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Green growth and the G20: Challenges and opportunities

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G20

The Group of Twenty (G20) Finance Ministers and Central Bank Governors was initially established in 1999 to connect leading industrial and developing economies to discuss key issues that are affecting the global economy. The first Leaders' Summit was held in Washington in November 2008.

The G20 replaced the older and more exclusive Group of Seven (G7) nations and Group of Eight (G8) nations and has now established itself as the premier forum for international economic development, particularly in the wake of the economic crisis that affected the world in 2008.

The constituent nations of the G20 are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, United Kingdom and the United States of America. The European Union is also represented, with the Managing Directors of the International Monetary Fund (IMF) & World Bank participating in an ex-officio capacity.

Australia's role in the G20 has grown significantly since 2009, with former Prime Minister and current Foreign Minister, Kevin Rudd, noting the transition to the G20 marked the 'first time ever that [Australia] has had a place at the top economic table of global economic decision-making'

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Abstract

In June 2012 the G20 will convene in Los Cabos, Mexico. In addition to its traditional agenda of economic and financial issues, the G20 will to address a new topic: “green growth”. Green growth purports to foster economic growth by the promotion of green growth initiatives. The concept of green growth has experienced growing attention in recent years due to its potential to act as an antidote to two of the world’s greatest challenges: the ongoing global economic malaise and the deterioration of the natural environment caused by economic activity. Its exciting potential is only rivaled by its nebulosity. There is currently no international consensus as to what counts as a green growth initiative. This poses both a challenge and an opportunity for the G20. The challenge is two-fold. First, the challenge will be to demonstrate the G20 is a credible forum to address this environmental issue by committing to concrete action in circumstances where member states have diverse opinions as to what green growth initiatives should look like. Second, it will be to integrate green growth into the G20’s framework for strong, sustainable and balanced growth, rather than allow it to become ‘just another’ agenda item. This article argues that by converting existing G20 commitments into green initiatives the G20 can integrate green growth into the ongoing G20 agenda and also ensure concrete action will be take on green growth, even if consensus on an abstract definition of green growth is not forthcoming, thus overcoming both challenges. This will result in an opportunity for the G20: it will be able to contribute to momentum for a political agreement at the Rio+20 Conference as well as allow the major economic powers to coordinate their positions to provide a united front committed to green growth at that conference.

Introduction

In June 2012 the G20 will convene in Los Cabos, Mexico. In addition to its traditional agenda of economic and financial issues, the G20 will to address a new topic: “green growth”. Green growth purports to foster economic growth by the promotion of green growth initiatives. The concept of green growth has experienced growing attention in recent years due to its potential to act as an antidote to two of the world’s greatest challenges: the ongoing global economic malaise and the deterioration of the natural environment caused by economic activity. Its exciting potential is only rivaled by its nebulosity. There is currently no international consensus as to what counts as a green growth initiative. This poses both a challenge and an opportunity for the G20. The challenge is two-fold. First, it will be to demonstrate it is a credible forum to address this environmental issue by committing to concrete action in circumstances where member states have diverse opinions as to what green growth initiatives should look like. Second, it will be to integrate green growth into the G20’s framework for strong, sustainable and balanced growth, rather than allow it to become ‘just another’ agenda item. But it is also an opportunity. If the G20 can commit to concrete green growth deliverables, this will contribute to momentum for a political agreement at the Rio+20 Conference as well as allow the major economic powers to coordinate their positions to provide a united front committed to green growth at the conference.

Background

From its 1999 origins as a Finance Ministers meeting, the G20 has grown to become “a de facto executive forum which provides the coordination and the much needed political authority to ensure decisive global responses to economic issues.”¹ Since 2009 in particular, the G20 has become the world’s self-proclaimed “premier forum” for international coordination on economic and financial

¹ J. Wouters and S. Van Kerckhoven, ‘The OECD and the G20: An Ever Closer Relationship?’, *George Washington International Law Review*, Vol. 43, 2011, pp. 345-374, at p. 355. The G20 includes: the USA, Japan, Canada, Great Britain, Germany, France, Italy, EU, Turkey, Russia, South Korea, China, India, Indonesia, South Africa, Brazil, Argentina, Mexico, Saudi Arabia and Australia.

issues.² It has focussed on developing an international framework of strong, sustainable and balanced growth.³

Due to the absence of a permanent secretariat, the G20's annual agenda is set by the country hosting the summit. Mexico, as host of the 2012 G20 Summit, has sought to expand the G20's traditional focus on economic and financial issues to include "promoting sustainable development, green growth and the fight against climate change."⁴ The Development Working Group chaired by South Africa, South Korea, and France has responsibility for the Development Action Plan, Infrastructure, and Green Growth.⁵ Within this, a Green Growth sub-group is chaired by Australia.⁶ The focus on green growth reflects Mexico's domestic preoccupation with environmental issues in general and green growth in particular. It is also representative of an increasing interest in green growth internationally.

