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Green Economy Discourses in the Run-Up to Rio 2012

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Acronyms

AASA	The Association of Academies of Sciences in Asia
CSD	United Nations Conference on Sustainable Development
EESC	European Economic and Social Council
GE	Green Economy
GER	UNEP Green Economy Report
GHG	Greenhouse Gas
G20	Group of 20
IEA	International Energy Agency
IISD	International Institute for Sustainable Development
ITUC	International Trade Union Confederation
OECD	Organisation for Economic Co-operation and Development
SD	Sustainable Development
TEEB	The Economics of Ecosystems and Biodiversity
UNCSD	United Nations Commission on Sustainable Development
UNEP	United Nations Environment Programme

Preliminary Remarks

The following paper was originally written as a scoping study for the European Economic and Social Committee (EESC) in a research project on the „Rio World Summit on Sustainable Development 2012 - Governance for a Green Economy. It aims at providing an overview on the landscape of concepts related to the Green Economy as the central theme of next year's UN Conference on Sustainable Development.

The views expressed in this publication are solely those of the authors.

Summary

The study analyses central contributions to the debate on the concept of a Green Economy in the run-up to the 2012 United Nations Conference on Sustainable Development. It does so by identifying the pillars on which the various understandings of a green economy are based as well as analysing policy concepts published and statements made. It concludes that currently there are three distinguishable discourses on the green economy and that the political challenge for the Rio+20 conference will lie in building bridges between these different understandings to build a consensus. A central role for the EESC is seen in supporting the EU's role as a role model and helping to build the bridges and adapt the concept in other countries.

Zusammenfassung

Die Studie untersucht die zentralen Beiträge zum Konzept einer Green Economy im Vorfeld der 2012 stattfindenden UN Konferenz für Nachhaltige Entwicklung. Dabei untersucht die Arbeit auf welche Säulen die unterschiedlichen Vorstellungen der Green Economy beruhen und analysiert die spezifischen Politikentwürfe und Beiträge. Dabei werden drei unterscheidbare Diskurse zur Green Economy identifiziert. Die zentrale politische Herausforderung für die Rio+20 Konferenz besteht dabei darin Brücken zwischen diesen unterschiedlichen Vorstellungen zu bauen um einen Konsens zu ermöglichen. Der Europäische Wirtschafts- und Sozialrat kann dabei eine bedeutende Rolle spielen indem er eine Vorreiterrolle der Europäischen Union unterstützt, bei der Überbrückung unterschiedlicher Vorstellungen der Green Economy, sowie der Anpassung des Konzepts in nationale Kontexte beiträgt.

1 Introduction

The European Economic and Social Committee is planning to adopt an opinion on the evolving debate on a “Green Economy” in the up-run of the 2012 World Summit in Rio de Janeiro. In preparation of this, the EESC has commissioned a study to the Freie Universität Berlin to analyse the positions that have been developed by the different actors in this context. In the first phase of the study, the main policy documents and studies that are framing the debate have been analysed and compared against a set of criteria. The results of these initial steps are used in a twofold way: The analysis should firstly inform the debate within the Committee and support the drafting of its opinion. It secondly prepares an electronic survey among organisations of civil society. The survey will provide a comprehensive overview on their positions on the topics of the upcoming Earth Summit.

The Rio +20 summit is likely to receive considerable attention. There are high expectations for renewed momentum for a global sustainable development. The focus on a Green Economy, however, is contested. While some actors argue that this focus indicated the ultimate success of the mainstreaming of sustainability, others are afraid that important aspects, and in particular the social dimension and issues of development are being sidelined. The optimistic view assumes that sustainability is now a key economic issue, a subject of competition between the major economies, and hence in the core of industrial-, innovation- and infrastructure policies. Indeed, there are indications of fast growing markets and increasing investments in green technologies. For example many governments have devoted considerable shares of their stimulus packages to overcome the recent economic crisis to support investments in green technologies and infrastructures. In this view, greening the economy is the driver of economic modernisation and welfare.

The sceptical view fears that this does not meet important challenges of a sustainable development. The focus on a green economy would not provide solutions to the pressing problems of developing countries. It also does not consider the potential distributional impacts of a transition to a green economy and the potential considerable social impacts. Hence, a more comprehensive approach should be taken.

In the following analysis, we are taking a closer look into these discussions, their origins and the arguments of the actors involved. We are firstly tracing the roots of the debate: How did these topics emerge on the international agendas? What are the origins of the concept of a green economy? Secondly, we are focusing on the main documents which have been published in the preparation of the summit. We analyse these documents regarding the following questions:

- **Economic Dimension** of a green economy: What are the economic drivers, prospects and potential risks of a green economy?
- **Social Dimension**: What are the prospects and risks for employment and social cohesion?

- **Environmental Dimension:** Which topics are given priorities, what are risks and opportunities to solve the pressing problems?
- **Development Dimension:** What is the global perspective of the respective document? What is perceived as opportunities for developing countries?
- **Issues and policy domains:** What are the most pressing issues to be addressed and what policy domains and instruments are given priority?
- **Potential synergies and conflicts:** What is perceived as important issues in this regard?
- **Role of government:** What should be done by the government to exploit the opportunities and to overcome possible barriers.

These questions were applied to the following documents:

- UNEP: towards a Green Economy
- OECD: Green Growth Strategy
- Europe 2020 including the flagship initiative “Resource Efficient Europe”
- AASA: Towards Sustainable Asia
- Jaeger et al: A new Growth Path for Europe

And in addition to position papers of:

- International Trade Union Confederation
- Business Europe
- World Wildlife Fund for Nature
- Greenpeace

The detailed analysis can be found in the annex of this intermediate report.

A discourse analysis has been applied to these reports in order to provide a better understanding of the different ideas and concepts of a Green Economy held by different actors. Discourse analysis is a methodology in social sciences that allows to systematically classifying and structuring positions on a specific issue that are held by stakeholders. It means “the examination of argumentative structure in documents and other written or spoken statements [...]” (Hajer, 2005, p. 299). When examining stakeholders’ conceptualizations, relevant questions to be asked comprise for example: how does the concept relate to the broader discussion on sustainable development; which economic, social, and environmental aspects are considered; is Green Economy deemed a solution to the crisis or is it merely a way of continuing business as usual; will it be capable to deal with ecological limits; stick to the current paradigm of economic growth? How can welfare be conceptualised and measured? Which indicators and concepts are used (GDP, well-being, quality of life, participation etc.)? Which causalities are identified?, etc. These issue areas constitute often conflicting views on the concept of a green economy. The different views of actors and their framing of the related problems, their proposals for solutions can be conceived and analysed as *narratives*. The combinations of different narratives constitute competing *discourses*.

Discourses and narratives do matter because the way actors interpret problems and issues determines which pathways to deal with the problem at hand (in this case: how to overcome the financial and economic crisis and how to deal with ecological limits that increasingly become apparent) will be chosen. Ultimately, the way in which issues are framed is interwoven with interests, power and capabilities of stakeholders.

