

An Introduction to the Green Economy: A Review of Concepts and Links with Sustainable Development

Lewis Blagogie

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Among other equally important commitments of the international community and other relevant stakeholders, is making the global economy sustainable. Sustainable Development has been the central goal of the international community since the United Nations Conference on Environment and Development (UNCED) 1992 (UNSD, 2012). The green economy has been perceived over the years as the impetus for global Sustainable Development and has attracted international interests evident from its wide capture in the literature from organizations, scientists, and experts alike over the years. Sustainable Development was a major goal of the Rio +20 conference in 2012. Sustainable Development embraces the idea of meeting the needs of the present without compromising that of future generations. But what is the Green Economy? This document aims to introduce readers to the green economy, its origins, definitions, and concepts, and explore its links with Sustainable Development through a systematic review of materials from scholarly articles, international, and non-government organizations. I treat Green Economy as a “system” and Green Economics as a “methodology”.

The term green economy was coined in a 1989 report for the government of the United Kingdom by a group of leading environmental economists entitled *Blueprint for Green Economy* (UNSD, 2012). The term was revived in 2009 in the context of discussions on the policy response to numerous global crises at the time, where the UNEP in the context of the financial crises championed the idea of a “green stimulus package” and identified areas where public investment could start a Green Economy (Atkinson, 2012, cited in UNSD, 2012). Green economy policies have been in discussion and analysis for some decades by some economists and academics, especially in the fields of environmental and ecological economics (UNSD, 2012). For instance, The United Nations Conference on Sustainable Development also known as the Rio +20 conference held in Rio de Janeiro in 2012 allowed the international community to recommit to upholding Sustainable Development plan of action strategies at all levels. Our failure to treat the environment

with respect has created a lot of environmental problems. Green economists suggest that we change our attitudes towards the planet and treat it with respect (Cato, 2009).

Pearce (1992), envisions the Green Economy as a rethink of the economic system that meets the unconstrained desires of *Homo economicus*, whereby the economic person is assumed to weigh up the costs and benefits to himself or herself and to act to maximize the net benefits to the self. A Green Economy has the capability of replicating itself on a sustainable basis (Pearce, 1992). He maintains that greed could jeopardize the realization of Sustainable Development and admonishes thinking and acting green.

According to Cato (2009), unlike the study of economics which is obsessed with graphs and mathematics, and the algorithm of demand and supply, Green Economics begins with understanding people, their concerns and needs (physical, psychological, and spiritual), their relationships, behaviour and motivation. He highlights the need for holistic thinking policy making. For instance, parliamentarians are elected to represent a constituency or a region and serve as their mouthpiece. Any decision taken or vote made should be in the best interest of the people and not worsen their plight. Imagine including representatives from our ecosystem. Representatives from the aquatic, forests and so forth. We would be more discreet in implementing policies which particularly harm the ecosystem.

The United Nations Environment Program (UNEP) defines Green Economy as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. It is low-carbon, resource-efficient, and socially inclusive. In a green economy, growth in income and employment should be driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services (UNEP, 2011).

“The Green Economy is one in which the vital linkages among the economy, society, and environment are taken into account and in which the transformation of production processes, and consumption patterns while contributing to a reduced waste, pollution, and the efficient use of resources, materials, and energy, will revitalize and diversify

economies, create decent employment opportunities, promote sustainable trade, reduce poverty, and improve equity and income distribution” (Munyai et al., 2012, p.5).

Green Economy advocates for; a participatory route involving all relevant stakeholders, good governance, investment in research, technology, and natural capital, a holistic approach to policy formulation and implementation, a stable political economy, innovation, equity and poverty reduction, private sector investment for achieving Sustainable Development, and substitutes Renewable Energy and Low-carbon technologies for fossil fuels.

Policies that involve relevant stakeholders and have the support and contribution of the general public and local communities including women, the youth, and persons with disabilities reflect the concerns and priorities of the general public. (Munyai et al., 2012). Such policies stand better chances of success.

Good governance is an essential ingredient in achieving Sustainable Development. It promotes transparency and accountability, creating a stable and predictable macroeconomic environment and in turn attracting foreign interest. Another dimension to this is global partnerships through international environmental agreements. An active role by governments in international processes could promote coherence and collaboration in the transition to Green Economy (UNEP, 2011).

