Working towards a Balanced and Inclusive GREEN ECONOMY


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An improved, interagency understanding of the GE

Improved (i) human wellbeing, (ii) social equity, reduced (iii) env risks and (iv) ecological scarcities

Framework and approach...
Physical infrastructure:

- Emerging / developing countries will build the bulk of their infrastructure in the next 2 decades (assets – lifetime > 30 years)

- Africa: infrastructure spending needs – 15% of region’s GDP... nearly 70% still unconnected to electricity

- Telecoms success: 73% of global population has access, compared to around 3% early 1990s

- Funding gap... yet green stimulus, especially rail
Physical infrastructure:

- Dynamic growth strategies
- Competitive advantage

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Greening of the Economy

Increase in Labour Productivity
Ecological infrastructure:

- Ecosystem services – deliver essential services worth US$ 21-72 trillion per year

- **Role in climate resilience:** ecosystems-based adaptation

- **Role in food chain:** Fisheries - half of wild marine fisheries fully exploited, further quarter already over-exploited. At risk: $ 80-100 billion income from the sector and 27 million jobs

- **Marine and other Protected Areas:** Financing gap – up to US$ 45 billion over next 30 years
Societal infrastructure:

- **What works best in reducing poverty?** Incl low carbon, sustainable agriculture, off-grid green energy sources, creating green jobs, decentralized / community approaches

- **Social Capital - Health:** Urban air pollution and traffic injuries kill 2.5 million people annually, mostly in low and middle income countries

- **Social Capital - Culture:** Mali – culture sector accounts for almost 6% of employment and 2.4% of GDP in 2006 (cf World Heritage Sites)
Societal infrastructure:

- **Human Capital - Labour**: 190 million unemployed, as well as the working poor.... globally at least 25% of those who work are underemployed

- **Human Capital - Education**: each year of additional schooling could increase individual earnings by 10%

- Green jobs potential, but requires transition... decent work, social dialogue, training, education

- Germany: ecological tax reform taxing GHG emissions while reducing labour costs > 250,000 new jobs since 2000
Financial infrastructure:

Private finance

- **Rising public debts (debt/GDP ratio) – requires greater share of capital from private sector**

- Mainstream investment: UN-backed PRI – over 900 investment institutions from 49 countries, representing AUM of over US$ 30 trillion / 20% of global capital

- Equator Principles – over 70 signatories (private bank project financing)

- Sustainable Stock Exchanges Initiative of UNGC, UNCTAD, UNEP FI, PRI
Financial infrastructure:

(Inter)national public finance

- **World Bank** – Green Growth Knowledge Platform with UNEP, OECD and GGGI (Seoul)

- Engaging Finance Ministries to build wealth accounting data (incl natural capital) into national accounts

- **Targets**, eg ADB annual target at least US$ 2 billion in clean energy investment by 2013, IDB – 25% of all lending geared towards climate, renewable energy and environmental sustainability by 2015

- **Sources of revenue**: eg subsidy and tax reform for full cost pricing, social protection for poorer households
Standards, public and self-regulatory, scaling technological innovation

For example:

- Food standards (FAO et al.)
- Health standards (WHO)
- Labour standards (ILO)
- Management standards (ISO)
- Aviation and shipping standards (ICAO, IMO)

... backed up by relevant international principles and norms, from UN conventions (eg MEAs)

... informing labelling, incl national eco-labelling schemes such as recently launched in Brazil, China, India, South Africa, Indonesia, Thailand, Tunisia

... boosting trade, to scale up markets for environmental goods & services (EGSs) - US$ 688 billion by 2010
Indicators

Measurement to manage & track progress

- GE indicators on (i) green transformation of key economic sectors, (ii) decoupling and (iii) progress & well-being
- UN System of Environmental-Economic Accounting (SEEA)
- Wealth Accounting by WB
- Human Development Index
- UNCSD Indicators for SD (50 core of 96 total)
Conclusions

- **GE as innovative pathway to SD** – focus on mainstreaming, improved implementation (“enablers & results”)

- **GE as people-centered** - requiring investment in human and social capital

- **GE requiring re-orientation of public policies and their enforcement** - incl subsidy and tax reform, improved tracking of and access to information

- **GE infrastructure investment as opportunity** - longer term, dynamic growth strategies, competitive advantage
Thank You