

# FROM FOSSIL CAPITALISM TO CLIMATE CAPITALISM: CONTEMPORARY SYSTEMS FOR CAPITALIST ACCUMULATION AND INCREMENTAL CLIMATE ACTION

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**ABSTRACT** Political economists have long developed theories to describe the relationship between our economic system, capitalism, and the environment. Laurie Adkin details some of the complexities of this issue in her work on climate capitalism and ecological democracy (2017, 3). She mentions ‘fossil capitalism,’ which is one of the foundational concepts in this ontology. More recently, the concept of ‘climate capitalism’ has emerged. Both fossil capitalism and climate capitalism are essential concepts to understand when studying the intersection of economic systems and the environment. In this paper, I will discuss the question: *why have political economists developed the theoretical concept of ‘climate capitalism’ as a successor to ‘fossil capitalism’?* To address the question’s complexities, I will unpack it systematically, and consider related questions. In this paper, I argue that the shift from ‘fossil capitalism’ to ‘climate capitalism’ does not constitute a shift in the capitalist sentiment towards the environment, but rather is a strategic repositioning tactic of the capitalist accumulation class.

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## UNDERSTANDING FOSSIL CAPITALISM

Fossil capitalism, as Carter and Zalik denote, is a concept that places “hydrocarbon energy as the very foundation of capitalist expansion since World War II” (2016, 66). They further cite Altvater, who identifies how fossil fuels drive capitalist accumulation by providing flexible energy. This constant energy enables continuous work and the geographic expansion of capitalism. Fossil capitalism, therefore, captures the inseparable bond between capitalism and fossil fuels. As Altvater points out, “at the center of the analysis of capitalism’s relation to nature is its inherent and unavoidable dependence on fossil fuels, and particularly on oil” (Carter and Zalik 2016, 67). Fossil capitalism, therefore, necessarily maintains that the persistence of fossil fuels will always accompany the persistence of capitalism.

Climate capitalism, alternatively, is what Carroll describes as an “emergent accumulation strategy” (Carroll 2020, 12). He cites Sapinski and Adkin, explaining that its purpose is to “redirect investments from fossil energy to renewable energy generation” (12). Climate capitalism holds that a capitalist system can be, and is, the best way to steer us away from fossil fuels to renewable energy. Throughout his work, Carroll goes on to describe perhaps the most crucial component of climate capitalism – that it intends to direct the world safely beyond the climate crisis while protecting the nucleus of capitalist production (2020, 12). As Adkin explains, the protection of this capitalist nucleus is achieved through measures such as the financialization of carbon, heavily commercialized investment in research and development, and focus on halting the dirtiest projects like coal first, leaving natural gas as a viable medium-term option (2017, 8). Climate capitalism is therefore an accumulation system that nearly mirrors fossil capitalism, except that it seeks an

eventual transition to renewable energy to continue driving capitalist accumulation, rather than adhering to fossil fuels. Nevertheless, both systems promote continued capitalist expansion.

## A NEW REGIME WITHOUT SIGNIFICANT TRANSITION

This analysis aims to address the question: *why have political economists developed climate capitalism as a successor to fossil capitalism?* The development of climate capitalism is certainly due to an evolutionary movement from fossil capitalism. However, this development does not inherently constitute a shift in any foundational motives. It is important to examine the nuances of each concept and delicately consider the differences to understand why climate capitalism can be understood as a successor to fossil capitalism.

Next, one must discuss the relationship between fossil capitalism and climate capitalism. This relationship revolves largely around continuity, with climate capitalism growing from the need to modernize the fossil capitalism framework. Carroll describes how climate capitalism has emerged as an “alternative accumulation strategy” as the “deepening climate crisis challenges fossil capitalism” (Carroll 2020, 2). In another work, Carroll expands his discussion of fossil capitalism, labelling it as a “regime of obstruction” that paves a way for fossil fuel corporations to continue their domination in the renewable energy sector (Carroll, Daub, and Gunster 2022, 217). Already, fossil capitalism and climate capitalism appear to occupy such similar space that it is difficult to draw distinctions. As discussed earlier, the primary difference is that climate capitalism possesses a greater willingness to acknowledge the climate crisis and pursue renewable solutions. However, the pace with which climate capitalism seeks to change is only marginally different. Thus, there is hardly a paradigm shift in the underlying motives between concepts.