Green growth was unknown on the diplomatic circuit as recent as five years ago. Although it first appeared at a conference held within the framework of the United Nations Economic and Social Commission for Asia and the Pacific ("UNESCAP") in 2005, it was not until President Lee Myung-bak adopted it as a national strategy for South Korea in 2008 that green growth as a concept began to develop support internationally.⁷ South Korea has intentionally acted as a green growth activist in this regard. Its flagship legislation, the *Framework Act on Low Carbon, Green Growth 2010* (ROK), explicitly declared itself to be an example for the nations while the website for the Presidential

² *Ibid.*; G20, *Pittsburgh G20 Leaders' Summit Communiqué*, 25 September 2009, Retrieved 25 April 2012 from <<http://www.ft.com/cms/s/0/5378959c-aa1d-11de-a3ce-00144feabdc0.html#axzz1t0mFAKi3>>.

³ M. Wihardja, 'Think 20: the role of think tanks in the G20 process', *East Asia Forum*, 24 March 2012, Retrieved 31 March 2012 from <<http://www.eastasiaforum.org/2012/03/24/think-20-the-role-of-think-tanks-in-the-g20-process/>>; G20, *Pittsburgh G20 Leaders' Summit Communiqué*, 25 September 2009, Retrieved 25 April 2012 from <<http://www.ft.com/cms/s/0/5378959c-aa1d-11de-a3ce-00144feabdc0.html#axzz1t0mFAKi3>>.

⁴ G20, *Mexican Presidency of the G-20*, Retrieved 1 April 2012 from <<http://g20.org/en/mexican-presidency-of-the-g20/mexican-presidency-of-the-g20>>.

⁵ Alexander, N. 'Introduction to the G20', *Heinrich Böll Foundation*, 2012, Retrieved 22 April 2012 from <<http://boell.org/web/134-651.html>>.

⁶ *Ibid.*

⁷ United Nations Economic and Social Commission for Asia and the Pacific, *Report of the Fifth Ministerial Conference on Environment and Development in Asia and the Pacific*, 29 March 2005, Retrieved 25 April 2012 from <http://www.unescap.org/mced/documents/mom/MCED05_Report.pdf>; L. Myung-bak, 'A great people with new dreams', *Government of Korea: Office of the President*, 15 August 2008, Retrieved 25 April 2012 from <<http://www.korea.net/Government/Current-Affairs/National-Affairs/view?affairId=161&subId=126&articleId=73209>>.

Committee on Green Growth similarly asserts South Korea's intention to be an international "role model".⁸

Following South Korea's commitment to green growth, in 2009 the Organisation for Economic Cooperation and Development ("OECD"), the G8 and the United Nations Environmental Programme ("UNEP") all expressed support for green growth.⁹ In the same year, Denmark became the second country to devote considerable resources to green growth, in this instance as part of a suite of national reforms.¹⁰ Mexico similarly joined the green growth bandwagon in 2010.¹¹ In November 2010 the G20 Summit hosted in Seoul adopted green growth as a key priority of the group.¹² Just days later, the Asia-Pacific Economic Cooperation Forum ("APEC") affirmed green growth as an essential strategy while in December 2010 the United Nations Climate Change Conference ("COP16") included green growth as an agenda item.¹³ Support snowballed in 2011 as the concept received interest by the European Union ("EU") and the support of the World Bank, although it did not

⁸ United Nations Council on Sustainable Development, *South Korean Framework Act on Low Carbon, Green Growth 2010*, Retrieved 25 April 2012 from

<<http://www.uncsd2012.org/rio20/content/documents/South%20Korea%20Framework%20Act%20on%20Low%20Carbon%20Green%20Growth%202010.pdf>>, at Article 3(9); Presidential Committee on Green Growth, 'Concept of Korea's Green Growth: Green path towards a sustainable future', *Green Growth Korea*, Retrieved 25 April 2012 from <http://www.greengrowth.go.kr/?page_id=42482>; L. Blaxekjær, 'The Emergence and Spreading of the Green Growth Policy Project', *Paper presented to Earth System Governance Conference 2012*, 18 April 2012, Retrieved 25 April 2012 from <<http://www.lund2012.earthsystemgovernance.org/LC2012-paper370.pdf>>, p. 14.