The interim report will further situate these policy papers and the related discourses in earlier discussions that can be considered ‘roots’ of the current Green Economy discussion. While they will not be analysed in the same detail, an introductory chapter will discuss the main lines of arguing in these earlier debates. The most important of these are:

- Studies and policy papers that were published from 2005 onwards assessing the economic potentials of green technologies
- Studies and policy papers about Green Jobs
- Studies and policy papers assessing the economic value of ecosystem services, mostly the Stern Review and the TEEB study
- Studies and policy papers on the role and measurement of growth and welfare

On the basis of these considerations, this paper is structured as follows: In the following chapter, we summarize the debates on the origins of the green economy discourses. This is followed by a brief summary of the main policy processes and documents for the preparation of Rio +20. A more detailed summary can be found in the annex of the report. From these documents, we distil a set of conflicting narratives and two competing discourses. The identification of the narratives and discourses was verified in four expert interviews with scientists, policy makers and representative of an NGO. We conclude the paper with a set of options and recommendations for the drafting of the opinion of the EESC.

2 Pillars of the Green Economy

The concept of the Green Economy has arisen from several streams of debate in the last years. This chapter will discuss those roots considered to have the most significant impact on today’s debate. As we argue, the green economy only partly evolved within the sustainable development context within the United Nations; a substantive part of the concept emerged independently of the relevant UN processes. Thus, today there is the challenge of integrating the green economy into the SD framework and the Rio principles (Khor, 2011).

2.1 The economic success of the environmental technology sector

In the last years, environmental technologies have become a mainstream topic in innovation policy and are increasingly regarded as crucial sectors for future economic development. Many industrialised countries have increasingly used innovation-oriented approaches to environmental policy in order to foster this “mega-trend” (Jänicke & Lindemann, 2010). The technological progress in environmental technology is strongly connected to the policy instruments that govern the sector and provide incentives to innovate. Lead markets for environmental technologies have developed in those pioneer countries with ambitious

regulatory settings and incentive structure that stimulate innovation (Jänicke & Jacob, 2004, p. 34). Such markets have oftentimes provided the supply of environmental technologies and thereby attained an attractive economic position in the world markets. A prominent example out of many are the export of wind turbines from Germany. The European Commission have taken up this in its 2006 Lead Market initiative for six different markets (out of which four can be conceived as green technologies).

Another important cornerstone for the promotion of environmental technologies are the 2004, Environmental Technologies Action Plan. This is meant to make Europe the leader in environmental technology worldwide. It led to the development of national environmental technology development plans in EU Member States to support the growth of these sectors. Empirical studies have identified key technologies that will on the one hand provide significant economic development chances and on the other help to reduce environmental impact on current consumption and production patterns (Cp. BMU, UBA, & Berger, 2007). Economic analyses of greenhouse gas abatement cost curves in the transition to a low-carbon technologies have identified key sectors and technologies which are likely to prosper under the ecological constraints of climate change as well as those technological choices that have high abatement cost with low reduction potentials and are likely to lose market shares in the transition to a greener economy (McKinsey&Company, 2009). Today, there is a trend away from a sectoral understanding towards a mainstreaming of green technologies.

2.2 Green Jobs

The Green Jobs dimension can be identified as another root of the debate on green economy. Proponents of this strand of discussion are inter alia UNEP, the ILO, trade unions, or regional networks such as the Apollo Alliance or the BlueGreen Alliance in the US. Proponents of the green jobs approach claim that while the transition towards a green economy is commonly perceived as an economic and environmental win-win situation and a means to deal with the economic and financial crisis, the social dimension of green growth is often neglected. Thus, this literature is concerned with the twofold challenge of conserving the natural environment and providing decent jobs. They assume that public spending and public stimulus packages should be directed towards green industry sectors rather than towards “old” industries or increasing household consumption (Pollin et al., 2008, p. 9; Bird, 2009, p. 5).

The definition of green jobs does not only take into account employment in ‘new’ industry sectors such as renewable energies, but also implies the redefinition of job profiles in traditional sectors. While highly qualified workers will be essential for the transition towards a green economy, the creation of green jobs is often constrained by skill gaps. This is an aspect underscored by the European business community (Business Europe, 2011). Other actors emphasise the risks for employment within the existing economic sectors, e.g. Galagóczy (2011) points out that out of the 12 million employees of European car manufactures only 250.000 can be conceived as green jobs. Hence, policies are needed to better

take into match the demand for skilled workers in the emerging and fast growing green sectors, while providing solutions for employees in the potentially shrinking sectors.

While it is recognized that environmental services are key for maintaining life on Earth, decent employment is considered central for human well-being. This includes enabling individuals “to build identities, to participate in and to contribute to society” (UN Environment Programme, International Labour Organization, International Organisation of Employers, & International Trade Union Confederation, 2008). However, it is also recognised that many green jobs are of precarious, dangerous and often informal, e.g. in the recycling sector. Thus, the training and education of young people in developing countries is considered particularly important.

Proponents of the green jobs approach call for strong environmental policies (e.g. regulation, targets and timetables, financial incentives, R&D funding) as precondition for investments in green technologies. They underline the need to better integrate social aspects into environmental policy debates and demand a “social dialogue” among workers, employers and governments to ease tensions that derive from the transition towards a green economy (i.e. the decline of certain industry sectors, shifts in employment structures or the adaptation of job profiles) (UN Environment Programme et al., 2008, p. 24).

2.3 Beyond GDP / Beyond Growth

This line of arguing questions the role of the economy, the necessity of growth as a precondition for prosperity and the adequacy of GDP as a measure for well-being. A common point of reference is the 1972 Limits to Growth-Study (Meadows, Meadows, Randers, & Behrens, 1972). Under the impression of financial instability and increasingly discernible ecological limits, it is argued that prosperity needs to be redefined in terms of sustainability and “quality of life”. The EU Commission issued a communication on “GDP and beyond: Measuring progress in a changing world” in 2009 (European Commission, 2009). This communication acknowledged that GDP ignores environmental sustainability and social inclusion and thus is no longer adequate “to inform policy debates”. The communication proposes to complement GDP with environmental (changes in natural capital and stocks) and social indicators on “quality of life and well-being”.

Two studies that were commissioned by the French and the UK government respectively will be used to sketch this line of discussion: The so called “Stiglitz Report” not only points to weaknesses of the GDP concept as a measure for economic activity, but questions the use of economic indicators and material living standards for measuring economic performance and social progress (The Commission on the Measurement of Economic Performance and Social Progress, 2009). The report turns away from material living standards and proposes to focus on “quality of life” instead. This concept includes “subjective wellbeing”, capabilities (i.e. objective conditions and opportunities such as health, education, political voice, security, etc.), and their fair allocation. Concerning the sustainability dimension,

the commission argues for a stock approach that takes in to account changes of stocks of physical, natural, human, and social capital.