Perhaps the closest to a ‘significant transition’ that the move to climate capitalism offers is its newfound performative desire to recognize the danger of the climate crisis. Harvey remarks on climate capitalism’s inability to constitute a genuine shift – “capitalism never truly solves the crimes it generates: rather, ‘it moves them around.’” Capitalism then survives by managing the climate crisis in a way that allows for continued economic growth and consumption, at least temporarily (Wright and Nyberg 2015, 34). Harvey’s claim outlines why climate capitalism is a lacklustre deviation from fossil capitalism. The only significant transition is that climate capitalism appears to acknowledge and promise to address the climate crisis. In reality, it continues to protect the capitalist system so rigorously that there is little shift from fossil capitalism. The mere façade of promising to address the climate crisis is a secondary endeavour, well behind upholding the existing system of capitalist accumulation.

It has been described how one of the key elements of climate capitalism is how it structurally protects capitalist production when seeking to address the climate crisis. Therefore, it is difficult to assert that climate capitalism is a significant shift from fossil capitalism. In one vein, climate capitalism acknowledges the existence of the climate crisis, promising to work towards avoiding its horrors, in time. This is a step that the fossil capitalism framework inherently opposes. However, Tadzio Muller encourages us to consider contexts where the goal is simply to delay a transition for such time that companies can secure the same dominance in the renewables sector that they possessed under the fossil fuel framework (Carroll 2020, 13). Carroll describes how elite networks of corporate, government, policy, and environmental actors are established and in turn, facilitate this slow transition to an ecologically-centred system (13). These realities further the notion that addressing the climate crisis is a backburner motive of climate capitalism – which therefore hardly divulges from fossil capitalism.

The next question to consider is: *do the adaptations in capitalist strategies we are witnessing suggest a new era, or even a new regime, of capitalist accumulation?* This discussion is prefaced by noting that a new regime of capitalist accumulation differs in conception from the ‘significant transition’ discussed earlier. A new regime refers to a revamped approach by those perpetuating capitalist accumulation. This revamped approach is designed to reframe capitalist accumulation to portray it positively in a modern context. The goal is to shield the underlying motives – unchecked growth and capitalist accumulation – from calls for radical reform.

Using the aforementioned conceptualization of a ‘new regime,’ climate capitalism has successfully sheltered capitalist accumulation behind a new framework that promises to address the climate crisis. Indeed, one of the core elements of climate capitalism highlighted earlier is what Sapinski notes – an alternative accumulation strategy that permits passive revolution aimed at avoiding the climate crisis, while protecting ‘capital’s economic nucleus’ (Carroll 2020, 2). This adaptation of capitalist strategies should be understood as a new regime. Carroll goes further to title this “*a regime of obstruction*” built on hegemonic and neoliberal relations (2).

In returning to the question of why political economists developed climate capitalism as a successor to fossil capitalism, the former is the basis for ‘a new regime’ of capitalist accumulation, despite not constituting a significant shift from the framework of fossil capitalism. Political economists, therefore, developed climate capitalism to capture the strategic reframing by the capitalist accumulation elites. The concept of climate capitalism represents the repositioning of fossil capitalism to a modernized system.

## FUTURE OF THE CLIMATE CRISIS UNDER A CAPITALIST FRAMEWORK

The final question to consider is can climate capitalism effectively prevent a plunge to the depths of the climate crisis and the deepening social disruption that inevitably accompanies it? After all, climate capitalism promises to address the climate crisis, albeit after securing a place for the elite network of corporate, government, policy, and environmental actors to continue engaging in ever-growing capitalist accumulation.

