

RIO+20 AND THE GREEN ECONOMY ISSUES AND OUTLOOK



The main themes of the Rio+20 international conference, which will be held in the Brazilian economic capital June 20th to 22nd, 2012, are the implementation of the "Green Economy" and the global governance of sustainable development.

In a time when the world is experiencing an extremely serious financial crisis, the concept of a green economy combining growth with environmental imperatives is raising many questions.

What exactly is meant by "Green Economy", a concept backed by most large international organisations?

How can it contribute to sustainable development, particularly in developing countries?

Why does it put so many NGOs on the defensive?

These questions were at the heart of the debate held on Friday, June 8th by BTC, the Belgian development agency. Entitled "Rio+20: Can green economic models sustain development?". It brought together representatives of the OECD (Organisation for Economic Co-operation and Development), United Nations and civil society.



Ingénieur solaire, Nicaragua - Crédit : Ashden Awards

The green economy, a concept under construction

Twenty years after the 1992 Earth Summit, it has become apparent that the commitments made at the time have only been very partially implemented.



Wind turbine - © Stevie Boyuk

The threats weighing on our natural resources, biodiversity and future generations are becoming more and more serious.

The studies published on these issues, as well as the international meetings organised since then (Johannesburg, Copenhagen, etc.) have led to a pessimistic diagnosis for our planet's health. This sombre assessment is widely shared and is the reason why the UN is organising the Rio+20 Conference on Sustainable Development in Brazil.

It took months of complex negotiations for the heads of state, ministers and representatives of international institutions involved in the preparations to agree to a compromise text which, in the end, stated that the themes of the new global meeting would be "implementing a green economy" and "strengthening the institutional governance of sustainable development"¹.

Backed by several pioneering governments in the field (South Korea, in particular), the concept of a green economy is not precisely defined. However, an agreement was eventually reached, borne notably by UNEP and the OECD (which tends to speak of "green growth").

In this vision, the green economy is seen as a development model in which the preservation of natural capital is a factor of economic growth.



Formation de femmes à l'ingénierie électrique solaire en Inde - © UN Women / Gaganjit Singh

The reality principle

In its report on the subject, the OECD explains that "green growth means fostering economic growth and development while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies. To this end, it must act as a catalyst for investment and innovation, which will promote sustainable development and create new economic opportunities."² Invited by BTC to explain the concept, Jon Lomoy, Director of the OECD's Development Co-operation Directorate highlighted the need to combine environmental imperatives with rapid growth, particularly in order to convince developing countries to adopt the strategy.

"Green growth can only be accepted as a real alternative policy by the poorest countries on condition that it combines rapid economic growth with a quick reduction in poverty. These countries need quick economic growth to solve their most basic problems."³

This pragmatism is one of the essential foundations of the green economy concept.

For its defenders, there is no alternative to growth, but it must consistently take into account the environmental impact of economic activity.

The OECD is, in fact, asking national and international decision-makers to look at the most effective local experiences to define more environmentally-friendly and socially inclusive global public policies. The two main instruments to achieve these objectives are innovation and investment. They must be implemented on a massive scale in economic activities that will lead to a decrease in pollution and CO₂ emissions, optimise the management of natural resources and prevent the loss of biodiversity.



International Green Economy and Living Environment Forum, Changzhou, Wujin
© Peace Plus One

Seeking a consensus

Since its formulation during preparatory stages, the green economy concept has been at the heart of a passionate debate in the international community.

A large block, consisting primarily of Brazil, South Korea, the United States, Ethiopia, Japan, Indonesia and the European Union, has voiced its support for the green economy, pointing out, however, that flexibility is needed in the system as it must be able to adapt to the specificities and needs of all States⁴.

On the other hand, two groups of countries have expressed their reticence and even a clear objection to the green economy model, for virtually opposite reasons.

The first group, led by Argentina, China and Egypt, fears that the new system will have a negative impact on the competitiveness of developing countries and that, in the end, it will merely become a structure to enable developed countries to arbitrarily adopt protectionist trade rules under the pretext of preserving natural resources.