In a similar vein, the report “Prosperity without growth” which was commissioned by the UK government, points to the necessity to adhere to ecological limits, to ensure distributional equity, and to preserve critical natural capital (Jackson, 2009). The “ability to participate meaningfully in the life of society” forms a central aspect of a redefined notion of prosperity. These capabilities, however, are bound by ecological limits and a growing world population. Enhancing resource productivity will not suffice to keep the use of natural capital within ecological limits (‘the myth of decoupling’). On the other hand, the report is also critical about de-growth because this would undermine economic and social stability and basic capabilities. Thus while a new macroeconomic approach for sustainability and changing consumption patterns (‘reversing the culture of consumerism’) is considered essential in the long-term, the report envisages an active role for governments in the short term, with investments in low carbon technologies, fiscal reforms, the imposition of resource and emission caps, and investments in human and social capital.

Canadian economist Peter Victor has challenged the prevalent notion of economic growth being the overriding economic policy goal - even in a green economy. Econometric models based on a low-growth scenario for Canada show how macroeconomic changes can allow a society to achieve multiple other goals related to unemployment and poverty reduction, leisure as well as climate protection and conservation (Victor, 2008). This is not to say de-growth should be a policy goal. However the insight is that developed countries can hardly add to human wellbeing from economic growth. In contrast, Victor and Rosenbluth argue that “developed countries should leave room for growth in developing countries where the benefits of growth are evident“ (Victor & Rosenbluth, 2007, p. 492).

2.4 Economic Valuation of Ecosystem Services

One of the first comprehensive attempts to measure the economic value of nature’s services was a 1997 study by Costanza et al. published in *Nature*. The authors identified 17 of the most important ecosystem services in 16 biomes and used various valuation methods to account for their marketable and non-marketable components (for most of these services, no markets exist yet). The moderate estimate for annual ecosystem services worldwide was US-\$33 trillion (1997) or equivalent to 1.8 times the global gross national product at the time (Costanza et al., 1997, p. 259). The purpose of this comprehensive overview was to provide a “big picture” perspective on the economic value of ecosystem services that are part of human economies, but go unaccounted for and therefore are subject to inefficient allocation of resources. Studies focusing on single ecosystem services that gathered greater political reflection are the well-known Stern Review on the Economic of Climate Change (2007) or the 2010 Study on The Economics of Ecosystems and Biodiversity (TEEB).

Especially in the realm of the international debate on global climate change and the Kyoto Protocol’s market-based instruments, economic valuations have gained prominence as they

allow comparing the cost implications of different development choices. While scientific insecurity about ecological tipping points remains difficult to model and there are ongoing debates among environmental and ecological economist about the discount rates used in valuing long-term climate impacts, economic models have had a significant impact on climate policy by underscoring the economic case for immediate action compared to the additional future costs of today's inaction (Stern, 2007). In this regard, McKinsey's global abatement costs and potentials for different technology choices also provided policy-makers with a valuable tool to compare policy and technology options (Cp. McKinsey&Company, 2009).

Based on the typology used by the Millennium Ecosystem Assessment, the TEEB report identifies 22 categories of ecosystem services for which it provides economic valuations in order to give insights into different policy options and their impact on ecosystems and biodiversity. It argues that today's accounting for ecosystem services is still mostly limited to food production and fibers while being unable to account for large parts of ecosystem services - thus, for a sustainable use of ecosystem, more comprehensive indicators are necessary to reflect impacts and efficiently and sustainably use natural resources (TEEB, 2010, p. 99). The TEEB study further underscores a number of limitations of economic valuations of ecosystem services in that the tool itself reflects a certain mind-set of looking at ecosystems that can be an obstacle in overcoming unsustainable patterns; methodological problems in accounting for non-linear developments, tipping points or resilience in ecosystems which these economic studies are unable to fully account for; and lastly, there ethical decisions implicitly made in choosing a discount rate that are not necessarily are universally shared.

Ultimately these studies and the related debate contributed to the framing of the concept of a "Green Economy" which is central for the preparation of the Rio+20 summit. In the following, we summarize the content and the background of a number of policy papers which have been prepared in the run-up of the summit.

3 Short overview on political processes and documents

3.1 The Run-up to the 2012 Conference on Sustainable Development (Rio+20)

3.1.1 The Rio+20 process within the United Nations and the UN Environment Programme's work on the Green Economy

In the run-up to its Conference on Sustainable Development (CSD) 2012, the United Nations has adopted a number of key decisions and policy-papers. The *Report of the Secretary-General for the first Preparatory Conference* outlined two themes for CSD 2012: 1) A

Green Economy in the context of Sustainable Development and Poverty Eradication¹ and 2) The Institutional Framework for Sustainable Development (United Nations General Assembly, 2010, p. 4).

While economic development throughout the world has been rather successful, key indicators for social aspects of the Millennium Development Goals suggest that many developing countries will not reach their 2015 goals (United Nations General Assembly, 2010, pp. 6-8). The greatest shortcomings however, must be seen in the environmental field where greenhouse gas emissions (GHG) and biodiversity loss have reached record levels despite efforts throughout the last years to reverse course. The UN warns in this regard that especially in the fields of climate change, the nitrogen cycle and resilience of ecosystems, safe boundaries may have already been exceeded while the pressures - growing industrialization and urbanization and material consumption and pollution - are likely to continue to grow (United Nations General Assembly, 2010, p. 9).

The report argues that a Green Economy is able to “harness economic activity in support of one or more sustainable development goals” - thus is an integral part of reaching SD in the long-term. Central aspects of the Green Economy concept are the attempt to internalize market failures, to provide a systemic view of the economy that recognizes impacts on other aspects of SD, to recognize policies that foster multiple aspects of SD and to serve as a framework for finding pathways to SD (United Nations General Assembly, 2010, p. 15).

3.1.2 The 19th session of the Commission on Sustainable Development casts shadows at Rio+20

A brief review of the 19th session of the Commission on Sustainable Development (UNCSD) in May 2011 helps to understand the existing conflict lines that will be relevant for the Rio+20 negotiations. A number of issues related to the Green Economy's lead to substantive conflicts that could not be bridged throughout the discussions and ultimately lead to the failure of the session. The most important among these were:

- The term and concept of the “Green Economy” and its potential as a trade barrier
- The continued existence of the Rio 1992 principle of common but differentiated responsibilities and respective capabilities
- “Adequate, predictable, accessible, sustainable, new and additional” funding through Western countries
- The terms and scale of technology transfer

While the concept of the Green Economy generally enjoys political support among UN, EU and other Western policy makers, the “G77 and China” group under the Argentinean lead-

¹ It is important to note the addendum to the Green Economy topic that was made in response to developing countries insistence to not discuss GE in isolation and without connection to the existing SD process.

ership opposed all references to it during the UNCSD meeting in order to prevent any preliminary definitions before the Rio+20 negotiations.²

3.1.3 Understanding Developing Countries' Criticism of the Green Economy concept

Throughout the Preparatory Process to Rio+20, developing countries have generally supported the concept, but there is a wide range of views reflecting significant differences. Members of the G77 argued that the concept of the Green Economy is still too vague and undefined - both in its relationship to sustainable development and poverty eradication and with regard to a potential misuse of it for "green protectionism" and new conditionalities in financing for developing countries (Third World Network, 2010; IISD, 2011, p. 11). G77 members questioned whether GE would be the multilaterally established SD concept and argued that it was unclear how GE would relate to the principles of the Rio declaration, especially with regard to the principle of common, but differentiated responsibilities and respective capabilities. In this regard, they argued against a universalist GE concept and instead emphasized that GE must be placed within the SD framework and be led by national governments. Consequently, the G77 objected to "internationally prescribed conditionalities" in international development assistance, ODA or trade in the name of the transition to a GE (Third World Network, 2010). It is noteworthy that there is a lot of diversity within the G77. Many emerging economies are looking favourably upon the issues - some of them, such as South Africa, with existing explicit national GE strategies. Other countries, such as members of the ALBA group, have been categorically critical of putting monetary value on nature.