⁹ The G8 is comprised of the USA, Japan, Canada, Great Britain, Germany, France, Italy, and Russia. Organisation for Economic Co-operation and Development, *Major world economies aim for "green growth" as the way out of the crisis*, 25 June 2009, Retrieved 25 April 2012 from <http://www.oecd.org/document/63/0,3343,en_2649_201185_43164671_1_1_1_1,00.html>; G8, *G8 Leaders' Declaration 2009: Responsible Leadership for a Sustainable Future*, Retrieved 25 April 2012 from <http://www.g20-g8.com/g8-g20/root/bank_objects/20090710_G8_Final_Declaration_ENG.pdf>; United Nations Environment Programme, 'The Republic of Korea and UNEP Pledge Green Growth Partnership', *United Nations Environment Programme Press Release*, 20 August 2009, Retrieved 25 April 2012 from <<http://www.unep.org/Documents.Multilingual/Default.asp?DocumentID=594&ArticleID=6277&l=en&t=long>>.

¹⁰ L. Blaxekjær, 'The Emergence and Spreading of the Green Growth Policy Project', *Paper presented to Earth System Governance Conference 2012*, 18 April 2012, Retrieved 25 April 2012 from <<http://www.lund2012.earthsystemgovernance.org/LC2012-paper370.pdf>>, p. 15.

¹¹ *Ibid.*, p. 17.

¹² The B20 Summit comprising world business leaders similarly endorsed green growth. G20, *Seoul G20 Summit Leaders' Declaration*, 12 November 2010, Retrieved 25 April 2012 from <http://www.canadainternational.gc.ca/g20/summit-sommet/2010/g20_seoul_declaration.aspx?lang=eng&menu_id=41&menu=L&view=d>; B20, *Seoul Joint Statement by Participating Companies*, 11 November 2010, Retrieved 31 March 2012 from <http://www2.schneider-electric.com/documents/events/201011-SeoulG20BusinessSummit_JointStatement.pdf>.

¹³ Asia Pacific Economic Cooperation Forum, *2010 Yokohama Leaders' Declaration: The APEC Leader's Growth Strategy*, 14 November 2010, Retrieved 25 April 2012 from <http://www.apec.org/Meeting-Papers/Leaders-Declarations/2010/2010_aelm/growth-strategy.aspx>; L. Blaxekjær, 'The Emergence and Spreading of the Green Growth Policy Project', *Paper presented to Earth System Governance Conference 2012*, 18 April 2012, Retrieved 25 April 2012 from <<http://www.lund2012.earthsystemgovernance.org/LC2012-paper370.pdf>>, p. 17.

feature in the G20 Summit hosted in France.¹⁴ Throughout the past half decade a number of important think-tanks, civil society organisations, IGOs, companies, summits and conferences have been set up to foster green growth, including the Green Growth Knowledge Platform (“GGKP”), Global Green Growth Institute (“GGGI”), the Global Green Growth Forum (“3GF”), and World Climate Ltd.¹⁵

While South Korea, Denmark and Mexico are the champions of green growth, a number of G20 member states have experimented with “green growth” initiatives.¹⁶ In Australia, this has taken the form of increased efficiency in transport infrastructure.¹⁷ Indonesia has focused on reducing energy subsidies while China has pursued renewable energies.¹⁸ The UK has created a green investment bank and Brazil has developed an integrated urban planning scheme to minimise air pollution.¹⁹ Other recognised green growth initiatives include price-based policies (eg carbon tax), various norms and regulation, public production and direct investment, information creation and dissemination, education and moral suasion, and industrial and innovation policies.²⁰

The past half decade has seen a dramatic increase in the popularity of the concept of green growth. Its appeal is immediately evident. The world is currently confronted with two crises: a depressed global economy and a deteriorating natural environment. Green growth is perceived to be a solution

¹⁴ Despite receiving interest and informal endorsement by the EU, green growth is not officially adopted as part of its environmental policy platform. L. Blaxekjær, ‘The Emergence and Spreading of the Green Growth Policy Project’, *Paper presented to Earth System Governance Conference 2012*, 18 April 2012, Retrieved 25 April 2012 from <<http://www.lund2012.earthsystemgovernance.org/LC2012-paper370.pdf>>, pp. 19-20; S. Hallegatte et al. ‘From Growth to Green Growth: A Framework’, *World Bank Policy Research Working Paper 5872*, 2011; G20, *Cannes G20 Leaders’ Summit - Final Communiqué*, 4 November 2011, Retrieved 25 April 2012 from <<http://www.g20-g8.com/g8-g20/g20/english/for-the-press/news-releases/g20-leaders-summit-final-communication.1554.html>>.