Another small group of countries is very opposed to the concept of a green economy. This group consists of Bolivia, Cuba and Venezuela.

For several years now, Bolivia has been setting itself apart on the international scene by taking strong positions in favour of the inalienable natural rights of "Mother Earth" and for an acknowledgement of the limits of the regenerative capabilities of its life cycles.

Advocated by President Evo Morales within the concert of nations, Latin America's ancestral Indian traditions call for a more spiritual vision of development and of the use of natural resources.



Under fire from civil society critics

The most virulent criticism of the green economy as the central theme of the Rio+20 conference comes from civil society organisations.

Many argue that it is difficult to design global strategies without a clear and generally accepted definition of the concept.

More to the point, the NGOs feel that the concept doesn't call into question the basic principles of the liberal economy and global trade (which are the reason for the over-exploitation of natural resources and growing social imbalances), even entrenching them for decades to come.

An alternative platform, the "Brazilian Civil Society Facilitating Committee for Rio+20" states that "the planned agenda for the official conference, the so-called "green economy", (...) is considered by the organizers of the Peoples' Summit as unsatisfactory to deal with the global crisis, caused by the models of capitalist production and consumption."⁵

In this vision, the green economy model is even seen as a very large-scale green-washing operation solely intended to enable multinationals to treat all natural resources as goods,

notably by promoting the patenting of living things to the detriment of the rights of local communities and biodiversity. According to these organisations: *"If the 'Green Economy' is imposed without full intergovernmental debate and extensive involvement from peoples' organizations and civil society, the Earth Summit (...) risks becoming the biggest Earth Grab in more than 500 years"*⁶.





TedX Rio+20 - © Helcio Nagamine

Two visions of the world

There is a clear confrontation between the models of the OECD, the United States, the European Union, Brazil and major international institutions, on one hand, and those held up by the majority of civil society organisations and a few governments, notably Bolivia, on the other.

The first group believes that the global market economy is the only system able to mobilise the public and private forces of our planet to right the situation.

In this view, pragmatism is a cardinal virtue and the levers of change are primarily economic (innovation and investment).

On the contrary, most civil society organisations feel that the global system (embodied notably by the World Trade Organisation) has reached its limits and that it has entered a destructive phase, to the point of creating a framework that causes multiple degradations of the environment and social fractures.

The movements, organised within national and international platforms (such as the Belgian Rio+20 Coalition), believe that natural resources should be treated as "common goods" that must be removed from the economic arena and the commoditisation that "deprive peoples of their resources and rights."⁷

Disappointed that the concept of a green economy is replacing sustainable development, the supporters of this model defend "a paradigm shift to a sustainable world."⁸

The green economy is today's news in Vietnam

Vietnam is facing all kinds of major environmental challenges caused, notably, by the effects of global warming and the fast growth of its cities.

High demand for water and energy, insufficient infrastructure and planning, and very low environmental awareness are among the many obstacles that must be dealt with.

The Hanoi government has decided to implement development strategies intended to take these difficulties into account and overcome them.

Inspired by the South Korean example, Vietnamese leaders are now betting on the green economy, which they clearly see as a development model that will enable them to correct the excesses of the current production system.

In fact, although the country has been experiencing rapid growth, the pressure on natural resources and the pollution generated by industry have reached a level that is worrisome for the authorities.

The country has just adopted a Green Growth Strategy for 2050, which will soon be officially approved.

The strategy has three goals: reduce CO2 emissions and develop a low-carbon society, promote clean technologies, and encourage citizen efforts to move toward more sustainable consumption.

Belgium is the first donor to contribute to the strategy, with a gift of €5 million over five years in the form of a bilateral intervention managed by BTC, the Belgian development agency.

The project is intended to create a fund (Facility) managed by the Vietnamese partner (the Ministry of Planning and Investment) to finance studies, research, training, case studies, and pilot projects to support the environmental transition of the Vietnamese economy.