3.2 Key Documents in the discussion on Green Economy

This section briefly summarizes the four central contributions to the concept of a Green Economy in recent years. They build the foundation of the discourse analysis in chapter 4, which will integrate further contributions from other actors that can't all be presented here.

² The session underscored that the current Commission on Sustainable Development is not a useful institutional setting for sustainability politics and needs reform. The Commission has a lot of political significance, but due to the absence of ministers for economics & finance as well as labour & social affairs, its agenda is mostly focused on environmental issues and thus not able to reach lasting compromises across the pillars of SD. While most international actors seem to favour a strengthening of sorts of UNEP and the UNCSD, there are hardly any concrete proposals on the table to discuss at Rio+20 (IISD, 2011, p. 10). The Commission on Sustainable Development itself, as one delegate put it, will have to change as a negotiating body "if it wants to survive" (IISD, 2011, p. 13). Rio+20 summit coordinator Lalonde recently suggested a new idea to create a WTO-style "General Agreement on Sustainable Development [...] with the new principle at its heart that 'healthy nature is good for economies'" (Euractiv.com, 2011).

3.2.1 UNEP's Green Economy Initiative and Green Economy report

A keystone in the UN's work has been the Green Economy Initiative by the United Nations Environment Programme (UNEP). The initiative commissioned two major studies - *The Economics of Ecosystems and Biodiversity* and the *Global Green New Deal* in 2008 and served as the basis for the 2011 *Green Economy Report* (GER). The GER emphasizes the central role of adjusting the framework conditions of the economy to make it work for social and environmental goals, too. It underscores that a Green Economy would result in "improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities" (UNEP, 2011, p. 2). It sees an active role of government in managing the transition to a green economy by using a wide range of policy instruments such as public investments, regulations, subsidies and incentive structures as well as international trade and aid. Based on the mentioned preliminary work, it emphasizes the potential to achieve multiple goals of SD - e.g. in reducing poverty and pollution at the same time, while gaining employment opportunities in the Green Economy that offset jobs lost in the transition of the economy (UNEP, 2011, p. 3).

3.2.2 OECD Green Growth Strategy

In June 2009, Ministers from OECD member states signed the Green Growth³ Declaration as an approach to overcoming the impacts of the economic and financial crisis and charged OECD with developing a Green Growth Strategy as a comprehensive framework for more inclusive development and as its main contribution to the Rio+20 conference. The strategy was published May 25th, 2011 including two supplementary documents - a catalogue of indicators to measure progress and a toolbox for Green Growth policies that can be adapted to national circumstances for each country (OECD, 2011a; OECD, 2011b; OECD, 2011c).

The strategy recognizes not just the potential benefits of green growth, but also avoided costs and risks. It further acknowledges that certain technologies are path dependent and therefore "likely to intensify systemic environmental risks" if framework conditions are not changed swiftly. Unlike previous OECD publications, the strategy considers Green Growth as an integrative and intersectoral mechanism rather than merely growth of "green industries" (Jänicke, 2011). The Strategy claims that fostering a Green Economy is a long-term driver for economic growth while simultaneously helps avoiding costs from unsustainable use of resources. The toolkit provided by the report is supposed to function as such a framework for Green Growth when properly adapted to varying national circumstances in advanced, emerging and developing economies.

³ Note the linguistic difference between the Green Economy concepts and the OECD's focus on Green Growth.

3.2.3 Europe 2020 including the flagship initiative „Resource Efficient Europe“

In 2010, the European Commission issued the EU's growth strategy for the coming decade “Europe 2020 - A European strategy for smart, sustainable, and inclusive growth”. Europe 2020 replaces the European Lisbon Strategy that inter alia proclaimed the target of an annual growth rate of 3% GDP. While the quantitative target has been dropped in the Europe 2020 strategy, the focus on economic growth is maintained (Jänicke, 2011). Europe 2020 was written under the impression of the economic crisis and is mainly concerned with securing future economic growth to sustain wealth, employment and social peace (European Commission, 2010a, p. 5). The strategy is accompanied by flagship initiatives of which “A resource efficient Europe” is most relevant for achieving a green economy. The initiative aims at decoupling economic growth from the use of resources and at fostering the transition towards a low carbon economy.

3.2.4 Towards a Sustainable Asia - Green Transition and Innovation

The report was written by the Association of Academies of Sciences in Asia (AASA) with 26 national academies of science as a contribution to the Asian debate on sustainable development and as advice to national governments (The Association of Academies in Asia (AASA), 2011, p. xiii ff.). It introduces the concept of green development through green innovation based on “four transitions”⁴. The concept of green development marks a significant alternative to other notions of GE or Green Growth in acknowledging that a comprehensive societal change - that includes not just technologies, but institutions, cultures, lifestyles and consumption patterns - is necessary to achieve sustainability. It also puts emphasis on a strong role of governments in guiding this process. It emphasizes the Rio principle of common, but differentiated responsibilities and supports voluntary national collaboration over internationally legally-binding uniform commitments. Lastly, it highlights Asian countries' favourable conditions for leapfrogging green development in having strong governments; a cultural tradition of harmony between man and nature - on which to base a distinctly non-Western consumption model; a huge potential market for green innovative products and a large reservoir of skilled labour and thus rising capacity to innovate (The Association of Academies in Asia (AASA), 2011, p. 139 ff.).

3.2.5 G20 - Focus on reducing fossil fuel subsidies and green growth

Sustainable Development has still a minor, but growing role on the G20 agenda. The G20 mentioned the goal to build an inclusive, green and sustainable recovery in its London and Pittsburgh communiqués as a response to the global and financial crisis. The G20 is seen as

⁴ These four transitions are in the economy's growth model to one that combines innovation and comparative advantages, the transition of a progress-indicator system away from a GDP-focus to comprehensive indicators, transition to a diversified, low-carbon energy infrastructure and international cooperation based on shared responsibilities based on mutual benefit and win-win results (The Association of Academies in Asia (AASA), 2011, p. xxvi).

a forum for exchange on innovation policies to leapfrog the transition to the GE - especially for developing countries - as well as coordinating international standards, R&D spending and public spending (Group of 20, 2010, p. 16). Regarding the latter, the G20 has taken the lead in identifying and phasing out environmentally harmful subsidies as a major obstacle for the GE. Since the Pittsburgh summit, it had put its focus on reducing fossil fuel subsidies, on which the IEA, OPEC, OECD and World Bank jointly submitted an analysis of global fossil fuel subsidies (Cp. IEA, OPEC, OECD, & WorldBank, 2010). At the Toronto Summit, most members presented national implementation plans on fossil fuel subsidy reductions.

