

Strategic Transformational Transition of Green Economy, Green Growth and Sustainable Development: An Institutional Approach

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ABSTRACT

This article analyzes a strategic transformational transition of the green economy, green growth, and sustainable development from the institutional perspective. The analysis begins by questioning the implications of the concepts and principles of green economy, green growth and sustainable development from different perspectives in the transformational transition considering the investment, trade, and capacity building through the design and implementation of strategies and policies as well as measures from an institutional analysis. The methodology followed was the analytical review of the literature to derive inferences, challenges, proposals and conclusions. It is concluded that the green economy concept addresses current challenges delivering economic development opportunities and multiple benefits for the welfare of all human beings.

KEYWORDS

Green Economy, Green Growth, Sustainable Development, Transformation

INTRODUCTION

The green economy has been criticized as being a wonderful slogan which does not always lead to wonderful actions (Schmalensee, 2012). Emergence of greener development pathways may have critical effects on the reduction of emissions and the use of natural resources. The framework of green economy and practices are relevant to the ongoing debates in economic growth, social justice and environmental sustainability reorganization. The green economy is an imperative framework for all economic activities that affects sustainable development supported by coordinated action of government, private sector and civil society.

The green economy is a means and enabler of delivering sustainable development between the intrinsic links between economy and environment. From this perspective, green economy improves well-being, lessens social and economic inequality and reduces environmental risks and ecological scarcities. Green economy is environmentally friendly, sensitive to preserve natural resources, produce more ecosystems services and products and reduce emissions and pollutants that create environmental crisis.

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The transition to green economy has environmental priorities to restore, preserve and enhance ecosystems and promote natural resources efficiency supporting the shift towards a low-carbon and climate resilience. The development of green economy depends on the capacity to design sustainable ecosystem service programs. Ecosystem services scheme may promote stakeholder's acceptance and participation in a green economy.

The green economy provides the instruments required to transform economic activity in more growing and inclusive economies with more social justice and healthier and environments. The green economy relaunches the global economy with higher rates of economic growth than the current model.

This paper has the aim to analyze a strategic transformational transition of green economy, green growth and sustainable development from the institutional perspective. It begins analyzing the evolution of concepts and definitions of green economy, green growth and sustainable development, to continue with the principles that support the transformation transition towards a greener economy. It continues analyzing some requirements in terms of investment, trade and capacity building for the strategic and policy formulation and implementation of a green economic development plan, from the institutional approach. It also takes into consideration some specific challenges before some concluding remarks.

EVOLUTION OF THE CONCEPT OF GREEN ECONOMY

The concept of green economy has emerged in the last decade as a policy framework for sustainable development and poverty eradication. The concept of green economy was coined and used in 1989 in the report *Blueprint for a green economy* (Pearce, Markandya, and Barbier, 1989) commissioned to advice on the applications, projects, policies and measures of sustainable development.

On the midst of the economic crisis in 2008, green economy was presented as a means to reduce the growing social inequality and achieving sustainable development. The concept of green economy rises in the aftermath of 2008 global financial crisis challenging a radical transformation of development practices (Davies, 2013, 1285). The concept of green economy was initially a response to the financial crisis (Bina and La Camera, 2011), and an operational policy for growth based on sustainable development at the environment– economy nexus (Schmalensee, 2012).

After the financial crisis of 2008, green stimulus programs were launched as an incentive for investments in green energy sources and technologies. The global recession has led to design green energy sources. The United Nations Environmental Programme (UNEP) launched the green economy initiative in climate change mitigation. Green economy aims to improve human well-being and social equity while significantly reducing environmental risks and ecological scarcity according to the concept of The United Nations Environmental Programme (UNEP).

In 2009, the Global Green New Deal was proposed as a strategy to revive the global economy, mitigate climate change and environmental degradation and reduce poverty. The objective UNEP's GE Initiative (GEI) was to provide policy support for investing in greening sectors and environment. Green economy delivers transformations for more egalitarian and inclusive societies and shared economic prosperity.

In 2011, the UNEP published the *Green Economy Report "Towards Green Economy - Pathways to Sustainable Development and Poverty Eradication"* which stated the conceptual basis for policy action of green economy as one which is resource efficient, low carbon and socially inclusive aimed to capture the environmental, economic and social dimensions of sustainable development. Green economy is defined as the "improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities" (United Nations Environment Programme, UNEP, 2011).

The report of the United Nations Conference on Sustainable Development (UNCSD) that took place in Rio de Janeiro in 2012 had intended to promote green economy and sustainable development policies to reduce poverty. The Rio+20 declaration focused on green economy and sustainable development as relevant tools aiming to poverty eradication. The Rio +20 conference articulated the

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