¹⁵ Green Growth Knowledge Platform, *Green Growth Knowledge Platform: About*, Retrieved 25 April 2012 from <<http://www.greengrowthknowledge.org/Pages/GGKPHome.aspx>>; Global Green Growth Institute, *Global Green Growth Institute: Overview*, Retrieved 25 April 2012 from <<http://www.gggi.org/about/overview>>; Global Green Growth Forum, *Global Green Growth Forum*, Retrieved 25 April 2012 from <<http://www.globalgreengrowthforum.com/>>; World Climate Ltd, *World Climate Ltd: Green Business Generation*, Retrieved 25 April 2012 from <http://www.wclimate.com/?page_id=2>.

¹⁶ Organisation for Economic Co-operation and Development, *Towards green growth: A summary for policy makers*, Retrieved 31 March 2012 from <www.oecd.org/dataoecd/32/49/48012345.pdf> pp. 12-13.

¹⁷ *Ibid.*

¹⁸ *Ibid.*

¹⁹ *Ibid.*

²⁰ S. Hallegatte et al. ‘From Growth to Green Growth: A Framework’, *World Bank Policy Research Working Paper 5872*, p. 2.

for both of these problems, contributing to a low-carbon future while engendering prosperity.²¹ Furthermore, in distinction to a closely related concept, sustainable development, green growth can be “cast as a question of opportunity and reward, rather than costly restraint.”²² It is for these reasons that green growth has enjoyed immense popularity and become a ‘buzzword’ in academic and policy circles.²³

Yet how exactly is green growth supposed to achieve its purported goals? The above green growth initiatives by G20 member states are all policies mindful of the environment. But is that all that green growth means? Is it merely being ecologically friendly in whichever way you choose?²⁴ The OECD writes that, “[g]reen 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.”²⁵ The World Bank provides a different interpretation: “Green growth is about making growth processes resource-efficient, cleaner and more resilient without necessarily slowing them.”²⁶ A report by the UN Secretary General identifies four broad interpretations of ‘green growth’,²⁷ while organisers of the upcoming Rio+20 Summit openly admit “there is as yet no agreed definition of what constitutes a green economy”.²⁸ In academia, “[a] clear definition is still lacking, but most analysts would associate the term with environmentally sustainable, biodiverse, low-

²¹ G8, *G8 Leaders’ Declaration 2009: Responsible Leadership for a Sustainable Future*, Retrieved 25 April 2012 from http://www.g20-g8.com/g8-g20/root/bank_objects/20090710_G8_Final_Declaration_ENG.pdf, at Article 60.

²² A. Bowen and S. Fankhauser, ‘The green growth narrative: Paradigm shift or just spin?’, *Global Environmental Change*, No. 21, 2011, pp. 1157-1159, p. 1157.

²³ This is despite the paucity of academic work investigating green growth. *Ibid.*

²⁴ S. Patrick, ‘Advancing Sustainable Development, Bolstering Fragile States’ in Think-20, ‘Participant Notes’, 2012 *Think-20 Meeting*, Retrieved 25 April 2012 from http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf, p. 31.

²⁵ Organisation for Economic Co-operation and Development, *Towards green growth: A summary for policy makers*, Retrieved 31 March 2012 from www.oecd.org/dataoecd/32/49/48012345.pdf pp. 12-13.

²⁶ S. Hallegatte et al. ‘From Growth to Green Growth: A Framework’, *World Bank Policy Research Working Paper 5872*, p. 2.

²⁷ UN Secretary General, ‘Progress to date and remaining gaps in the implementation of the outcomes of the major summits in the area of sustainable development and analysis of the themes for the Conference’ (2010) *Report to the Preparatory Committee for the UN Conference on Sustainable Development*, URL: http://www.minambiente.it/export/sites/default/archivio/allegati/rio_20/un_progress_date_remaining_gaps_eng.pdf, accessed online 31 March 2012.

²⁸ Stakeholder Forum, ‘Introductory Briefing Note: The Green Economy’ (2012) *Earth Summit 2012*, URL: <http://www.stakeholderforum.org/fileadmin/files/Introductory%20Briefing%20Note%20Green%20Economy%20FINAL.pdf>, accessed online 1 April 2012; Stakeholder Forum, ‘Definitions of a Green Economy’ (2012) *Earth Summit 2012*, URL: <http://www.earthsummit2012.org/green-economy/definitions-of-a-green-economy>, accessed online 1 April 2012.

carbon and climate-resilient growth in human prosperity.”²⁹ The widespread support for green growth disguises the absence of agreement as to what it means in practice.³⁰ Many important questions are yet unanswered. For example, is green growth distinct from sustainable development, or is it a part of it? And if a part of it, why has it heretofore neglected to focus on equity? This paper will address the challenge and opportunity this lack of a consensus definition poses for the G20.