3.2.6 Study: A New Growth Path for Europe

The study argues that ambitious environmental targets are essential to induce innovations and to stabilise investors' expectations. This is essential in order to redirect investments towards green industries and to induce a "virtuous cycle" towards the development of more environmentally friendly products and additional investments in environmental innovations (Jäger et al., 2011). In this sense, the study explores the effects of strengthening the European greenhouse gas (GHG) emissions target from 20% (in 2020 compared to 1990 levels) to 30%. It finds that by 2020, a stronger target will not only lead to less GHG emissions, but simultaneously increase economic growth by 0.6% annually and create 6 Mio jobs additional jobs.

3.2.7 ITUC: Resolution on Trade Unions, Climate Change and the Rio+20 Process

The International Trade Union Confederation (ITUC) is one of the few civil society actors that have already issued a position paper for the Rio+20 Summit. ITUC is a member of the Green Jobs Initiative. It regards establishing a green economy as a means to deal with environmental problems while fostering employment ('decent jobs') and social justice. Green economy is conceived as "a collective endeavour, it should therefore be equitable, inclusive, democratic and people-centred" (ITUC, 2011).

3.2.8 Business Europe

Business Europe - the European umbrella organisation of national industry and employers federations - has provided policy feedback and inputs in a wide range of topics related to the Green Economy and Sustainable Development. It generally supports EU policy-making and considers itself a "solution provider." While policymaking should be more transparent, open to stakeholder participation and less costly to businesses, Business Europe acknowledges it and underscores the economic potentials for European businesses and employees in responding to the manifold challenges of SD worldwide. SD is not only regarded as a great challenge, but as an area for future growth and employment. For this, investments in green research and innovation as well as higher spending in developing high-skilled labour are necessary.

3.2.9 WWF

This chapter refers to the *WWF Contribution to public consultation on the EU Position for the 2012 United Nations Conference on Sustainable Development*. The WWF contribution starts from the assumptions that “we are currently using 50% more natural resources than the earth can sustain” and that “the EU and other high income regions are using five times the amount of natural resources than those of low income countries.” Under these preconditions, the WWF considers greening the economy as an “appropriate response strategy to the seemingly conflicting demands for economic growth and development, providing more and better jobs and preserving a healthy environment” (WWF, 2011). While WWF acknowledges that economic growth is a necessary precondition for development, it claims that greening the economy also needs to contribute to ‘human well being’, the creation of decent jobs, the eradication of poverty, and to the preservation of the environment. Although the notion of economic growth is closely tied to the development and international justice dimension, the WWF contribution does not demand differentiated growth paths for different world regions.

3.2.10 Greenpeace

According to the contribution of Greenpeace to the GSP Civil Society Consultation, the world currently faces a multiple crises that points to limits to material growth. It is argued that economy needs to be turned into a “greener, more equitable, low carbon and resource efficient economy” and the “Western style of severely harmful over-consumption” needs to be overcome (Greenpeace, n.d.). The statement also maintains that a whole range of (small scale) solutions is already on the table - however they need to be combined and implemented.

Greenpeace calls for a fundamental re-conceptualization of the way in which the relationship between nature, economy and society is conceived. The existing approach to sustainability with three equally weighted pillars is considered “misleading”. Rather, economy and society should be conceived as subsets of the natural environment.

4 Dimensions and Discourses of the Green Economy

A multitude of conceptualisations and narratives around green economy emerged in the last years. These are partly complementary but also sometimes contradictory. This section discusses different dimensions of GE concepts in its first part. The choice of dimensions derives from the study of documents and from findings from expert interviews⁵. Conflicting narratives are summarized in different discourses on a Green Economy, which are described in the following.

⁵ See chapter 7 for more information on the expert interviews.

4.1 Dimensions of the Green Economy debate

4.1.1 What is the relationship between the Green Economy and Sustainable Development?

Throughout the concepts of the Green Economy, there is no consensus yet regarding the relationship of the Green Economy and Sustainable Development. While many studies contain a reference to Sustainable Development and underscore the contribution of the Green economy concepts to SD, the views vary.

There are a range of GE concepts focusing on a “core definition” of GE that comprises the environmental and economic pillar of SD - thus, is about “greening” economic growth. This is achieved through changes in technology to achieve first a relative, later an absolute decoupling of economic growth and environmental pressure. In this understanding, “a green economy does not *replace* [emphasis in original] sustainable development, but there is now a **growing recognition that achieving sustainability rests almost entirely on getting the economy right**” (UNEP, 2011, p. 1). In these concepts, the social dimension is either neglected or a minor topic. A number of studies in this field focus on industrialized countries and therefore tend to leave out the international social dimension and focus largely on “green jobs” - which they perceive as a function of economic growth. Examples for these types of concepts are the Europe 2020 strategy or the study by Jaeger et al. (2011) highlighting the growth and employment potentials of a Green Economy.

A second group of studies acknowledges the **importance of the social dimension** in managing public acceptance of the transition period and in providing offset for hardships through the shift of resources, required labour mobility, etc. The OECD Green Growth strategy explains that the transition to a green economy is likely to have regressive distributional effects - these hardships - especially for the least well-off members of society - need to be balanced and compensated for (OECD, 2011a, p. 85ff.). Besides this, the social dimension in this regard is still very thought of in terms of labour supply as an input factor of production (European Commission, 2010b; Business Europe, 2011; WWF, 2011; Greenpeace, n.d.).

A third and last group of GE concepts is more strongly rooted within the three SD dimensions. Development NGO advocates criticise a one-dimensional orientation of GE outside of the existing SD framework “in a purely environmental manner (without considering fully the development and equity dimensions) and without consideration of the international dimension, especially its negative effects on developing countries” (Khor, 2011). One of the expert interviewed underscored the importance of the social dimension of SD for developing countries. Their criticism of the GE rests on the failure of many GE concepts to consider the social dimension - especially equality and poverty reduction - as explicit goals, but rather as secondary conditions.

AASA’s Green Development concept is an example for a concept more firmly rooted in the existing SD framework (Cp. The Association of Academies in Asia (AASA), 2011, p. 136).

4.1.2 Is there a need for a differentiated developing country perspective?

The failure of UNCSO-19 and much of the current debate on the Green Economy is about its unclear definition, relationship to the existing SD concept and its principles. As mentioned earlier, there is irritation among developing countries about the relationship of the GE and SD concepts. Developing countries strongly oppose replacing SD with GE and its principles - most importantly principles 3, 5 and 7 on the **right to development**, the **focus of poverty eradication** and state cooperation based on **common, but differentiated responsibilities and capabilities**. Expert interviews have emphasized the importance of the social dimension (especially addressing inequality and poverty) in developing countries' concepts of a green economy. Thus, the distinctive feature in some concept is the recognition of the specific position and needs of developing countries - different from industrialized countries' perspectives.

