Green Growth in the Gulf

By Mari Luomi ❖ PUBLISHED 26 April 2012

Rebranding sustainable development for a new generation: the origins and economic implications of 'green growth' in the Gulf States.

Green growth. A major attempt to resuscitate the concept of sustainable development, combining it with the fights against climate change and the global recession, is under way. Its roll-out will culminate in the Rio+20 UN conference in June this year, which will focus on green economy among its two central themes. The environmental aspects of sustainable development have barely started to figure on Middle Eastern governments' agendas, and we are already presented with version 2.0. What does green growth exactly mean? Is it any better than sustainable development was? Can it help make the Middle East any 'greener'?

The idea of green growth is largely a product of the 2008 economic crisis. Originated in Asia, it is now being promoted globally as a win-win approach to environmental and economic sustainability, by the World Bank, UN Environment Programme (UNEP), the Organisation for Economic Co-operation and Development (OECD), and the government of South Korea, among others. It has been described as 'emphasising environmentally sustainable economic progress to foster low-carbon, socially inclusive development.' So far, South Korea has initiated its broadest application, declaring that Low Carbon Green Growth is now to be country's economic paradigm. Also, Korea's Global Green Growth Institute, which spreads the ideology, has already expanded into countries as different as Denmark and the United Arab Emirates.

Last year, the Beirut-based Arab Forum for Environment and Development (AFED), an NGO, published a report that advocates green economy as an alternative development model for Arab states. The report explores the economic and job-creating benefits of a range of green growth strategies and actions, including sustainable agriculture, water and energy efficiency, subsidy cuts, renewable energy investments, wastewater treatment, public transport, green building, and eco-tourism.

Najib Saab, AFED's Secretary General, has described green growth as a 'rebranding of sustainable development to seize the prevailing global economic crisis.' At least from an environmental perspective, this seems to be its main weakness. If sustainable development did not work in bringing environmental degradation and other negative impacts of economic growth to the core of policy-making, how is green growth going to do the trick?

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It's the 'win-win synergies', they say.

Green growth is a concept of and for the economy. Its main message is optimistic in that it proposes a happy marriage between environmental sustainability and indefinite economic growth, which are generally considered hard to reconcile. People tend to either regard the Earth as a system with certain physical limits (like atmospheric greenhouse gas concentrations), or believe that technology and innovation will make these limits disappear, allowing for perpetual growth of GDP and financial wealth.

When the economy is understood as part of the ecosystem, and not vice versa, indicators like the ecological footprint serve as calls for urgent action. According to this indicator, in 2007, the world's population was already consuming resources and ecological services at 1.5 times the world's carrying capacity. We only have one, but we took one and a half. An average UAE or Qatari resident's footprint would have required almost six planets. Notably, these figures exclude the footprint of everything that is produced for export.

Those who are pessimistic about continued business-as-usual, like myself, call for bringing natural resource exploitation back to sustainable levels, in an equitable manner, while still promoting human prosperity. Efficiency, technological development and innovation are important vehicles in getting us there and even stretching the limits. But most fundamentally, we should work to change environmentally unsustainable behaviour and consumption patterns, at all levels, from individuals to businesses, industries, and governments. Where civil society is confined, like in most Middle Eastern states, governments become the prime bearers of responsibility for incentivising behavioural change through education, awareness-raising, enforcement of environmental legislation, and market instruments. In order to share this burden, they should also more actively engage with and allow breathing space for those few environmental NGOs that do exist. For example, awareness of the environmental externalities (impacts that are not included in the price) of existing energy and water consumption patterns would pave the way for badly needed subsidy reforms.

With Arab Spring countermeasures still in full swing in most Gulf monarchies, momentum towards such objectives has fizzled. Despite gas shortages, Dubai has frozen its utility prices and Saudi Arabia ranks in the world's top 10 countries for gas flaring. On the other hand, there are examples of positive steps, such as Abu Dhabi's metro, and Saudi Arabia's decision to phase out subsidised production of wheat by 2016.

On the other side of the development debate are the 'business-as-usual optimists' who think that economic growth is like pedalling a bicycle: if you stop, you fall over. Growth is seen as an end in itself. While Arab regimes have fallen in the past year due to their inability to master their economies, this was not due to a failure to grow quantitatively. Throughout 2009-2010, annual GDP growth rates in Tunisia, Egypt and Libya stayed above two per cent.

Still, economic growth and sustainability continue to rank at the top of Middle Eastern states' agendas. Perhaps ironically, faith in the capability of technology to solve problems seems to be the strongest in the more conservative monarchies of the region. Climate change? Plug carbon capture and storage in the oil fields and all will be fine. Water scarcity? Just desalinate some more. Marine ecosystems destroyed by artificial islands? We'll create new ones.

Too often, ecosystems are seen as subsets of economies and societies, and technology is touted as the silver bullet for what ails it. Like Steven Kotler and Peter Diamandis argue in their new book, '… through the lens of technology, few resources are truly scarce; they're mainly inaccessible.' Technology optimists indeed have impressive evidence to back up their argument: the industrial and green (i.e. agricultural) revolutions, desalination and clean energy technologies, the oil peak that never arrives, and so on.

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Unfortunately for the environment, people seem to more than happy to kick the can down the road, especially when they're being told that nothing is amiss. This is still the case in most countries of the Middle East where information on local and global environmental threats is scarce and overshadowed by more conventional security issues and poverty, or hyper-fast modernisation and social contracts based on consumerism.

The limits to growth, or 'planetary boundaries' as some describe them, are both fuzzy and inconvenient (as banal as that may sound). Climate change, biodiversity losses, land system changes and oceanic acidification are all back of the mind issues. They are relatively difficult to quantify and communicate. They also occur over long periods of time and have uneven impacts across the globe. And status quo, business-as-usual options are always easier, for governments and consumers alike. Behavioural change is hard.

If the solution to our environmental unsustainability lies outside the economy, in people and institutions, could green growth change anything? The UAE, as the forerunner, has recently announced that a green growth plan would be incorporated in its development strategy for the current decade. It will seek to promote renewable and clean energy and technologies, green jobs, sustainable urban planning and transport, climate change mitigation, organic agriculture, and biodiversity. Most importantly, however, the plan will include new legislation and policies, programmes, education and awareness-raising to 'rationalise' the use of natural resources and increase recycling.

From a limited system perspective, all the right words are there. The title of the UAE's green economy plan could just as easily be 'sustainable development 2.0'. What's different is the way in which the UAE has packaged its newest green initiative. Green growth (or green economy) seems to be achieving what sustainable development has not: bringing environmental issues to the core of policy-making. This paradigm is something that, on paper at least, sounds attractive to both mainstream economists and mainstream environmentalists – hence a potential win-win in this sense too.

With this bridge built, the next challenge will be implementation. Although previous Gulf development plans and environmental policies provide many examples of failure to implement, perhaps we should give the new ones the benefit of the doubt, for now at least.

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