

# Unfolding the Green Economy: The Case of Lake Turkana Wind Power Project

## Abstract

This article is concerned with the development of the green economy as a passive revolution, particularly after the financial crisis of 2008-2009. The green economy refers to the emergent market for renewable energies and carbon-neutral growth. By defining the transformation to the green economy through the Gramscian idea of hegemony and passive revolution, this article highlights the strong role of neoliberalism in the green economy and disputes the framing of the green economy as a 'revolution' or new wave of development. Furthermore, this article takes the Lake Turkana Wind Power project in Northern Kenya as the exemplary case study and point of departure for the analysis. The article uses this case to show some of the consequences of neoliberalism within the green economy; namely, the absence of social inclusivity. Last but not least, by taking a Gramscian perspective, this article is able to pinpoint the shift from the traditional development paradigm of the brown economy to a greener one and concludes that in the name of *progress*, the neoliberal school of thought is still very much present.

**Key words:** green economy, 'passive revolution', development project, neoliberalism.

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## Introduction

With climate change at the forefront of issues facing the global community, there was and is a need to reverse its negative impacts. The international community started a ‘journey’ towards adapting and mitigating those negative impacts mainly by investing in climate-based development projects. The term *green economy* has been highly discussed; however, based on our early research we found that there was little information on the relationship between green development projects and negative social impact in the literature. We found this problematic, because green economy’s definition is to provide benefits in a “low carbon, resource efficient and socially inclusive” development (UNEP, 2020).

New concepts, waves and ultimately paradigms attract debates, scepticism and investigation against other or previous models. The emerging green economy has been a source of discussion and analysis for its various operations and practices. The concept has developed in the past decade as an all-in-one solution to the economic, environmental and social problems that were triggered by the 2008 financial crisis (Neusteurer, 2016). The overall concept of sustainable development essentially confronts these problems by promoting a connection between economic growth, environmental protection, and social inclusion, which is considered as a positive development by policymakers, private actors and academics. The focus of the green economy is to embody this connection by using renewable energies infrastructure as a way to generate a new wave of global investment and spur economic growth that does not compromise the environment or exclude marginalized groups (Wanner, 2015). However, this article argues that sustainable development and the green economy have not succeeded in negating certain consequences of more traditional development paradigms. Taking this a step further, this article contests the idea that sustainable development constitutes a ‘new’ form of development at all; rather, we take sustainable development and the green economy as the next step in a long slew of neoliberalist approaches to development.

Since the 2008 financial crisis, there has been an outpouring of both public and private investment into green initiatives in the Global South (Neusteurer, 2016). At the same time, cases are emerging across the Global South in which green development projects are themselves causing or contributing to displacement of local and indigenous people (Maeda and Horvath, 2016). While development projects have a long history of displacement, it becomes particularly paradoxical when taking into consideration the stated goals of the green economy and sustainable development.

These considerations regarding the general nature of this form of development led us to select the Lake Turkana Wind Power (LTWP) project in northern Kenya as a case study. The project was covered in detail by Danwatch, an independent, analytical research center which produces journalism that clarifies and documents current issues related to companies, investors and state activities in relation to international conventions and national laws (Danwatch, 2018). The case appears to be an ideal case study for analysing the green economy in relation to development-induced displacement and resettlement (DIDR) due to the sheer size of the project, which is the single largest private-public investment in African history. Along the way, this project has led to the resettlement of some 1,800 villagers to make way for the windfarm. This resettlement can be categorized as a case of DIDR, a specific type of displacement, which occurs when individuals are forced or asked to leave their homes due to development projects. Therefore, the LTWP project as a case study casts light on the larger issues that foreign investment within the green economy can create. Simultaneously, the project displayed many of the same pitfalls as other development projects in other sectors of the economy, especially when it came to the displacement and resettlement of 1,800 villagers of the local village of Sarima.

### **The Lake Turkana Wind Power Project**

The sustainable development approach and the green economy have been deeply embraced by the Government of Kenya primarily through the implementation of the Kenya *Vision 2030* plan, which was launched in 2008 by the President Mwai Kibaki. This plan “[...] aims to transform Kenya into a newly industrializing, middle-income country” (Government of Kenya, 2007, p. 1) by 2030 primarily through the expansion of infrastructure. In order to support the plan, the Kenyan government has been attracting foreign investors from the public and private sector targeting different aspects of the three pillars (ibid). With this goal in mind the government has incorporated investor-friendly market conditions into its long-term sustainable development and green economy plans, such as *Vision 2030* and the *2016 Green Economy Strategy and Implementation Plan* (Ministry of Environment and Natural Resources, 2016), which it sees as necessary in reaching its development goals. GESIP aims to create “[...] a globally competitive low carbon development path through promoting economic resilience and resource efficiency, sustainable management of natural resources, development of sustainable infrastructure and providing support for social inclusion” (Ministry of Environment and Natural Resources, 2016, p. 5). External investment has therefore been a major catalyst for development in the country’s more rural counties, especially in the transport and renewable energy sectors (Government of Kenya, 2007).