Challenges for the G20

The lack of a consensus definition is not the only challenge for the G20 in relation to green growth. The G20 has only come to prominence since the 2008 Washington Summit in which President Bush initiated a Leaders’ Summit alongside the customary Finance Ministers’ meeting.³¹ Although an improvement compared to the G8, the G20 does not enjoy democratic legitimacy as it excludes some 173 UN countries, around one third of the world’s population.³² However, the G20 does represent 85% of the world’s economy.³³ The G20’s legitimacy is therefore premised less on its representative nature than on its ability to find effective solutions to global economic and financial challenges; it is an outcomes-based forum.³⁴ It enjoyed great legitimacy in 2008 and 2009 due to its decisive and coordinated response to the Global Financial Crisis.³⁵ However, it has had trouble making the transition from being a crisis management committee to a forum providing more general economic leadership.³⁶ The 2011 Cannes Summit is perceived to be associated with a dip in the G20’s legitimacy in this regard.³⁷

²⁹ A. Bowen and S. Fankhauser, ‘The green growth narrative: Paradigm shift or just spin?’, *Global Environmental Change*, No. 21, 2011, pp. 1157-1159, p. 1157.

³⁰ M. Huberty, ‘Shaping the Green Growth Economy: A Review of the Public Debate and the Prospects for Green Growth’, *The Berkeley Roundtable on the International Economy*, 31 March 2011, Retrieved 25 April 2012 from <http://greengrowthleaders.org/wp-content/uploads/2010/12/110819Shaping-the-Green-Growth-Economy_report_26.6.pdf>, p. 5.

³¹ Alexander, N. ‘Introduction to the G20’, *Heinrich Böll Foundation*, 2012, Retrieved 22 April 2012 from <<http://boell.org/web/134-651.html>>.

³² *Ibid.*

³³ *Ibid.*

³⁴ S. Cho and C. Kelly, ‘Promises and Perils of New Global Governance: A Case of the G20’, *Chicago Journal of International Law*, Vol. 12, No. 2., 2012, pp. 491-562, p. 557.

³⁵ G. Grevi, ‘Leveraging the G20 Potential’ in Think-20, ‘Participant Notes’, *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 17.

³⁶ *Ibid.*

³⁷ *Ibid.*

The lack of a consensus definition of green growth only magnifies the legitimacy problems the G20 is facing. As the G20 is struggling to make good on previous commitments as well as to encourage economic growth and job creation in a climate of sluggish global growth, the addition of environmental responsibilities may dilute its focus.³⁸ Furthermore, it may signal the beginning of ‘mission creep’ for the G20, similar to that which had plagued the G8.³⁹ The G20 is not a “mini-UN”.⁴⁰ If the G20 wants to address green growth, it must demonstrate it is a credible and legitimate forum to take on environmental responsibilities. It must ensure that the action it takes on green growth is concrete and effective. For example, a communiqué with a limp ‘commitment’ to encourage green growth initiatives in each G20 member state’s domestic economy would almost be worse than not considering the issue at all. It would be detrimental to the G20’s legitimacy and would signal that the world’s most economically powerful nations consider weak platitudes to be a sufficient hedge against the threat of climate change.

The challenge facing the G20 in this regard is that each G20 member state has a different conception of what green growth entails, as demonstrated by the diverse green growth initiatives listed above. A call to concrete action on any particular one of these initiatives is likely to be resisted by the member states which have adopted a differing approach to green growth, lest it imply that their particular initiative is not as environmentally friendly. Each member state wants to be able to wear the badge of green growth activism. Similar to the international debate over the definition of terrorism, attempting to form consensus around an abstract concept of ‘green growth’ is unlikely to be successful because of the inherent interest of individual member states in defining it in a way which is politically expedient for them.⁴¹ Consequently, if the green growth discussions in Los Cabos are merely about agreeing on a definition of green growth, the outcome of the Summit is likely to be

³⁸ M. Thirlwell, ‘Think-20: Briefing Note to the Mexican G20 Presidency’ in Think-20, ‘Participant Notes’, 2012 *Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 48.

³⁹ Aranda, L. ‘El futuro del G8, el G20 y la Gobernanza económica mundial’, *Speech presented at the Palabras de la Subsecretaria Lourdes Aranda Bezaury World Policy Conference*, 11 December 2011, Retrieved 31 March 2012 from <<http://www.worldpolicyconference.com/pdf/arandaSpeech.pdf>>.

