

*Book Review Forum*

**Brett Christophers**, *The Price is Wrong: Why Capitalism Won't Save the Planet*, London: Verso, 2024. ISBN: 9781804292303 (cloth); ISBN: 9781804292310 (paper); ISBN: 9781804292327 (ebook)

For three decades, market mechanisms like carbon taxes and cap-and-trade policies have dominated climate politics. In the past few years, they have increasingly been challenged by arguments for more robust state intervention in service of decarbonization, from green industrial policy to the Green New Deal. Brett Christophers' *The Price is Wrong* marks a vital new front in this shifting landscape. Where the Green New Deal made the political case for large-scale public investment, arguing that decarbonization must be linked to the abundance of public goods and services rather than austerity of higher prices, Christophers presents a complementary argument for why public investment isn't just desirable, but necessary: the private sector simply won't build out zero-carbon energy quickly enough to ward off climate catastrophe. By showing that the prospective *profitability* of renewable energy is more important than its price, Christophers rightly orients attention towards capitalism rather than just "markets", reminding us that control over ownership and investment is of utmost importance.

Christophers excels at explaining the thorny details of electricity markets, and the book deftly synthesizes an impressive range of technical material in clear and comprehensible terms. It is an invaluable guide to a complicated world. In my brief reflections, however, I want to take a step back and address the book's conceptual underpinnings.

Karl Polanyi's (1944) concept of the "fictitious commodity", as outlined in his classic *The Great Transformation*, supplies, Christophers states near the end, the book's "meta-explanation". For Polanyi, a fictitious commodity is something which is not made for the market, but which is bought and sold anyway. Land, labor, and money are his three classic examples. Christophers argues that electricity, too, is a fictitious commodity, insofar as its "commoditization occurred only haltingly and contingently" (p.362). To create markets in electricity, Christophers shows throughout the book, has required a great deal of manipulation

and persistent state intervention. Electricity, he concludes—especially electricity generated by use of renewable energy—isn't a “real” commodity at all.

But this isn't quite how I read Polanyi's concept. After all, while Polanyi does think that the imposition of markets on fictitious commodities often has disastrous consequences, he doesn't say that such entities *can't* be successfully commodified. Take, for instance, labor, one of Polanyi's classic examples: labor, Polanyi argues, is simply another name for human beings, who aren't made for sale. But it's not very difficult to buy and sell labor. Although the initial establishment of widespread labor markets requires the dispossession of peasants from subsistence production via enclosure, the sale of labor happens all the time, without a particularly convoluted market structure or the kind of “endemic” state intervention that Christophers describes with respect to electricity.

In any case, the “fictitious commodity” is dubious as an analytic frame—one overly burdened by metaphysical baggage. It categorizes commodities along quasi-ontological lines, suggesting that some entities *really are* commodities rather than recognizing the commodity itself as a distinctively social form pertaining to a particular kind of social organization. While it may be true to say that electricity isn't a “commodity *by its nature*” (p.363), we should be wary of saying that *anything* is.

The phenomenon Christophers is describing might be better understood in terms of what the geographer Karen Bakker (2004) describes as the “uncooperative commodity”. Uncooperative commodities, for Bakker, are simply those entities whose *physical* qualities come into conflict with the social processes of commodification. Bakker's own analysis focuses on water, which she describes as “a life-giving, continually circulating, scale-linking resource whose biophysical, spatial, and sociocultural characteristics render it particularly resistant to commodification” (2005: 559). This is much closer to what Christophers is actually describing: the way that the *physical* characteristics of electricity, and renewable-powered electricity in particular, present obstacles to profitability.

Indeed, Christophers is generally perceptive about the interaction of energy's physical qualities with abstract social forces. Another important conceptual resource on this front is Andreas Malm's (2016) analysis of the transition from water and wind power to coal-powered

steam in 19<sup>th</sup> century Britain. Although water was cheaper, Malm shows, coal's advantage lay in the tight control it allowed over labor and the overall production process. Christophers is similarly interested in material differences within the ostensibly abstract category of energy. But where Malm attends to the use of energy in the production of *other* commodities, Christophers examines the production of energy *itself*. Attention to price alone, Christophers argues—in particular, to the “levelized cost of electricity”, or LCOE—disguises the physical differences in the underlying energy sources. While LCOE treats all electricity as fungible, Christophers shows that renewably generated electricity *isn't* exactly the same as electricity generated by fossil fuels, such that sources can't be perfectly substituted. Among other issues, the mismatch between areas where energy is needed and areas where land can be obtained cheaply means that renewably generated electricity must travel long distances to consumers, making use of expensive transmission lines; while the much-discussed variability of wind and solar means that renewable energy can only play certain roles within an overall energy mix. The fact that wind and sun are freely and widely available, meanwhile, means that anyone can put up a turbine or solar panel and become a renewable energy producer—driving overcompetition and price collapse. In other words, Christophers clearly shows how the material qualities of renewable energy underpin the difficulties of generating profits.

And yet in this respect, fossil fuels and renewables are not so different as they might seem. Although oil is today the world's most valuable commodity, it once suffered similar problems. Oil existed in vast pools beneath individual private property; competition amongst drillers was intense, and prices fluctuated wildly. To become a stable commodity, oil had to be made scarce through intentional action to limit its supply: in some cases undertaken by states, and in others by oil producers themselves (see Huber 2013: 49-54). Christophers notes this briefly: “one of the most important political-economic distinctions between the renewables industry and the oil and gas industry”, he notes, “is the absence in the former of the established institutional architectures of monopoly power that scaffold the latter” (p.218). In other words: oil cartels exist, but wind and solar cartels don't—yet. The implications, however, are understated. The parallel suggests that renewables, too, might eventually become profitable through the

construction of a similar institutional apparatus—one that private investors in renewables would doubtless find more promising than the prospect of public ownership.

On the other hand, the surprising similarities between renewables and oil and gas suggest that the book’s conclusions might apply more broadly than Christophers acknowledges. Although he convincingly shows that the private sector won’t build renewables at the pace needed to avoid climate catastrophe, the significance of this argument for the analysis of capitalism more generally is ambiguous. Treating (renewably powered) electricity as a “fictitious commodity” portrays it as an exception to the rule of the commodity, when in fact, renewable energy is one iteration of a broader problem. It is only one of many goods that the commodity form can’t really capture, and that capital won’t reliably supply. Wind and solar are, as Christophers elsewhere acknowledges, only one subset of the category of the free gift of nature—and only one of the many forms of nature that capitalism has struggled to subsume to its own ends. Recognizing that these supposed exceptions are actually pervasive suggests that the targeted critique Christophers offers of electricity markets might bear more broadly on private ownership than he states outright—and perhaps even on capitalism itself.

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