It is under this scope that we examine the Lake Turkana Wind Power Project. At a total cost of \$680 million USD, the LTWP represents the single largest private investment in Kenyan history. The wind farm, located in the Loiyangalani district of northern Kenya's Marsabit county, covers an area of 150 square kilometres and was initially anticipated to provide affordable, clean energy to 1 million Kenyan households (Danwatch, 2018). The project was expected to be up and running by 2016 but stood idle until December 2018 (Ltwp.co.ke, 2018). However, until December 2018 the project remained inoperable due to an incomplete 400-kilometer transmission line connecting the windmills to the power substation. The LTWP has just began to operate at capacity, 13 years after the start of construction and two years after the initial completion date. Along the way, operations were repeatedly stalled due to legal and financial obstacles. These consist of first, a 2014 court case over claims of illegal acquisition of community lands, second, accusations that the project failed to meet international human rights standards regarding resettlement of local communities, and finally, financial obstacles arising from the Power Purchase Agreement (PPA) between the state-owned electricity distributor, Kenya Power, and the Lake Turkana Wind Power Ltd. (Danwatch, 2018). This article is concerned primarily with the second 'obstacle' - the resettlement of 1,800 individuals due to the construction of the wind farm and the related human rights concerns. Rather than focusing on the social problems associated with the resettlement, this research uses this case as an instructive example on the broader issue of DIDR in the specific context of Africa's emerging green economy. Indeed, this case is one of many instances in the past two decades in which local people were displaced, and their human rights obstructed, in the name of green development; that is, renewable energies, biofuels, and nature conservation (Kangave, 2011).

### **Neoliberalism and Sustainable Development**

In the 1990s, capitalist triumphalism saw the neoliberal approach as a sure path for development (Munck, 2016). According to the critical development approach, mainstream development is driven by capitalist ideologies and is seen as economic growth, industrialisation and the establishment of social and political institutions on the model of the United States of America (Tucker, 1999).

During the last years, climate change has been a key issue that drove the development debates. With a quick search, one can notice that a new pattern emerged in which the idea to pursue a more long-term, holistic approach to development, which involved acknowledging primarily environmental but also economic and social factors, was preferred against the traditional model

of producing and consuming. As a result, 'alternatives for development' were introduced (Sachs, 1992). Sustainable development criticizes the Western model for separating the environment from socio-economic issues. This relationship was discussed in Brundtland's report which argued that "[...] the needs of the present [should come] without compromising the ability of future generations to meet their needs" (WCED, 1987, p. 43).

### **Green Economy as a 'Passive Revolution'**

The emergence of the green economy as a component of sustainable development represents a shift in *approaching* neoliberal development rather than a genuine change in paradigm. Central to the idea of the green economy is the need to transform the carbon-intensive economy to a low-carbon economy (Nhamo, 2011). While a low-carbon or carbon-neutral economy is widely accepted to be better for the environment regarding global warming, this transformation still relies heavily upon the neoliberal approach to natural resources - that is, an approach in which nature is an object to be exploited for human gain (Klein, 2014). Criticism to this argument are plenty (Bridge, 2009; Heynen and Robbins, 2007), arguing that the shift towards neoliberalism that began in the 1970's has accelerated "[...] the ongoing commodification of natural things, laying bare the structurally driven and environmentally destructive tendencies of capitalism" (Heynen & Robbins, 2007, p. 6).

The material destruction of nature through the capitalist economy, referred to in this article as the 'brown economy', is extensively documented (World Resource Institute, 2000, p. vi; Geiser, 2001; Bridge, 2009, p. 1222). However, less discussed is how the very concept of nature as a commodity has led to this reality. This becomes evident in examining the green economy - a section of the economy devoted to capitalising on renewable, non-polluting energy resources such as wind, solar, geothermal, and hydropower. This commodified, extrationalist conception of natural resources is expressly political in the sense that something becomes a natural resource "[...] only through the triumph of one imaginary over others" (Bridge, 2009, p. 1221). In other words, the idea of what constitutes a resource and how it is used is decided by the powerful, often to the dismay of the less powerful (Bridge, 2009). Thus, the category 'resources' becomes unstable because the definitions are fluid and subjective rather than stable and universal (Bridge, 2008). Within the green economy, new resources, such as wind, are becoming commodified as technology advances to make those resources economically profitable. Thus, those resources become a new domain for the exercise of power.

