate by the Western powers (Chapter two). In Chapter three, he systematically dismantles popular and 'convenient "parables"' (p. 67) such as the simplistic assertion that greater economic prosperity will best help to address environmental problems, revealing the limitations of such perspectives.

The second part of the book, 'Toward a New Eco-logic for Capitalism', presents the core evidence for his proposition that a green growth transition is already taking place. He focuses in large part on China, but also Taiwan and Korea. Importantly, governments have a critical role to play in creating new rules and institutions favouring a shift to a renewable energy footing (Chapter four), instituting a 'circular economy' of resource use and re-use (Chapter five) and launching new green financial instruments (Chapter six), which together point to the emergence of green growth capitalism.

In 'An Economy of Sustainable Enterprise' (Part three), Mathews offers a view as to how a green growth model can be accomplished. In Chapter seven, he analyses the key drivers (such as strong state intervention) and the resulting tensions (overcoming interests of fossil-fuel favouring incumbents). A process so significant requires a new way to conceptualise the relationship between economic and ecological principles. In this regard, in Chapter eight, the author suggests the need for economic analyses to incorporate the industrial ecology ideals of 'biomimesis' whereby economic patterns 'coevolve' with ecological settings forged over millions of years by lifeforms (pp. 183–184). Chapter nine concludes the book.

Mathews draws upon his wealth of knowledge based on his earlier work on the developmental state, technology catch-up and the globalisation strategies of East Asian firms to provide a deep and incisive analysis of the sources of China's leadership in forging a new green industrialism. The explicit emphasis on the role of governments in driving a green growth transition fundamentally challenges the theoretical underpinnings of 'free-market environmentalists' and their dedication to 'business-as-usual' scenarios. The synergistic relationship between economic and environmental goals, which green growth entails, also offers a practical alternative to the unrealistic (and ill-suited) calls by 'zero-growth' or 'de-growth' advocates. Mathews dismisses such calls as being irrelevant to China's case.

This fascinating study raises a number of questions that are ultimately left unanswered. Mathews emphasises that the Chinese state's capacity to drive a green growth transition is in large part due to weaker 'carbon lock-in' than seen in the developed countries where fossil-fuel favouring interests may be more entrenched (p. 6). Such a proposition underestimates the significant difficulties encountered by the central government in inducing the cooperation of provincial governments and companies (and vice versa) as a burgeoning literature in Chinese politics has shown. An in-depth examination of how the Chinese central state has developed the impressive means to overcome special interests in the bureaucracy and industrialists would be a fruitful task. However, this suggestion might detract too much from the book's core focus, which is on explaining the puzzle of China's black skies with its green credentials.

Even if one accepts Mathews' assertions, a burning question remains: Will this so-called next 'Great Transformation' prevent various civilisational-collapse scenarios? According to widely respected writers such as James Lovelock in his recent publication of *A Rough Ride to the Future* (2014), the best that our species can hope for is a reduced form of human existence as we move towards a hotter planet (Lenton 2014, 41). How might Mathews' assertions compare with Lovelock? To be sure, GoC treads cautiously in making any predictions. However, a silver lining of optimism is evident (although not explicitly stated) in the author's insightful conclusion that if capitalism is the cause of so many ills such as global warming, then ultimately the solution can only be found in capitalism itself, as China appears to have understood. Such optimism may be warranted in light of even more recent evidence of China's accelerating greening efforts presented by Mathews and Tan (2016) in *Nature* and made resolutely clear in his forthcoming book, *Global Green Shift: When Ceres Meets Gaia* (2017).

Mathews' book presents significant findings, which should leave little doubt that Asia is forging a new greener type of capitalism, paving the way for future studies to focus on how national actors and the international system might accelerate green growth.

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