



grow **GREEN** or grow irrelevant



This summer world leaders will meet in Rio de Janeiro for the United Nations Conference on Sustainable Development (UNCSD), also known as 'Rio+20'. At stake is no less than the creation of 'a green economy in the context of sustainable development and poverty eradication'. Our European editor Patrick van Leeuwen (pictured) reports from Brussels.

For that to happen we will need an institutional framework for sustainable development, a tangible expression of political will. An ambitious outcome is a given at this stage, but unless it's supported by a set of concrete actions it will stay ambitious on paper only. Rio will be a success if there is agreement on a green economy roadmap with specific goals, objectives and actions at international level, and a reformed United Nations Environment Programme (UNEP) for strengthened international environmental governance. Expectations for the summit are high everywhere but especially so in Europe.

Europe undeniably has a vested interest in the global transition to a green economy. It's arguable though if this is an altruistic ambition. What's more likely is that the green economy is an opportunity for Europe to reassert itself globally by leading the new, green economy and modeling it on its own policies and regulations. But maybe it's a bit of both.

Given that the challenge ahead of us is complex, so will be the solutions the world puts forward. If we look at the global economy today the powerplay has changed.

Future economic growth is more than likely to be fastest in emerging economies like China, Brasil, Russia and India. By 2050, the world population will rise to 9b, with 2b from developing countries alone. More significantly, an extra 3 billion middle class consumers will be spending their money in 2030.

These figures will have a significant impact on world demand and supply. Demand for resources like energy, food and water will have to be met. But if we continue to behave and produce the way we have always done it's unlikely that we'll significantly reduce global warming, provide equal and stable access to food, or address fresh water shortages.

To add another layer of complexity, about 1.4b people still live in extreme poverty and one-sixth of the world's population is undernourished. Progress towards the United Nations Millennium Development Goals (MDGs) – global benchmarks for success – has been significant but it's not been enough. And the current economic crisis threatens to reverse some of those gains. The recent spikes in food prices especially in Africa have increased the number of people living in poverty.

The High Level Panel on Global Sustainability set up by the UN and co-chaired by President Zuma recently published a report entitled 'Resilient People, Resilient Planet – A Future Worth Choosing'. They say: 'Today our planet and our world are experiencing the best of times, and the worst of times. The world is experiencing unprecedented prosperity, while the planet is under

unprecedented stress. Inequality between the world's rich and poor is growing and more than a billion people still live in poverty.'

We know that there is an urgent need, but do we know what it will take to solve it?

It is becoming apparent that sustainable development holds an answer to at least part of it. The problem is that it's not properly defined, implemented and enforced. For Europe and the Europeans, sustainable growth, social equity and poverty eradication can only be delivered through a global shift to a green economy. European Environment Commissioner, Janez Potocnik, said at a Rio+20 meeting in March 'business as usual is simply not an option, there will be no jobs if there is no growth; there will be no growth if it is not green growth; and there will be no green growth unless we take care of our resources.'

He argues that what we need is 'resource efficiency' and this isn't just semantics. He's right in saying that

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Janez Potocnik, European Environment Commissioner

sustainable use and management of our natural resources that doesn't deplete our natural habitat, and doesn't exert pressure on the environment will deliver on what the green economy ultimately seeks to achieve – a world in which future generations don't pay for the mistakes we've all made. It is about shifting attitudes and behaviour so that sustainable consumption and production patterns are everyone's responsibility. Consumers need to make better-informed choices, industry needs to employ more sustainable practises and political leaders need to create an optimal environment so that markets support this shift.

So who benefits from a smart, resource-efficient green economy? And does it cost some more than others? Europe is certainly set to benefit from it because it is already fairly advanced in setting green economy targets to 2020 and up to 2050. If Europe's leaders manage



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to convince others in Rio to design a green economy roadmap modelled on its own initiatives, this could boost Europe's competitiveness in the global marketplace. The environment is good business; let's not forget that. Karl Falkenberg, the European Commission Environment department chief would disagree on one front. He argues that a drive towards a green economy is not a defensive tool to protect Europe from competitive (read cheaper) products and booming markets like China or India. These countries have made huge investments in 'green' technologies to lead and remain competitive. He argues that the green economy is the only growth path forward for all of us.

His colleague Timo Makela told a European news site that the EU has the capacity to leverage its political ambitions through the sheer size of its market, but also through development aid. More than half of the total overseas development aid is European money. With that money, we can help developing countries transition to sustainable growth and alleviate poverty, he said.

Europe is on a mission. The vision is there, the economic rationale seems pretty solid and the public backs it. But is Europe delivering on what it wants the rest of the world to do at home?

In addition to its 20-20-20 by 2020 Climate and Energy plan (cut greenhouse gas emissions by 20%, improve energy efficiency by 20%, and ensure a 20% share of renewable energy), the EU adopted in 2010 its 'Europe 2020 Strategy'. The aim is to transform the EU into a knowledge-based, resource-efficient and low-carbon economy, and provide a sustainable response to the challenges facing the EU up to 2050.

So the policy is in place on some level and the process to structurally adjust consumption and production behaviour in Europe has started. Environment Commissioner Potocnik explained in his March speech in Rio: 'We are integrating resource efficiency into our mainstream policies by greening our agriculture, by eliminating environmentally-harmful subsidies, by shifting

taxes from labour to pollution and resource use, and by encouraging industry to take a longer-term view to invest in technologies that will reduce our impact on resources.'

No-one will argue against ambition. The issue is just how realistic it will be to execute given the many barriers that currently prevent us from fully embracing more sustainable practises. One is Europe's complex political bureaucracy. Once the roadmap was presented to Europe's 27 environment ministers, they failed to commit to specific targets. And we all know what is not measured, isn't done.

Another example is taxation. The European Union doesn't have the executive muscle to legislate in this field. The European Commission (Europe's executive branch) can only make proposals with good intentions, but the 27 national governments have the final say. The veto of a single member state of the EU can send a legislative proposal down the drain. But since the reform of tax systems is critical to the successful transition to a green or resource-efficient economy, it's hard to see how we can move forward.

This is not to discredit the EU for what it is trying to do, but only to illustrate flaws in its complex policy-making processes. Then you add the reticence of some governments to commit to ambitious targets during these harsh economic times and you can easily see how ambitions remain just ambition. While much still needs to be done at home, the EU - among others - seems to have figured out the link between the environment and the economy. Some of those practises are already in place in Europe. It would be a mistake to ignore this experience and the leadership that Europe clearly brings to the negotiating table in Rio.

And in light of the challenges ahead of us, it would be simply irresponsible to put forward a business-as-usual scenario. We are all in the same boat, and the current economic crisis may just be a blessing in disguise - one that makes us rethink the way we've done things to date. Anything else is irrelevant. **SG**