Questions & Answers on a Green Economy

• What is the difference between the concept of a Green Economy and Sustainable Development?

Sustainable development emphasises the need of supporting development with the three indispensible pillars of economic, social and environmental sustainability. The Green Economy is conceptually different in that it focuses specifically on the sustainability of the economic pillar. It does not aim to replace the sustainable development concept but rather complement it by emphasizing the importance of improving the sustainability of the global economy.

• What are the implications of a Green Economy for poverty reduction?

A Green Economy is central to reducing poverty. Improving the quality of the environment of which people’s livelihood depend on, especially rural communities in developing countries, will inevitably contribute to poverty reduction. Moreover, a Green Economy has the potential to create jobs in certain sectors, such as in waste management and ecological restoration. It also hoped that a stronger recognition of the economic significance of nature will promote new business opportunities. Developing markets for ecosystem goods (e.g. sustainable agriculture, timber, etc.) and services (e.g. carbon sequestration, tourism, water regulation) can be used to better support local livelihoods while improving environmental sustainability.

• What does the Green Economy imply for biodiversity conservation?

Obviously, it is hoped that a Green Economy will be based on a stronger integration of the economic value of biodiversity and natural capital in economic decisions. Because of its central role in providing the ecosystem services upon which economic activity depends, biodiversity should be considered as the underpinning foundation of a Green Economy. Therefore, conservation should be viewed as an area of economic opportunity, and not as a constraint. As previously stated, biodiversity can generate economic benefits, for instance the development of markets for ecosystem services and goods. Ecosystems also play a critical role in mitigating risk, for example when mangroves act as natural forms of protection against storm damage. Biodiversity is therefore not only central to income generation; it can also be an important means of saving money.

• What implication does a Green Economy have on the notion of economic growth?

The ongoing debate on the Green Economy has generated serious discussions on the notion of economic growth. Can an economy prosper without growing in size? Is economic growth by definition unsustainable? Some economists argue that economic growth can be gradually decoupled from increasing resource use and pollution, and can therefore be pursued indefinitely in a ‘green’ manner. Others would argue that continued economic growth in the long-run is not sustainable, due to the limits in resource efficiency improvements and in the availability of ecological resources in a finite planet. These proponents advocate for new means of generating wealth without pursuing economic growth. Nevertheless, the idea that a Green Economy should go beyond a growth-based vision solely centred on increasing GDP is gaining traction. Overall, the general view on the Green Economy is that it should focus on achieving poverty reduction and sustainable development, while acknowledging that, in certain instances, economic growth is a necessary means of achieving those objectives.