⁴⁰ R. Mohan, ‘How to Make the G20 More Productive’ in Think-20, ‘Participant Notes’, 2012 *Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 26.

⁴¹ J. White, *An Introduction to Terrorism*, 4th ed, Thomson/Wadsworth Learning, 2002, p. 7.

little more than inept platitudes and limp 'commitments' to act in an environmentally friendly manner.

How is the G20 to incorporate green growth into its ongoing agenda, forge a working consensus on the definition of green growth and also achieve concrete deliverables to shore up its credibility? There may be an elegant solution to this conundrum. Rather than mandate new green initiatives or attempt to abstractly define green growth, the G20 should focus on re-invigorating existing commitments and re-orienting them as green growth policies. This will serve five purposes. First, it will enhance the likelihood that the G20 achieves its existing commitments, thereby enhancing its relevance and legitimacy. Second, it will integrate green growth into the G20's ongoing agenda, rather than it being a one-off priority at the Mexico Summit. Third, it will be relatively easy to form consensus as it concerns topics and issues previously agreed upon by the G20 member states. Fourth, it implicitly construes environmental activism as an opportunity and not a restraint. Fifth, it will result in concrete deliverables - actions to be implemented - as opposed to vague environmental aspirations.

There are a number of existing G20 commitments which could readily be recast as green growth policies. Foremost amongst these is the G20's commitment to phase out fuel subsidies.⁴² Direct fuel subsidies are tentatively valued at approximately US\$300 billion per annum.⁴³ The G20 originally agreed at the 2009 Pittsburgh Summit to "rationalize and phase out, over the medium term, inefficient fossil fuel subsidies that encourage wasteful consumption".⁴⁴ Although this commitment was reaffirmed at the 2009 Toronto Summit, the 2010 Seoul Summit and the 2011 Cannes Summit,

⁴² D. Shorr, 'Think-20: Ideas for the Mexican Sherpa Team' in Think-20, 'Participant Notes', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 40; B. Carin, 'Note to the Mexican Presidency: A G20 "Plan B" to Save the Climate?' in Think-20, 'Participant Notes', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 10; InterAction, 'Green Growth and Climate Change', *InterAction G20 Background Policy Brief*, Retrieved 31 March 2012 from <<http://www.interaction.org/document/g20-background-policy-brief-green-growth>>, at p. 2; Think-20, 'Report to G20 Sherpas', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://www.boell.org/downloads/FINAL_Think-20_Report_to_Sherpas.pdf>.

⁴³ B. Carin, 'Note to the Mexican Presidency: A G20 "Plan B" to Save the Climate?' in Think-20, 'Participant Notes', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 10.

⁴⁴ G20, *Pittsburgh G20 Leaders' Summit Communiqué*, 25 September 2009, Retrieved 25 April 2012 from <<http://www.ft.com/cms/s/0/5378959c-aa1d-11de-a3ce-00144feabdc0.html#axzz1t0mFAKi3>>.

little progress has been made.⁴⁵ The longer the G20 is unable to make headway on this issue, the sooner it will be perceived to be a forum incapable of effective leadership. By phasing out fuel subsidies, the treasuries of G20 nations will recoup some much needed capital which can be deployed to better uses elsewhere.⁴⁶ This could be as part of domestic green growth initiatives such as support for renewable energy investment, or it could be put toward international uses, for example as a contribution to the Green Climate Fund.⁴⁷

Another existing G20 commitment ripe for 'greening' is infrastructure.⁴⁸ Infrastructure is important for economic growth because it "stimulates demand, creates jobs and increases future production capacity."⁴⁹ The High Level Panel on Infrastructure put forward six possible criterion for infrastructure project selection to the G20 in late 2011, none of which dealt with environmental sustainability in any depth.⁵⁰ The policy eventually affirmed at the 2011 Cannes Summit added gender differentiation as another guiding principle, but this was at the expense of environmental safeguards.⁵¹ The G20 should make green growth a central condition of prospective infrastructure projects. South Korea provides a ready example of how this can be achieved.⁵²

⁴⁵ G20, *G20 Toronto Summit Declaration*, 27 June 2010, Retrieved 25 April 2012 from <<http://www.canadainternational.gc.ca/g20/summit-sommet/2010/toronto-declaration-toronto.aspx?lang=eng&view=d>>; B20, *Seoul Joint Statement by Participating Companies*, 11 November 2010, Retrieved 31 March 2012 from <http://www2.schneider-electric.com/documents/events/201011-SeoulG20BusinessSummit_JointStatement.pdf>; G20, *Cannes G20 Leaders' Summit - Final Communiqué*, 4 November 2011, Retrieved 25 April 2012 from <<http://www.g20-g8.com/g8-g20/g20/english/for-the-press/news-releases/g20-leaders-summit-final-communique.1554.html>>.