The green economy is a distinctly neoliberal approach to addressing issues of environmental degradation and unequal development insofar as it does not conflict with the core value of limitless economic growth inherent to neoliberalism (Wanner, 2015, p. 27). Within the concept of hegemony, the ‘passive revolution’ is one central way in which hegemonic power is upheld insofar as it allows social unrest to occur and create, at least, the image of change. To this extent, ‘passive revolution’ can be understood as a top-down revolution, which is engineered by elites.

In the public sphere, this ‘passive revolution’ of the green economy has taken place through, for example, the inauguration of the UN Sustainable Development Goals (SDGs). Sustainable development, and the green economy itself, all represent a process of co-optation, which is the central mechanism of the ‘passive revolution’. Co-optation in this context refers to “[...] the process by which those who control the spectacular culture, embodied most obviously in the mass media, co-opt all revolutionary ideas by publicizing a neutralized version of them, literally turning oppositional tactics into ideology” (Kurczynski, 2008, p. 295).

The re-emergence of sustainable development, and subsequently the green economy, was part of a reaction to the 2008 global financial crisis. Both the green economy and sustainable development faced challenges in terms of their conceptualisation and definitions (Nhamo, 2011). Wallerstein (2004) notes that “hegemony typically occurs in the wake of a long period of relative breakdown of world order” (Wallerstein, 2004, p. 58); that is, ‘breakdowns’ which “[...] implicate all the major economic loci of the world-system” (ibid). In other words, hegemony is often expressed, manifested, transformed, or prolonged, as a reaction to major crisis (ibid). The 2008 crisis can be seen in this context, as it was so widespread and massive that the validity and functionality of neoliberal economics was intensely questioned (Wanner, 2015; Klein, 2014; Atkisson, 2013). This led some to proclaim the death of free market fundamentalism and the impending “demise of neoliberal globalisation” (Wallerstein, 2008). Critiques of the environmental and social consequences of neoliberalism amounted to calls for limits to growth (Wanner, 2015). In turn, the hegemonic institution recognized that this mounting opposition, as well as the actual fact of environmental degradation, were a threat to the hegemony itself.

In a report titled *Towards Green Growth*, the OECD acknowledges that “[...] the impacts of economic activity on environmental systems are creating imbalances which are putting economic growth and development at risk” (OECD 2011, p. 17). This echoed a statement from the

Brundtland Report, written 25 years earlier, which reads: “We are now forced to concern ourselves with the impacts of ecological stress – degradation of soils, water regimes, atmosphere, and forests – upon our economic prospects” (WCED 1987, p. 5). Both of these statements clearly identify the threat of environmental degradation upon growth, rather than the threat of growth upon the environment.

It is out of this discourse that the green economy emerged: a discourse which blatantly sought to protect economic growth as a priority. Despite this, the green economy idea was readily embraced by many environmentalists and critics of capitalism alike because it was able to simultaneously appease the concerns of these groups while maintaining the deeper status quo (Klein, 2014). In other words, the hegemony was able to reform, represent, and remarket the neoliberal agenda in a manner that co-opted the interests of the less powerful while still protecting itself. At the same time, and in line with Gramsci’s idea of cultural hegemony (Gramsci, 1971), the green economy was embraced by national governments around the world without the need for force. In other words, there is a consensus among the global elite that the green economy is the ‘common vision’ and ‘pathway’ to achieve sustainable development and actively combat climate change (World Bank, 2012; Wanner, 2015). The SDGs, for example, are part of a long history for the UN of setting global goals since the 1960s (Fukuda-Parr, 2016). National governments are motivated by these goals to “[...] adopt policies to improve their ranking without being pressured to do so by some global oversight body or peer group countries” (ibid, p. 120). Thus, we see that the green economy represents a wide societal consensus between national governments and hegemonic institutions.

