

Science for Environment Policy

Sustain growth in eco-industry for a green economy, study argues

A recent study has provided support for an alternative means of tackling the unsustainability of resource-intensive economic growth. Using examples of best practice, it upholds a model of moderate growth in GDP combined with a significant increase in the environmental technology market and greater resource-efficiency across all industries.

There is a great deal of debate around our current resource-intensive economic growth, in terms of its sustainability and environmental impact. If we continue to use the current economic model then this would assume high levels of growth can be achieved over a long time with only minor modifications to the system. A counter-argument to this is that ecological problems can be solved by zero economic growth. However, the more realistic solution lies somewhere in the middle.

Using national and international examples of best practice initiatives in 'green growth', the study supports the idea that a gradual degrowth of resource-intensive modes of production alongside a growth in environmental industry may be a more appropriate form of economic development.

Environmental industry can take a number of forms. It includes technical solutions for environmental problems, such as such filtration systems for air pollution, energy efficient technologies, such as double-glazing and efficient vehicle engines, and renewable energy technologies, such as wind turbines and solar panels.

More and more governments are aiming for global leadership in the market of clean and green technology. Renewable energy provides the best example: investments grew between 2005 and 2010 by approximately 39% globally, whilst the capacity of solar photovoltaics rose by 72% and that of wind turbines by 27%. In many countries, this growth has been encouraged by government policy that combines ambitious targets and financial support to stimulate market growth and technical development. In Germany, China, Japan and Scotland, UK, for example, policy targets for percentages of renewable energy as part of the overall energy mix have all increased thanks to the substantial growth in this market.

International policy is also instrumental in achieving green growth, for example, the UNEP's Green Economy initiative¹, the EU's Europe 2020 strategy² and Asia's 'Towards a sustainable Asia' programme³ have all been influential. In many of these programmes, there is a drive to mainstream green growth into core economic strategies and policies. Alongside this is the proposal that 'eco-industry' should not be considered as a separate sector, but there should be a comprehensive understanding of environmentally-friendly production in all sectors. This is reflected in the change of terminology from 'green growth' to 'green development' and 'green economy'.

There are strong drivers of green growth - such as resource-efficiency; innovation and green investment and, during the last decade, countries such as Germany have shown that high economic growth rates are not essential to create radical environmental change.

The study supports the proposal that the best approach to green growth would be to aim for moderate economic growth driven by significant progress in efficient and environmental technologies, alongside degrowth in industries that are resource-intensive and harmful to the environment.



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1. See: www.unep.org/greeneconomy/AboutGEI/WhatisGEI/tabid/29784/Default.aspx
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