Fortunately, climate capitalism and its market-based approach to addressing the climate crisis have been around for enough time to examine its success, at least to some degree. In Adkin’s article on climate capitalism and ecological democracy, she clearly identifies how market-based approaches have failed to bring the necessary reductions to greenhouse gas emissions thus far (2017, 4). She goes on to deploy figures, stating that globally we must lower CO<sub>2</sub> emissions from 2015 levels by 34 gt by 2030 and 14.2 gt by 2050, all this to have a greater than 50 per cent chance of staying below a 1.5 C temperature increase (4). These projections add empirical data to the sentiment that there is a long way to go to achieve decarbonization. Adkin also warns that national targets submitted at the Paris Conference of Parties in 2015 are inadequate to achieve such reductions (4). Given that these targets were developed under the climate capitalism framework, and many of them are not on track to be met, it is reasonable to say that climate capitalism has great strides to take before effectively reining in global warming. Additionally, the Coronavirus pandemic beginning in 2020 was an enormously disruptive event that squashed emissions for some time (Rabson 2022). The aggressive return to high emissions afterward proves that a climate capitalist framework is incapable of seizing radical opportunities to prevent global warming, and instead prefers to work at its own pace.

Social disruption continues to deepen under the climate capitalist framework. A significant contributor to this social disruption is the growing divide between the will of the electorate and the actions of powerful government and corporate actors. Citing Seth

Klein, Carroll notes: “a 2019 survey of Canadians found that 58 per cent agreed with the statement, ‘the climate emergency requires that our governments adopt a wartime-scale response, making major investments to retool our economy, and mobilizing everyone in society to transition off fossil fuels to renewable energy’” (Carroll, Daub, and Gunster 2022, 216). The current efforts under climate capitalism are far from this ‘wartime-scale response’ that Canadians desire. Climate capitalism, therefore, will struggle to halt deepening social disruption, so long as it is guided by a small network of elites. For the climate capitalist framework to succeed in this regard, it must democratize to reflect the will of the electorate – or disperse the provision of its plunder widely enough that its incremental response becomes publicly tolerated.

The final question is: *how sustainable will a climate capitalist future be?* This metric proves very difficult to predict, relying on many factors. Will a system framed by climate capitalism continue to let the market guide its pursuits indefinitely? Or will it instead eventually acknowledge the writing on the wall and divert capital towards rapid change, even if it no longer comes with the promise of continued market growth? Another consideration is how dynamically climate capitalism assesses market value. Studies like Paul Chinowsky’s work consistently prove that the cost of handling the damage of climate change retroactively is dozens of times more expensive than modifying our current approach (Allen 2021, n.p.). Contemporary economic models have difficulty ‘pricing in’ these future costs. The sustainability of a climate capitalist

future will depend, in part, on the ability of its economic models to accurately convey the future costs as we approach disaster. Regardless, adaptation within the climate capitalist model will be necessary if it is to succeed long term. Adkin very frankly notes that we cannot achieve deep decarbonization in the near future using current carbon pricing systems (2017, 19).

## CONCLUSION

This paper has sought to answer the question: *why have political economists developed the theoretical concept of ‘climate capitalism’ as a successor to the concept of ‘fossil capitalism?’* This question was considered holistically, speaking to the development of climate capitalism and the relationship between the two concepts and examining related questions. The paper discussed whether the succession of fossil capitalism by climate capitalism constitutes a ‘significant transition,’ and whether its adaptations via capitalist strategies constitute a ‘new regime’ of capitalist accumulation. Finally, it spoke to the complexities of assessing the climate capitalist framework – particularly the difficulties in evaluating its ability to rein in global warming and prevent deepening social disruption. The analysis finished by considering how sustainable a climate capitalist future will be. This paper is by no means an exhaustive evaluation of these questions, but it aims to highlight important discussion points and offer sincere observations on how capitalism is handling the climate crisis.

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