The AASA's green development concept underscores the need to take into account differences in "development stages, technological levels, natural conditions, resource and environmental issues" in determining a country's shared contribution to collective problem-solving (The Association of Academies in Asia (AASA), 2011, p. 129). It argues - in line with the Environmental Kuznets Curve hypothesis - that in contrast to industrialized countries, many developing countries are still at a **development stage of material and resource use intensification and industrialization**, a process that cannot easily be reversed in the short term while maintaining economic development. Therefore, there must be a continued recognition of the special position many developing countries are in.

It is noteworthy that a point made in academic writing regarding growth potentials can hardly be found in the policy debate. Victor argues that economic growth is hardly benefiting people in developed countries any more in increasing welfare, while it is greatly beneficial in developing countries and suggests based on this finding a differentiation of growth paths (Cp. Victor, 2008). Similarly, WWF underscores the need to consider "global resource use and a fairer distribution of natural assets to satisfy basic human needs" without drawing this politically significant conclusion (WWF, 2011, p. 7). In all other concepts, this potential conflict over remaining growth potentials is hardly or not addressed.

A number of other concepts - mostly those originating in Western contexts, emphasise that from a global perspective, GE should be a shared, global agenda with **no explicit differentiation** between developed and developing countries (Cp. UNEP, 2011). The OECD Green Growth concepts emphasises that its universal policy framework for a Green Economy is flexible enough to be adapted to "differing national circumstances and stages of development" and therefore should be implemented in developing countries, too. There is not a distinction in principle between developed, emerging and developing countries with regard to policy instruments or international obligations. It merely emphasizes the need for governments to manage the regressive distributive effects of a green economy transition by national poverty reduction and redistributive policies (Cp. OECD, 2011a, p. 11). Poverty

reduction and equality are not goals in themselves in these GE concepts, but means to ensure support for the greening of the economy.

4.1.3 Is there a need for limits on economic growth?

Another distinctive dimension between the different documents is their understanding of the role and necessity of economic growth. From the discussion on the roots of green economy, one can distinguish three different ‘values’ of this variable and the associated narratives.

A first narrative on economic growth comprises those approaches that take growth as necessary precondition for economic wellbeing, employment and development. Green economy is regarded as an instrument that allows continuing the pursuit of economic growth under environmental limitations. Accordingly, the paradigm of economic growth is not questioned. These **undifferentiated pro-growth approaches** look at environmental technologies and are optimistic about the capability of environmental technologies to “boost economic growth” (Europe 2020) beyond pre-crisis growth rates while avoiding to exceed environmental limitations. This refers specifically to decoupling growth from resource use and from GHG emissions. Environmentally efficient technologies are considered a means for maintaining economic growth under the precondition of a growing world population and globally enhanced living standards (cf. BMU 2011). In this vein, Business Europe claims its role as a “solution provider”. These documents have in common that they employ an industrialised countries’ perspective (EU and/or EU Member States)⁶. They argue before the background of increasing competition from industrialising countries and aim at making Europe’s industry more competitive. These narratives commonly use a macroeconomic perspective and do not differentiate between e.g. ‘brown’ and ‘green’ industry sectors. A common theme is mainstreaming of green technologies into all economic sectors and technologies.

Selective Growth Proponents of this second narrative also admit that economic growth is necessary to maintain social cohesion. However, these approaches claim that changes in the economic structure will be needed: Maintaining growth across all industrial sectors is considered no option and some ‘brown’ industrial sectors will have to decline. To overcome “locked-in traditional growth paths” (WWF 2011), these approaches advocate an active role of governments in the shift towards a green economy e.g. by phasing out environmental harmful subsidies or ‘green public procurement’. Since the transition is expected to lead to a net increase in GDP and employment, greening the Economy is regarded as ‘new engine of growth’ (UNEP 2011:10). Representatives from the “North-South NGO” Germanwatch argued that Green Economy will contribute to economic growth in the

⁶ OECD argues that although developing and developed show different framework conditions, basic assumptions are applicable to all countries.

medium term. Long-term solutions will have to be independent from the need to grow or allow growth only in specific areas.

Limits to Growth: it is noteworthy that this - third - approach is not well-established in the documents under scrutiny. The limits to growth debate seems to be mostly academic and none of the documents explicitly proposes a de-growth pathway. Merely some elements of this narrative can be found in the documents: The Greenpeace position paper is sceptical about the role of economic growth. It acknowledges physical limits to growth and claims that “growth is no end and goal in itself”. However, although the paper points to the need to overcome the “western style of harmful over-consumption”, it does not fundamentally challenge the growth paradigm by proposing a de-growth pathway.

The AASA Study diagnoses diminishing comparative advantages that formed the basis of Asia’s export oriented economies (e.g. low labour costs, low levels of environmental regulation). As a reaction, it promotes to pursue a “non-westernized moderate consumption path” (AASA 2011: 140) that can be read as an implicit renunciation from the yet predominating focus on economic growth. Accordingly, the study avoids the notion of green growth and uses ‘green development’ instead.

4.1.4 Is there a need for new welfare indicators?

The measuring of welfare is another distinctive feature between different narratives. They can be considered as a scale that stretches from a narrow focus on GDP to a modified materialistic approach (natural capital / stocks) up to an encompassing conceptualisation of welfare.

Those studies that are concerned with maintaining economic growth and competitiveness and that point to market potentials of green technologies tend to use **GDP as indicator**. These are the “GreenTech made in Germany” Study, “A New Growth Path for Europe” and the Europe2020 Strategy. According to this GDP narrative, changes in employment and other social factors are conceived of as function of GDP growth.

Proponents of a **modified GDP** narrative (UNEP 2011, OECD 2011) argue that GDP as a measure for economic prosperity is flawed and needs to be modified. Main concern of this narrative is to “get the prices for the use of nature right”. This refers to including negative externalities from economic activity into GDP and accounting for changes in natural capital stocks. The OECD report claims that GDP “does not necessarily reflect changes in capital stocks, or wealth, which are key determinants of both current and future growth and welfare gains.” (OECD 2011:20). Natural capital needs to be adequately valued (OECD 2011: 21).

A third narrative to welfare measurement promotes an **encompassing measurement of welfare** that also includes a social and environmental dimension. These narratives claim that GDP is no longer adequate to inform policy since it misses the ecological and social dimension. Central notions of this narrative are “quality of life” and “human wellbeing”. For example WWF claims that welfare comprises economic growth but also needs to in-

clude “human wellbeing”, i.e. decent jobs, poverty eradication, and the preservation of the environment. Democratic participation and education are additional dimensions referred to under the encompassing conceptualisation of welfare. AASA suggests an encompassing “development target system [...] that is green-oriented” (The Association of Academies in Asia (AASA), 2011, p. xxvi). Greenpeace claims that economic growth is no ends itself but needs to be conceptualised as “mechanism to deliver our societal goals”.