⁴⁶ M. Huberty, 'Shaping the Green Growth Economy: A Review of the Public Debate and the Prospects for Green Growth', *The Berkeley Roundtable on the International Economy*, 31 March 2011, Retrieved 25 April 2012 from <http://greengrowthleaders.org/wp-content/uploads/2010/12/110819Shaping-the-Green-Growth-Economy_report_26.6.pdf>, p. 9.

⁴⁷ P. Shome, 'Greening the G20 Agenda: A Way Forward' in Think-20, 'Participant Notes', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 38; InterAction, 'Green Growth and Climate Change', *InterAction G20 Background Policy Brief*, Retrieved 31 March 2012 from <<http://www.interaction.org/document/g20-background-policy-brief-green-growth>>, p. 2.

⁴⁸ *Ibid.*; Think-20, 'Report to G20 Sherpas', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://www.boell.org/downloads/FINAL_Think-20_Report_to_Sherpas.pdf>.

⁴⁹ B. Desker, 'Think-20 Participant Note' in Think-20, 'Participant Notes', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 13.

⁵⁰ High Level Panel on Infrastructure, *Recommendations to G20 - Final Report*, 26 October 2011, Retrieved 25 April 2012 from <http://www.g20-g8.com/g8-g20/root/bank_objects/HLP_-_Full_report.pdf>.

⁵¹ N. Alexander, 'How the Mexican G20 Summit Can Promote Sustainable Development' in Think-20, 'Participant Notes', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 3.

⁵² C. Bradford, 'Mexico Think-20: Recommendations in Response to Five Questions' in Think-20, 'Participant Notes', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 9.

Job creation is a further G20 priority which can be integrated with a green growth agenda.⁵³ It was a priority of the 2011 Cannes Summit and, in light of the current global economic outlook, will certainly be high on the agenda in Los Cabos.⁵⁴ Many G20 member states already have experience in green job creation.⁵⁵ During the depths of the global financial crisis (“GFC”) almost all the OECD countries included green job creation as part of their respective stimulus packages.⁵⁶ The evidence concerning these measures is largely positive; the actions taken seem to have had the desired effect, namely to create green jobs and thereby stimulate the economy.⁵⁷ Unfortunately, Keynesian-type stimulus packages are necessarily a short-term measure. Fortunately there are other methods of creating green jobs. For example, implementing domestic emissions reduction targets stimulates investment in the renewable energies sector. As renewables are more labour-intensive than traditional or ‘brown’ means of generating electricity, the result is a net employment gain.⁵⁸ Similarly, governments can focus on promoting energy efficiency. The less households are required to spend on electricity, the more they can spend on other goods and services which may be more labour-intensive than electricity generation, thereby creating jobs.⁵⁹

There are many other ways the G20 can integrate green growth into its existing agenda, for example by examining the “investment, lending and trade issues associated with green technology.”⁶⁰ The key for the G20 is to focus on concrete deliverables agreeable to all member states rather than seek to identify the meaning of green growth in the abstract or to take an unduly narrow view of what

⁵³ N. Alexander, ‘How the Mexican G20 Summit Can Promote Sustainable Development’ in Think-20, ‘Participant Notes’, 2012 *Think-20 Meeting*, Retrieved 25 April 2012 from http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf, p. 4; P. Shome, ‘Greening the G20 Agenda: A Way Forward’ in Think-20, ‘Participant Notes’, 2012 *Think-20 Meeting*, Retrieved 25 April 2012 from http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf, p. 39.

⁵⁴ G20, *Cannes G20 Leaders’ Summit - Final Communiqué*, 4 November 2011, Retrieved 25 April 2012 from <http://www.g20-g8.com/g8-g20/g20/english/for-the-press/news-releases/g20-leaders-summit-final-communicue.1554.html>.

⁵⁵ M. Huberty, ‘Shaping the Green Growth Economy: A Review of the Public Debate and the Prospects for Green Growth’, *The Berkeley Roundtable on the International Economy*, 31 March 2011, Retrieved 25 April 2012 from http://greengrowthleaders.org/wp-content/uploads/2010/12/110819Shaping-the-Green-Growth-Economy_report_26.6.pdf, pp. 10-11.