Countries that have invested resources into the research and development of Sustainable Development technologies have accelerated the pace of their economic growth (Munyai et al., 2012). Thus, research into; wastewater treatment and desalination, renewable energy, solid waste recycling and recovery, green construction and buildings, environmentally friendly equipment and industrial technologies. Natural capital refers to the world's stock of natural assets in the atmosphere, biosphere, hydrosphere, and all living organisms in the ecosystem. We must invest in natural capital and make decisions that protect them. For instance, afforestation, in the long run, serves humanity right especially since trees are a natural sink for CO₂, while CO₂ sequestration technologies could curb air quality problems in industrial locations. Natural capital is not only a provider of human well-being, a supplier of sustenance for poor households, or a source of new

and decent jobs but equally invests in and builds up natural capital for sustainable economic progress (UNEP, 2011).

The political economy should be stable for the smooth implementation of Sustainable Development policies. People corporations in high places who may jeopardize the implementation of such policies should be identified and measures are taken to address the barriers that may cause a change of event. (Munyai et al., 2012). For instance, a policy which seeks to systematically or rapidly phase out the use of coal is not good news for a coal mining company, thus capable of heightening tensions within the economy.

Transitioning to a Green Economy calls for a renewal of the mind, a new efficient way of doing things, and highly skilled professionals, requiring formal education as well as vocational training packages. The educational system also ought to encompass environmental and social dimensions (Munyai et al., 2012).

The role of equity and poverty reduction in a Green Economy cannot be stressed enough. The Rio +20 conference emphasizes the need to create environmental policies that conserve and protect the resources, taking into consideration those whose livelihood depends on them, thus enabling the poor to achieve sustainable livelihoods. The UNEP illustrates how persistent poverty could be reduced via sustainable forestry and ecologically friendly farming methods in its 2011 report, *Toward a Green Economy*. The Green economy seeks to provide an array of opportunities for alleviation of poverty and economic development without phasing out a country's natural assets, especially in low-income countries where ecosystem goods and services constitute a large part of the livelihoods of the poor rural communities and ecosystems and their services provide a haven against natural disasters and economic shocks (UNEP, 2011). In a Green Economy, the wealth created should trickle down to the poor (Munyai et al., 2012). That notwithstanding, it is important to highlight that wealth created should not in any way compromise the needs of future generations. The Green Economy is consistent with non-declining human welfare and sustainable use of natural resources (Pearce, 1992).

Training, innovation and research require financing. International financial institutions, inter-governmental organizations, non-governmental institutions, the international community, and the private sector play a crucial role in providing technical and financial

assistance in developing countries (UNEP, 2011). Increased private sector interest in green projects enhances collaboration and drives toward achieving Sustainable Development. Public-private partnerships consolidate efforts and increase the chances of achieving sustainable development objectives. Indeed, the UNEP admits that the transition to Green Economy would greatly depend on each country's natural and human capital and its relative level of development (UNEP, 2011). In its report, *Toward a Green Economy*, The UNEP states among other objectives that it sought to motivate policymakers to create enabling environments for increased investments in the transition to Green Economy by encouraging both public and private investment (UNEP, 2011).

Sustainable Development Goal (SDG) 7 calls for ensuring access to affordable, reliable, sustainable, and modern energy for all (UN, 2021). A Green Economy substitutes Renewable Energy and Low-carbon technologies for fossil fuels. Renewable energy is energy generated partially or entirely from non-depleting energy sources for direct end-user or electricity generation (Epa, 2018). Timmons et al. (2014) envision that society would eventually adopt Renewable Energy since fossil fuels are limited in supply and are only created over geologic time. In addition to mitigation benefits and major economic opportunities, increasing the energy supply for Renewable Energy sources reduces the risks of rising unstable prices for fossil fuels (UNEP, 2011).

In summary, this document serves as an introductory guide to the concept of Green Economy, its meanings, and how it is related to Sustainable Development. It reviews some definitions of a Green Economy; One that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. It is low-carbon, resource-efficient, and socially inclusive. In a green economy, growth in income and employment should be driven by public and private investments that reduce carbon emissions and pollution, enhance energy and resource efficiency, and prevent the loss of biodiversity and ecosystem services (UNEP, 2011). *“One in which the vital linkages among the economy, society, and environment are taken into account and in which the transformation of production processes, and consumption patterns, while contributing to a reduced waste, pollution, and the efficient use of resources, materials, and energy, will revitalize and diversify economies, create decent employment opportunities, promote sustainable trade, reduce poverty, and improve equity and income*

distribution” (Munyai et al., 2012). It also highlights what it stands for; a participatory route involving all relevant stakeholders, good governance, investment in research, technology, and natural capital, a holistic approach to policy formulation and implementation, a stable political economy, innovation, equity and poverty reduction, private sector investment for achieving Sustainable Development, and substitutes Renewable Energy and Low-carbon technologies for fossil fuels. Moving towards a Green Economy has the potential to achieve Sustainable Development and poverty eradication at an unprecedented scale (UNEP, 2011).

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