4.1.5 Can the Western consumption culture be sustainable?

A further aspect in the discussion relates to the question if technological changes in the economy are sufficient to absolutely reduce environmental impacts or if cultural changes in the consumption pattern are necessary, too.

A number of studies discuss the need to “green” consumption and reduce the environmental impact of consumption. They argue that consumer behaviour can serve as a vehicle to influence production patterns and foster decoupling, however: while they aim to influence the environmental impact of consumption, most approaches do not question existing patterns of living and consuming (OECD, 2011a, p. 52).

A critical approach to today’s industrialized countries understanding of progress and development as “more” - products, services, etc. is provided by Greenpeace stressing the need to overcome Western consumption patterns (Greenpeace, n.d, p. 4) and by AASA’s green development concept. It argues that green innovation - as the main instrument to achieving green development - includes in addition to technological, institutional and organizational, also social and cultural innovations. The last two include refer to a “**shift of living styles and consumption behaviours**” and a more general change in values (The Association of Academies in Asia (AASA), 2011, p. 136). There is an implicit criticism that in the past there was too much stress on achieving goals through technology alone without paying much respect to cultural aspects of their use. AASA holds the opinion that Asian countries are better equipped with their “traditional culture and its emphasis on man and nature in harmonious coexistence” as a cultural basis for a “non-westernized moderate consumption pattern” that would otherwise quickly overwhelm Asian ecosystem’s carrying capacities and lead to major conflicts (The Association of Academies in Asia (AASA), 2011, p. 140).

4.1.6 Which financing instruments are proposed?

Documents agree that the transformation towards a ‘green economy’ will require additional financing. This section identifies proposals for raising socially responsible investments and mobilising private capital. A whole range of means to mobilise financial resources are discussed in varying combinations without coherent narratives. Thus, the section instead shows clusters of financing elements that are shared among groups of actors.

4.1.6.1. Consensus on public spending on R&D, education and ODA

There is a consensus on the role of public spending on R&D and on education for the transition towards a green economy. Besides that, all actors see a role for official development aid in fostering the GE transition and attracting private capital investments.

Those concepts that rely mainly on technological solutions focus largely on public investments and attracting private capital in developing markets for green technologies. They argue that governments should support the market launch of efficient products, e.g. through green procurement policies (BusinessEurope, OECD, BMU).

4.1.6.2. International sources of financial resources

In order to raise additional funding, Greenpeace, WWF and ITUC propose the introduction of an **international tax on financial transactions** “earmarked for environmental goods and services, social protection, poverty eradication and climate change mitigation and adaptation” (Greenpeace, WWF, ITUC). Other ‘international’ sources of money are the UNFCCC’s **Clean Climate Fund** (ITUC, UNEP) whose installation was decided at COP15 in Copenhagen, revenues from **emission trading schemes** (Jäger et al.), or from **payments for ecosystem services** such as REDD+ (UNEP). Actors that highlight the importance of international sources for additional investments are UNEP, ITUC, Greenpeace and WWF.

4.1.6.3. Domestic sources of financial resources

Concerning domestic sources for financing the greening of the economy, the European Commission, OECD and UNEP argue for an **environmentally oriented tax reform**, i.e. shifting financial burdens from labour towards the use of resources. Greenpeace and UNEP promote a **reallocation of subsidies** away from environmentally and socially detrimental subsidies towards green technologies. UNEP emphasises the increasing role of “**long-term institutional investors**” such as pension funds and insurance companies that start building up green portfolios and of commercial and of retail banks for designing green financial products (UNEP, 2011, p. 35). Jäger et al. call for a **tax relief** that aims at “incentivising entrepreneurial investment [...] balanced with marginal tax increases on capital incomes used for other purposes”(Jäger et al., 2011). The European Commission has announced its aim to enhance cooperation between the European Investment Bank and private investors, as well as to increase the availability of venture capital in pursuing the goals of the Europe 2020 strategy (European Commission, 2010a, p. 20).

4.1.6.4. Establishing conducive framework conditions for responsible investment

To re-direct investments towards green technologies and to stabilise investors’ confidence, some documents emphasise the importance of demanding and reliable regulatory framework, i.e. strong **environmental targets** (Jaeger et al.). OECD claims that “uncertainty about future regulatory conditions [...] inhibit private sector initiatives and investments in greener growth opportunities” (OECD, 2011a, p. 21).

The “responsibility dimension” of investment in green growth is not elaborated in such length. UNEP and ITUC acknowledge that green jobs need to be “decent”. WWF claims that enhancing the transparency of the exploitation of natural resources is a precondition for responsible investment and mentions the Extractive Industries Transparency Initiative or the EU FLEGT (Forest Law Enforcement, Governance and Trade Initiative) as blueprints for government arrangements at UN level (WWF 2011).

Table 1: Sources of financing for the transition towards a Green Economy

	Public spending on R&D / education	Official Development Aid	Supporting market introduction	Green Climate Fund / ETS / PES	Financial transaction tax	Eco- taxes	Reform of environmentally harmful subsidies
Jaeger et al.	X	X		X			
BMU	X	X	X				
Business Europe	X						
Europe2020	X		X			X	
AASA	X	X	X			X	X
G20	X						X
OECD	X	X				X	
UNEP		X		X		X	X
ITUC				X	X		
Greenpeace	X	X			X		X
WWF	X	X			X		

Source: Compiled by the authors.

4.2 Three discourses - Green Economy, Green Development and Sustainable Development

The preliminary analysis of existing GE concepts and the political debate around them suggests that there are three main discourses on the Green Economy dominating the run-up to the Rio+20 conference. The important challenge for both governments as well as civil society to achieve a successful compromise at next year’s conference will lie in building bridges between them.

Based on the analysis of the dimensions of GE discussed in the first part of this chapter, we will outline three discourses of GE. These are based on clusters of different concepts and opinions of various actors. They are ideal types and not necessarily identical with a par-

ticular concept. Rather, the concepts discussed by political and civil society actors can contain features of both discourses. These can be seen as possible “bridges” for a global consensus on the Green Economy in the context of Sustainable development and Poverty Eradication at the Rio+20 summit.

The **first discourse** is characterized by focusing mainly on the *Greening of the Existing Economy*. The discourse remains steadfast *committed to growth* as the prime goal of economic policy while it acknowledges that there are *environmental constraints* to economic growth - especially by climate change and the need for low-carbon development. These are typically understood as barriers and risks to further economic growth as increasing scarcity of natural resources increases their price and diminished ecosystem carrying capacity can induce costs for conservation and even higher ones for restoring these if tipping points are crossed and ecosystems eroded. While the concept acknowledges the ecological boundaries, there is often an under-complex treatment of ecological concepts such as diminishing transferability of natural and physical capital, or tipping points. While the concept attempts to limit the environmental pressures of economic growth, it fails to acknowledge and operationalise planetary boundaries (Cp. Rockström et al., 2009). The GE concept in this first discourse is focused on the economic and environmental pillar of the SD concept solely. The Green Jobs discussion associated is largely focused on the discussion of labour standards and labour as a input factor of production and how to sustain sufficient supply of skilled labour to sustain the growth in green economic sectors.