⁵⁶ *Ibid.*

⁵⁷ *Ibid.*

⁵⁸ *Ibid.*

⁵⁹ *Ibid.*

⁶⁰ D. Shorr, ‘Think-20: Ideas for the Mexican Sherpa Team’ in Think-20, ‘Participant Notes’, 2012 *Think-20 Meeting*, Retrieved 25 April 2012 from http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf, p. 40.

green growth means in practice, limiting it to, for example, the actions taken in countries such as South Korea, Mexico and Denmark. If it is able to convert existing commitments into green initiatives, there are reasonable prospects that the G20 will successfully incorporate green growth as an ongoing concern and make progress towards a consensus definition in practice if not in theory.

Opportunities for the G20

If the G20 is able to reach a common understanding of (and take action on) green growth by converting existing G20 commitments into green growth initiatives, it has an opportunity to magnify its input into the Rio+20 conference. The Rio+20 Conference, formally the United Nations Conference for Sustainable Development, is scheduled to occur immediately following the 2012 G20 Leaders' Summit.⁶¹ The Rio+20 is, as its shortened name suggests, to be held in Rio de Janeiro and is the twenty year successor to the 1992 United Nations Conference on Environment and Development ("Earth Summit") which occurred in the same city. The Earth Summit consolidated an international commitment to sustainable development and it is hoped that the Rio+20 can play a similar role. One of the major themes of the Rio+20 Conference will be the development of a global green economy.⁶²

Unlike the G20, the Rio+20 will be a highly inclusive forum. In fact, "every stakeholder with an interest in the Rio + 20 agenda is invited to contribute to the Zero Draft of the document."⁶³ This includes "multilateral agencies, civil society groups, corporations and nongovernmental organizations."⁶⁴ The danger of many voices is that it comes at the cost of clarity. In circumstances where there is not yet an internationally agreed definition of green growth or what constitutes a

⁶¹ Stakeholder Forum, 'The Explanatory Roadmap to Rio + 20', *Earth Summit 2012*, Retrieved 1 April 2012 from <<http://www.stakeholderforum.org/fileadmin/files/The%20FINAL%20VERSION%20The%20Road%20Map%20to%20Rio.pdf>

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⁶² *Ibid.*

⁶³ *Ibid.*

⁶⁴ S. Patrick, 'Advancing Sustainable Development, Bolstering Fragile States' in Think-20, 'Participant Notes', *2012 Think-20 Meeting*, Retrieved 25 April 2012 from <http://boell.org/downloads/Think_20_Participant_Briefing_Memos.pdf>, p. 31.

green economy, the likelihood that so many diverse parties will come to a consensus may be slim.⁶⁵ It is here that the G20 may play a vital role.

The G20 may be able to serve as a “pre-negotiation forum” which allows a number of the major powers at the Rio+20 Conference (viz the G20 member states) to forge a common position on green growth and cut through the cacophony of voices which will be present.⁶⁶ The green growth measures that the G20 advocates will no doubt form an important consideration in forming a consensus over the development of a global green economy at the Rio+20 conference. Furthermore, if the G20 is able to commit to concrete deliverables regarding its green growth agenda, this will send a strong signal to the Rio+20 that the major economies mean business when it comes to environmental issues and combating climate change. It will bring pressure on the Rio+20 to result in a political document with concrete commitments rather than an accord which participants merely “take note of”, as famously happened at the 15th Session of the Conference of Parties to the United Nations Framework Convention on Climate Change (“COP15”).⁶⁷ Mexico’s inclusion of green growth as a priority of the G20 Leaders’ Summit in Los Cabos therefore serves as a valuable opportunity for the G20 to input into the Rio+20 Conference.

Conclusion

Mexico’s inclusion of green growth as a priority for the G20 Summit in Los Cabos provides both challenges and opportunities for the G20. The lack of a consensus definition of green growth and the fact it represent a widening of the G20’s agenda may result in some resistance. Yet if the G20 focuses on agreeing to concrete actions which already have the putative support of member states, that is, if it focuses on ‘greening’ its existing commitments - scrapping fuel subsidies, promoting infrastructure, fostering jobs, and so on - there are reasonable prospects the G20 can demonstrate

⁶⁵ *Ibid.*

⁶⁶ *Ibid.*

⁶⁷ Wynn, G., ‘What was agreed and left unfinished in U.N. climate deal’, *Reuters*, 20 December 2009, Retrieved 2 May 2012 from <<http://in.reuters.com/article/2009/12/20/idINIndia-44872920091220?sp=true>>.

that it is a legitimate forum to address this issue whilst simultaneously integrating it into its annual agenda. If successful in doing this, the G20 will have an opportunity to put pressure on the Rio+20 to similarly deliver a political commitment as to well bolster the possibility of consensus being formed over green growth given that the leaders of major economies have had a prior opportunity to negotiate in Los Cabos.

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