

# Carbon Offsets: the symptom of a society living as usual

[Thomas Da Costa Vieira](#), LSE Fellow in International Political Economy, and **Martina Sole**, IPE MSc Student, argue that instead of leading to net emission reductions, carbon offsets may actually feed into the system, contributing to economic growth while shoring up the legitimacy of the status quo, by conveying the misleading perception that our consumerist habits are not so environmentally damaging after all.



In the last few months, yet again carbon offsetting has been in the limelight. [A new report](#) looking at the industry's leading certifier, Verra, revealed that almost all of its carbon offsets are essentially worthless. This new scandal should surprise no one, as many researchers have long criticised offsets. While observers have used the recent scandal to yet again remind us of [the many problems](#) with these instruments, the real issue is much bigger than that — it has to do with the structure of our economy, and the pernicious incentives that this creates for both firms and citizens.

## **The rise of the fossil fuel economy and the paradox of environmental governance**

Despite all its faults, since the Industrial Revolution our fossil fuel-based economic system has had considerable success. Fossil capitalism reshaped the face of the Earth and brought prosperity to human societies, although in deeply unequal ways. Indeed the Global North experienced most of the rewards, largely thanks to cheap labour, resource extraction and [associated trade flows](#) at the [direct detriment of the Global South](#). Thus, an [“imperial mode of living”](#) arose, with the expansion of consumerism, mobility, freedoms and choice. All of this was made possible by the fossil-fuelled revolution in our modes of transport and production.

Expanded horizons, automobility, unprecedented comforts and consumerist habits – all these gains are now wholly embedded in the fabric of our society. Abandoning them would be unthinkable.

Expanded horizons, automobility, unprecedented comforts and consumerist habits – all these gains are now wholly embedded in the fabric of our society. Abandoning them would be unthinkable. Indeed they have come to form the “non-negotiables”, the “taken-for-granted” of our economy, politics and culture. As such, they now constitute a hegemonic common sense. In other words, the fossil-fuelled economy has, in many respects, effectively [generated its own legitimacy](#) — a process that we term ‘legitimation by accumulation’.

Against this background, we should consider the following paradox that climate change poses for environmental governance. On the one hand, the urgency of the climate crisis means encouraging actors to quickly modify their behaviour within the available discourses, policies and practices that are inherent to the current political, socio-cultural and economic system. On the other, creating a long-term sustainable economy requires systemic change away from the fossil fuel-dependent capitalist economy.

However, the policies and narratives adopted in the present paradigm to promote action against climate change in the short-term may hinder the potential for reaching long-term sustainable goals, by creating lock-ins within the current system. Carbon offsets are a pernicious example of this.

### **A neoliberal solution shoring up the status quo**

Offsetting allows firms and individuals to compensate for their own emissions by paying towards low-carbon projects elsewhere, such as tree planting or forest conservation. However, beyond [the long list of issues with offsets](#), they can be said to fall within the realm of “ecological modernisation” — imperfect fixes like electric vehicles and weak carbon markets. These do not challenge either the profitability of carbon-intensive industries or the entrenched consumption patterns that individuals are now used to.

[Offsets] do not challenge either the profitability of carbon-intensive industries or the entrenched consumption patterns that individuals are now used to.

Thus, researchers have argued that offsets are little more than creative accounting and [a licence to pollute for firms](#). Meanwhile, offsets represent an instance of the “commodification of nature”: investment in conservation projects is not driven by the latter’s intrinsic value, but by [their potential to generate cheaper-than-local emission reductions](#).

Offsets actually [contribute to capital accumulation](#) in the Global North – both by (seemingly) achieving emissions reductions at cheaper-than-local costs, and by generating profits through financial trading. The result is that emission reductions are being treated as many other commodities: cheaper to be procured in the Global South, and then traded in the Global North, at the expense of genuine environmental protection.

Offsets allow fundamental capitalist processes to go on unchallenged.

In sum, offsets allow fundamental capitalist processes to go on unchallenged. But their increased use also reflects a wider trend in international environmental governance – [its “neoliberalisation”](#). Indeed, the way in which we conceptualise dealing with climate change has changed: there has been a shift away from the centrality of distributive justice principles towards the adoption of libertarian principles of voluntarism and [“shared un-accountability”](#). Within this context, policy instruments based on “command-and-control” and tight regulation were abandoned in favour of neoliberal market-based solutions.

These were coupled with incentives requiring individuals to ‘auto-regulate’, pushing them to become [environmentally responsible citizens](#). Thus, citizens were encouraged to

keep engaging with the market, and to trust that individual commitment to green products and instruments such as carbon offsets would solve environmental issues. This was largely successful, as firms and individuals kept willingly and actively participating in the status quo. This is because even as the fossil fuel-based economy is now clearly posing an existential threat to our societies, firms and citizens still have a concrete, direct stake in the system: these are the “taken-for-granted” mentioned above. This stake, and its translation into hegemonic norms and discourses, means that actors consent to further engage with the market, which in turns keeps oiling the wheels of the economy — something that one of us recently called [‘accumulation by legitimation’](#).

Meanwhile, as citizens and firms continue to buy offsets, this not only further reinforces the neoliberal narratives that individual market-based instruments are genuine solutions to the issue, but it also may lead to [economic and behavioural rebound effects](#).

Altogether, instead of leading to net emission reductions, carbon offsets may actually feed into the system, contributing to economic growth while shoring up the legitimacy of the status quo, by conveying the misleading perception that our consumerist habits are [not so environmentally damaging after all](#).

Altogether, instead of leading to net emission reductions, carbon offsets may actually feed into the system, contributing to economic growth while shoring up the legitimacy of the status quo, by conveying the misleading perception that our consumerist habits are not so environmentally damaging after all.

### **A society living as usual?**

In sum, policy solutions like carbon offsets are merely the symptom of a society that tries to live, and do business, as usual. They are the perfect example of a short-term solution that pretends to foster timely action against climate change by giving freedom to the market and devolving disproportionate responsibility to individuals.

However, their use effectively locks-in actors’ interests and behaviour within the current hegemonic common sense. This prevents not only the adoption of collective solutions, but the very willingness to imagine those in the first place, and have political debates about them. Indeed it blocks us from tackling the most crucial questions of climate justice: how can we fairly allocate the responsibility for emissions reduction between

generations, income levels, and countries in the Global North and the Global South?

Despite the constraints of our economy and hegemonic paradigm, the rise of environmental activism and protests signal an increasing willingness to imagine and build a more sustainable and just society. [Research shows](#) that providing decent living standards fairly for everyone on the planet is clearly feasible. Thus, it remains an open question — will we discover a “green common sense” to challenge the economic structure and collective imaginary that fossil fuels have imposed upon us?

Will we discover a “green common sense” to challenge the economic structure and collective imaginary that fossil fuels have imposed upon us?

*This article represents the views of the authors, and not the position of the Department of International Relations, nor of the London School of Economics.*