The policy measures discussed for the GE take a universal approach, meaning while they argue that policy has to be adapted to national circumstances, they *do not distinguish between industrialised, emerging and developing countries* or recognise the common, but differentiated responsibilities of the latter. Further, there is little discussion to be found on the need for *cultural changes and changes in consumption patterns*. Rather, there is a belief that technological changes can green production and consumption and thus achieve sustainability.

The **second discourse** that can be termed *Green Development* can be read as an extension of the first discourse in that it calls for reconsidering the existing welfare concept and to include social aspects. It implicitly criticises the former discourse for underestimating the scale of changes needed by essentially relying on technological solutions. The discourse is rooted in the belief that a green economy means adjusting existing economic structures and creating (at least in the long run) a *new model of production and consumption* based on a development path and consumption model *different from the one existing* in the Western world. Thus, it argues that the necessary system innovation changes not only in technologies, but existing institutions, culture and welfare concepts, too.

The **third discourse** to be identified reflects mainly the development perspective on the Green Economy and its shortcomings. This discourse roots the GE firmly within the existing *Sustainable Development* framework and *emphasises the importance of the social development dimension*, especially regarding international equality and poverty reduction.

The discourse emphasises the principles of common, but differentiated responsibilities and the right to development. It can be found mainly in the criticism of Western GE concepts during the UNCSD negotiations and in the expert interviews conducted. The concept acknowledges potential conflicts between development and the environment and emphasises that many developing countries are not yet in the stage of development to reduce its economy's material and energy intensity. Cooperation shall be voluntary and the Green Economy must not infringe on the right to development by erecting green tariffs and other barriers to trade or by adopting conditions for official development aid.

5 Conclusion and recommendations for the EESC

5.1 Framework conditions for the EESC's position

The EU is considered a leading proponent of a Green Economy. By strengthening its own commitment to the concept and openness to the diverging needs and interests of developing countries, Europe can strengthen its own credibility and the credibility and faith in the feasibility of the transition to a green economy. The EESC has argued in its opinion of September 2010 that the EU needs to better define its concept of a Green Economy and to start implementing components of it. Based on this, the EU should act as an international role model.

In order to serve as a credible role model not only for a green economy in itself, but also for a green economy in a global context - one that can serve as a basis for compromise with developing country interests at Rio+20 - the concept needs to be open and adaptable to the international debate. For policymakers and civil society actors this underscores the need to understand the different discourses and to be aware of different interests that can serve as bridges to a possible compromise. A particular role for the EESC and civil society actors can be seen in identifying such potential bridging interests, as they are often "closer" to their constituents' interests than the governmental officials in the actual negotiations.

Recommendations are arranged in a two-step approach. In the first step, recommendations are made in order to strengthen the GE concept within the European debate. The discourses 1 & 2 are the relevant frames for this discussion. In order to play a successful role in the Rio+20 negotiations, the EESC's and the European position should be open to integrate elements of the third discourse in order to build compromises.

5.2 Options for EESC Recommendations:

5.2.1 Actions to be taken on the European Level

The expert interviews have confirmed that the EU has the chance to play a leading role to lead transition towards a green economy by example.

1. EESC could insist that EU maintains that role and commits itself as role model for the transformation to a GE in the run-up to and at the Rio+20 Conference.

2. This requires that the EU has an explicit definition of what constitutes a Green Economy - beyond Europe 2020 and the Resource Efficient Europe flagship initiative. This comprises work on an encompassing definition of welfare and welfare measurement that not only takes into account changes in stocks of natural capital, but also the quality of life dimension. A debate on the role of growth and ways to free social security systems from their dependence on economic growth in the mid- to long- term should be initiated.
3. The commitment to ambitious environmental targets (e.g. concerning GHG emissions, the share of renewable energy, or resource efficiency) is widely conceived as a prerequisite for environmental innovations and stabilising investor confidence. Thus EESC should support the adoption of more ambitious environmental policy targets in the EU to accelerate technological innovation and sustain its first mover position.
4. The EU and its member states can serve as a credible source of policy advice on a wide range of policy items. Of particular importance for the GE are its experiences on ecological tax reforms, fostering renewable energy, reform of environmental harmful subsidies, greening public procurement, etc. The EU should commit to support the implementation of similar policies supporting GE abroad.
5. The credibility of Europe as a role model depends on its abilities to develop and to implement ambitious policies for all of its member states. Given the diversity of preferences and the capacities to implement policies for a green economy *within* the European Community the European institutions have to find solutions for the lagging member states while not harnessing a high level of ambition.
6. Concerning the social dimension, EU should provide instruments to cope with structural change and challenges of employment. For example, the upcoming negotiations on the structural funds could be better geared towards the goals of a green economy. In addition, the EU could develop a lead role in education and professional training.
7. A green economy, the necessary investments in infrastructure, in innovation, in the development of sectors and regions require a broad societal acceptance. EESC should continue to strengthen the participation of civil society actors in the debate on and in the implementation of the Green Economy.

5.2.2 Adaptation of this concept to the international debate

The definition of Green Economy is a pending issue and a source of conflict in international negotiations. The full title of the topic: "Green Economy in the context in the context of poverty eradication and sustainable development" constitutes a preliminary compromise formula to deal with reservations among some G77 member states. The EU needs to be receptive of these interests and potential bridges to compromise. The EESC and civil society actors can play a significant role in supporting this.

1. In order to gain broader acceptance, the definition of Green Economy needs to root the concept in the existing SD framework - as a subset of SD that does not attempt to replace it.
2. The potential of GE for the social dimension of SD, especially for equality and the reduction of poverty needs to be stressed.
3. The EU position should underline the willingness of EU to financial and knowledge transfers to foster the implementation of a green economy in emerging and developing states. A Green Economy which is solely based on market forces for the international diffusion of environmental technologies is unlikely to be accepted.
4. The usefulness of existing international financial instruments (e.g. REDD+, payment for ecosystem services schemes) for financing the transition towards a green economy in developing countries should be further explored.
5. The EU should further evaluate how public funds, especially official development aid, can be used to attract private capital to foster the transition to a green economy in developing countries lacking access to finance.
6. Interviewed experts agree that enough policy instruments for the transition towards a green economy are on the table. Rather than providing new policy tools, Rio +20 should focus on identifying most feasible instruments (in terms of effectiveness, efficiency and acceptance) and on the implementation of those instruments.
7. While the GE concept in the EU is focused largely on second-generation environmental problems such as climate change and biodiversity loss, many developing countries primarily worry about first-generation environmental issues (air, water, soil pollution) first. The EU should aim to provide support to developing countries to address both issues in the transition to a green economy.

6 Literature

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7 Expert interviews

For the interim report, four expert interviews were conducted. All of these interviews served as background information and are not directly quoted.

- German government official involved in the international negotiations and the preparation of the German and European position for Rio+20
- Development Policy Analyst and Scientific Advisor to the Chinese and German governments
- Representatives of an international development non-governmental organization [written responses to interview questions]
- An expert on international environmental politics and observer of the negotiations at the United Nations and international environmental conferences