Energy efficiency, renewable energies, clean technologies, and liquid and solid waste management are important aspects of the strategy.

Both Vietnam and other international donors can contribute to the fund with additional resources.

A time for action

The two systems of representation seem very difficult to reconcile. Yet, this is an emergency situation. Most environmental indicators are flashing orange and some have already turned to red (biodiversity, disasters caused by climate change, etc.).

In order to move forward, Colombia, along with Guatemala and Peru, point out that "only concrete strategies will enable renewal of the political compromise for sustainable development"⁹. Convinced of the historical opportunity provided by Rio+20 to "strengthen commitment to the three dimensions of sustainable development", these countries propose to take their cue from the Millennium Development Goals (MDGs) to define Sustainable Development Goals (SDGs) that will set the objectives to be reached by the entire international community.

The representatives of these three Latin American countries propose five major areas for which SDGs must be set: food security, access to energy (including renewable sources), the oceans (including fishing), sustainable human settlements (cities), and water management.

The approach has many other benefits in addition to being concrete and binding: built on Agenda 21, the Sustainable Development Goals are applicable internationally as well as locally and therefore meet the priorities and realities of each country.

Carefully coordinated at every level, the SDGs will allow for the catalyzation of the resources of all public and private actors around precise qualitative and quantitative results to be achieved in the three areas of sustainable development (economic, social and environmental).

One other positive aspect pointed out by the Latin American governments behind the initiative is the consistency (complementarity) with the MDGs set in New York in 2000 to reduce extreme poverty and infant mortality rates, fight major epidemics (including HIV/AIDS), develop access to education and promote gender equality, particularly in the poorest countries.

The initial feedback to the proposal from the international community and civil society has been favourable. The main hesitations are related to the procedures needed to set the goals (and the time this will take) and to the fact that this proposal questions (at least partially) the themes already agreed for at Rio+20.

Will the representatives of the governments present at Rio be able to agree on clear and binding goals to avoid future generations being forced to deal with increasing numbers of deadly environmental and social catastrophes?

Rights and responsibilities

BTC's guest speaker, Raymond Van Ermen, Executive Director of European Partners for the Environment, promotes the concept of mobilising all "change agents", including private actors, within the framework of a "system of collective intelligence". He believes that this alone will be able to effect the expected transition.

To do so, he recommends an "Agreement by the United Nations on the Rights and Responsibilities of Market Actors" to encourage all stakeholders (starting with a clear vision of their respective benefits) to use the levers at their disposal "in a value chain redefined to share resources, financial means and knowledge"¹⁰.

Structured around three operational pillars (mobilisation of all around goals set by the public authorities, consistent and continuous assessment of each actor's activities, and rewards for virtuous initiatives, notably via public contracts), an undeniable benefit of this vision is, a priori, that it is a coherent system that can be followed by all.



1. Source: International Organisation of La Francophonie, "Note de décryptage des enjeux de la Conférence Rio+20"

2. Source: OECD, "Towards green growth - A summary for decision-makers" - May 2011

3. Source: Interview on Friday, 8 June 2012 at BTC.

4. Source: International Organisation of La Francophonie, "Note de décryptage des enjeux de la Conférence Rio+20"

5. Source: Véronique Smee, Novethic, "Rio+20: concilier économie verte et éradication de la pauvreté", 24 May 2012 - www.novethic.fr

6. Source: ETC Group - Monitoring Power, Tracking Technology, Strengthening Diversity, "New report: Who will control the Green Economy?", 15 December 2011 - www.etcgroup.org

7. Source: Coalition belge Rio+20

8. Source: Ibid.

9. Source: Ministry of Foreign Affairs, Republic of Colombia, "Rio + 20: Sustainable Development Goals (SDGs) - Update from the governments of Colombia, Guatemala and Peru"

10. Source: Raymond Van Ermen, European Partners for the Environment, "Rio+20 - Comprendre, innover et agir" - Comité 21 -Palais Brongniart Paris, 4 July 2011.