

East Asia Low Carbon Green Growth Roadmap Forum
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LCGG Track 1: Improving Quality of Growth & maximizing Net Growth

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requires a fundamental shift in **the way we think about economic growth**,
from quantitative to a **qualitative** perspective.
[...] such a shift needs to start at the **top of political leadership.**”



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More the same is not necessarily better...

Quantity undermining quantity: Focusing only on maximizing the quantity of growth will eventually undermine the prospects of sustaining it.

AP region remarkable growth and poverty reduction BUT focus on high growth rates also has resulted in great environmental and social externalities, leading to real economic costs.

- * What GDP does not tell us: *jobless growth/inflations/ income disparities and inequality/energy and food insecurity/ social and political stability/ climate and disaster vulnerability/ Congestion costs and the growth of inner city slums, people's sense of life satisfaction and well-being...*



Counting “Hidden” GDP losses- Example 1

- Costs related to **pollution and environmental degradation**



Counting “Hidden” GDP losses- Example 2

Costs related to traffic congestions



Counting “Hidden” GDP losses- Example 3

Costs of climate change and disasters



“Hidden” GDP losses...

- What other examples of hidden GDP losses can you think about your country is shedding?
- Are these costs inevitable? Would there be any way to reduce them?



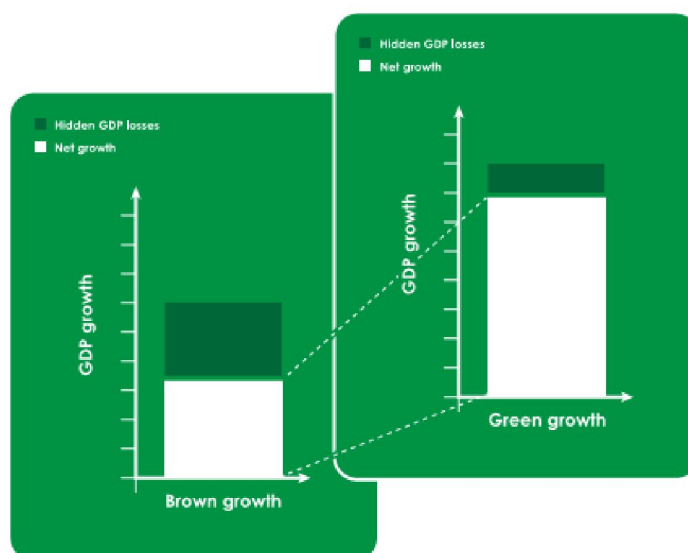
Why such costs are “hidden”?

Limitations of the current economic system & growth paradigm

- Price gap
- Time gap
- Measurement gap
- Quantity of Growth paradigm
- *“The economy is not economic.”*



Maximizing **net** growth by reducing hidden GDP losses



3 Qualities of Growth

Economic Quality

Low unemployment, high value-added, competitiveness, resilience against external shocks (financial crisis, oil and commodity price hike)

Ecological Quality

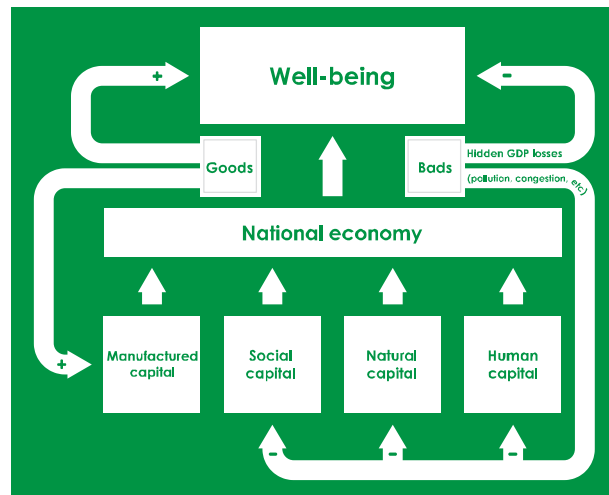
eco-efficient growth, decoupling growth with energy consumption, Resilience to climate change, dynamic eco-system, water security, investment in natural capital etc.

Social Quality

Inclusive, income equity, employment, quality of life, happiness, well-being, social safety net, gender equality etc.

* different from Quality of Life, Well-being

The four capitals that underpins growth



Low Carbon Green Growth

- Enhancing economic & ecological Quality of Growth
- * Addressing social quality of growth

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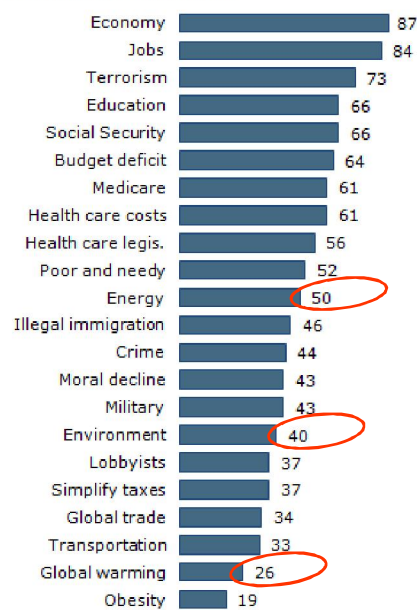
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Top Policy Priorities for 2011

% rating each a "top priority"



<http://people-press.org/2010/10/27/little-change-in-opinions-about-global-warming/>

PEW RESEARCH CENTER Jan. 5-9, 2011.

Key messages:

1. Green growth can deliver not only higher but also better growth ultimately.
2. Minimizing the hidden GDP losses arising from resource depletion and climate impacts is a part of LCGG strategies.
3. Identify and measure the hidden GDP losses, assess their value and find out the way to reduce them
4. Measure what matters. If possible monetize them and reflect in the market prices(e.g. Carbon tax).
5. And....



*"What's needed really is
a higher level of consciousness.*

That's hard to create but it is coming."

Al Gore's new thinking on the climate crisis
(TED2008, filmed March 2008)



For discussions

- **Q1:** Can you identify some examples of hidden GDP losses your country is experiencing in the process of growth and development?
- **Q2:** Do you think minimizing these hidden GDP losses through effective policy measures will lead to higher net growth in the long run in your country?
- **Q3:** Do you think identifying, measuring and actively reducing hidden GDP losses will be a useful approach in your country in improving economic growth and development?
- **Q4:** Is your government taking measures to minimize the hidden GDP losses already? If so, please share.



Thank you for your attention.