In the private sphere, the ‘passive revolution’ towards the green economy can be observed. In recent years terms like ‘green’ and ‘sustainable’ have come to embody a profound societal consensus even at the individual level. Calling a product ‘green’ makes it more appealing to the public since consumers in general favour sustainable products and companies (Semerad, 2017). These trends exemplify the Neo-Gramscian concept of hegemony and how it enforces itself through wide societal consensus. Thus, it can be argued that promoting the LTWP project as a ‘green’ project has likely improved its perception in society. The project has indeed been widely acclaimed at the international level, even receiving several awards (AfDB, 2016); this despite the fact that the project has been accused of illegal land acquisition and negligence of human rights regarding the resettlement of Sarima Village. A possible explanation here is that

the societal consensus in which ‘green’ means ‘good’ has obscured from view these problematic consequences of the project. To this extent, Wanner (2015) draws upon Gramsci (1971) in arguing that ‘greening’ the economy redirects attention away from the social and political dimensions of sustainability and problems of international justice. The societal consensus surrounding the meaning of ‘green’ disguises problematic realities of the neoliberal capitalist hegemony, consequently allowing that hegemony to be maintained.

Thus, the green economy can be understood as a completely ‘passive revolution’, operating in both the public and private spheres and on both an international and national level. The question remains, however, of whether or not this ‘passive revolution’ was sufficient in enacting enough reform to confront the problems that gave rise to it. To answer this question, this research turns to the LTWP project as an exemplary case. As has been noted, ‘passive revolution’ does not necessarily exclude genuine change from being made (Gramsci, 1971). The ‘passive revolution’ is not one which is by definition unsuccessful; rather, it is one which is created from the top-down through the process of co-optation. In the case of the green economy, many concrete changes were made to the way development is approached and has resulted in a real change in outcomes in certain cases.

### **The ‘Passive Revolution’ around the Lake Turkana Wind Project**

Zooming in the case study of the LTWP, this section connects the green economy with the ‘passive revolution’ as explained above. In the LTWP case, it can be readily observed that certain measures were taken in order to ensure the social inclusiveness of the project. Multiple social and environmental impact assessments were done, stakeholder consultations were made, an emphasis was put on hiring local people (though, admittedly, on a mostly temporary basis), and a foundation was set up by the LTWP Ltd. to fund social development projects in the local area using profits from carbon credits (Danwatch, 2018; LTWP Ltd, 2018.; World Bank, 2012). Being a renewable energy project, the LTWP can boast minimal negative environmental impacts relative to fuel-oil projects. These arguments are deeply reflective of the fact that the LTWP is a green economy, sustainable development project. However, these measures, intended to negate negative social impacts, were unsuccessful in fully protecting the local people from bearing the burden of development. This fact is most evident in the consequences that befell the resettled village of Sarima, which has suffered increased levels of poverty and unemployment, the arrival of alcoholism and prostitution, an increase in sexually transmitted diseases, increase in plastic pollution of their area, loss of land, loss of cultural heritage, and an

increase in inter-tribal conflict (Danwatch, 2018). All of these are typical consequences of resettlement and are exactly the types of consequences which sustainable development was intended to mitigate.

Importantly, this situation is upheld by specific mechanisms embedded in the legal framework surrounding investor protection. This can be most clearly seen in the Power Purchase Agreement (PPA) between the LTWP Ltd. and Kenya Power. In this agreement foreign investment is given a high level of protection via mechanisms such as ‘stabilization’, ‘internationalization’, and ‘take-or-pay’ clauses which effectively transfer all of the financial risk of the project to the Kenyan government and thus to the Kenyan taxpayers (Cotula, 2009; Kangave, 2011; Danwatch, 2018).

## **Conclusion**

This article explores the origins of the emerging green economy, understanding it as a response to the 2008 financial crisis and climate change. Furthermore, it discusses the extent of the ‘greener’ and more sustainable projects that have risen in popularity and found their way into the mainstream through the public and private sectors. In the case of the LTWP, development within the green economy actually intensified poverty among a group of the world’s poorest and most vulnerable. The hegemonic culture of neoliberalism has incorporated the Kenyan political elite to believe in and pursue the green economy - the latest expression of that hegemonic culture - as a sure path to development. Despite the emphasis on social inclusion within the discourse surrounding the green economy, the legal frameworks surrounding these types of projects ultimately “treat powerful transnational corporations as the “vulnerable group” that needs protection from hostile Third World countries” (Kangave, 2011, p. 255). To this extent, the law has protected the neoliberal hegemony from attempts at progress. In the case of the LTWP, this resulted in broken promises, human rights negligence, and general denigration of standard of living for the affected communities including loss of land. On the whole, this article concludes that due to the dynamics described in this analysis, the green economy represents a ‘passive revolution’, and in fact a failed one. The progress that has been made under the rhetoric of sustainable development in the green economy has not sufficed in negating or minimizing the negative social impacts. Concluding, the LTWP has thus far failed in terms of social sustainability and has revealed the deep failings of the green economy itself as a mechanism of achieving development for some of the world’s poorest.

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