CONFERENCE PAPER

Green Growth as a Generator for Overcoming the Crisis

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ABSTRACT – *Faced with the severest economic crisis after World War Two, the global economy is turning to new sources of growth, which should guide it on the road to economic recovery. In such circumstances, the idea of green growth, based on the belief that economic growth and care for the environment go "hand in hand," is being reaffirmed. In a way, green growth represents a step backward, i.e., going back to the UN Conference on Environment and Development held in Rio in 1992, when environmental sustainability of economic growth was the focus of attention. On the other hand, green growth also represents a step forward, as it is a practical and flexible approach that should contribute to the implementation of the concept of sustainable development in all its dimensions: economic, environmental and also social. A large number of countries, including the European Union, follow the green growth model, respecting national idiosyncrasies, which is demonstrated in this paper. In order to communicate with Europe and the world successfully, Serbia needs to share their fundamental values and commitments, but also preserve its national economic identity. Green growth (in the context of sustainable development) is a good option for Serbia and is its strong link to the rest of the world.*

KEY WORDS: *green growth, sustainable development, environment, economic crisis, investment, employment, natural capital, renewable energy sources, public policies*

Introduction

Two decades after the Conference on Environment and Development held in Rio de Janeiro, the world is once again on the road to Rio, both literally and figuratively: a conference on sustainable development is scheduled to be held in this city in June 2012 and one of the main topics at the conference will be a green economy (and green growth), which means that the environmental dimension of sustainability has returned as the focus of attention. This is by all means a result of the global financial and economic crisis, which has exposed the unsustainability of the existing model of economic growth and given rise to debates on new sources of increasing production and employment.

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Expansive fiscal policy is the usual response by governments to a decrease in aggregate demand in recession-stricken economies. What was characteristic of a large number of countries during the 2008-09 recession was a comparatively high share of incentives intended for green investment, which contributes to achieving environmental goals. This is in line with the "Global Green New Deal," which, launched as part of UNEP's Green Economy Initiative, echoes the original New Deal of U.S. President Franklin D. Roosevelt from the 1930s. Data indicate that from September 2008 to December 2009 around 16% of stimulus funds on the global level were intended for green projects. The European Union allocated 59% of total fiscal incentives for this purpose, whereas individual member states and the U.S. allocated around 11% on average. By the amount allocated (79% of total fiscal incentives, or 5% of GDP), South Korea is the world leader. (Carolyn Fischer, 2011) Green expenditures comprised support to renewable energy sources, energy efficiency and other measures aimed at protecting the environment. The bulk of the funds was channeled to energy efficiency projects in the belief that these activities could create new jobs fastest.

Green growth has been emphasized during the crisis, even though the debate about the compatibility of economic growth and environment protection has been going on for a long time now. According to current views, a government's basic concern should not be economic growth *per se*, but people's wellbeing, which requires certain trade-offs between growth and the quality of the environment. However, a well designed environmental policy could contribute to a significant reduction in the trade-offs.

Notion and significance of green growth

The concept of green growth appeared in response to the multifold crises that have been shaking the world lately: unfavorable climate change, threatened streams of water, loss of biodiversity, food and energy crises, and, of course, the global financial and economic crisis. There is growing awareness that the current model of growth is unsustainable and that, sooner or later, it will lead to the depletion of natural resources and erosion of environmental services. The environmental future of the world, according to the latest OECD projections, is rather bleak. Without new policies in the energy sector, the global energy mix will remain unchanged until 2050, which will lead to a 50% increase in Green House Gas (GHG) emissions, mostly due to increased carbon dioxide emissions related to the use of fossil fuels. (OECD, 2012, p. 72) The demand for water in the same period will grow by 55%; therefore another 2.3 billion people will be faced with water supply problems. Biodiversity will decrease by another 10% on the global level. (OECD, 2012, p. 156) A stronger focus on environmental sustainability today would help avoid such a scenario and at the same time open up new sources of economic growth, which would induce global recovery. With the right policies, which would encourage investment and stimulate new markets, green growth might increase productivity, boost employment and change the current model of consumption.

The concept of green growth is consistent with the broader and older concept of sustainable growth. A special thing about this broader concept is its holistic character (it encompasses three pillars of development – economic, social and environmental) and its particular emphasis on inter-generational justice. Accordingly, even though it stresses the relationship between economy and ecology, the concept of green growth should not lose

sight of the justice dimension, especially the needs of the poorest people worldwide, the particular needs of developing countries, and, of course, future generations. This is reflected in UNEP's definition of green economy, focused on achieving green growth, as an economy resulting in improved human well-being and social justice, with a substantial reduction in environmental risks and depletion of natural resources. (UNEP, 2011, p. 16)

Green growth is not a novel paradigm that should replace sustainable development. It is a concept expected to contribute to a more successful application of sustainable development, through concrete political moves by governments and interested stakeholders. It is a practical and flexible approach whose aim is to ensure progress in the economic and environmental dimensions of sustainable development, taking into account the social effects of greening growth. (OECD, 2011, p. 11)

The justification for introducing the concept of green growth lies in the fact that modern-day economies tend to deplete natural capital in order to achieve economic growth, which then jeopardizes the possibility of achieving sustainable development. Most interpretations of sustainable development start from the World Commission for Environment and Development's 1987 definition, which states that it is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987, p. 43). The potential to meet the needs of the present and future generations depends primarily on the availability of total supplies of capital: natural (natural resources and environmental resources, such as clean air or water), produced (physical capital and financial resources) and human (health and education). The prerequisite for sustainability is that *per capita* wellbeing should not be reduced over time, i.e., that there should be adequate total supplies of capital that can sustain it. What is essential, however, is not only aggregate supplies, but their composition. Excessive depletion and degradation of natural capital on account of a fast accumulation of produced and human capital are not acceptable. It is feared that, due to an irreversible reduction of the global supplies of natural wealth, the existing model of development will jeopardize the future generations' possibility of attaining wellbeing. A green economy and green growth as its product are necessary in this respect to overcome market-related, economic-political and institutional errors, which encourage irrational attitudes towards natural capital and render sustainable development impossible.

There are, however, certain, not at all negligible, dangers of misapplication of the concept of green growth. Firstly, the concept may be defined and operationalized in a one-dimensional way as a mere environmental concept, which is a step backward in relation to the multidimensional concept of sustainable development. Secondly, green growth may be understood in a uniform manner ("one size fits all") and applied using the same pattern in all countries. Thirdly, there may be confusion about what is sustainable development and what is green growth, and this at a time when the idea of sustainable development has finally been widely supported by politicians. Also added to this should be a set of risks in the field of foreign trade, which primarily applies to developing countries – from using the environment for protectionist purposes to developing countries' encounter with products that are subsidized in the industrial world without being able to use their own corrective measures, to narrowing the space for implementing policies that may contribute to promoting the green sector in less developed economies, and to imposing technical standards which exporters in these countries are unable to meet. Finally, the concept of green growth could be used as an

alibi for imposing new requirements on developing countries in the areas of aid, loans, and rescheduling or writing off debts. (Report by a Panel of Experts, 2011, p. 5) All these fears need to be dispelled, not only verbally, but during the process of implementation of green growth.

It is of great importance for developing countries that the principles harmonized at the United Nations Conference on Environment and Development in 1992 be respected, especially the principle of common but differentiated responsibilities, which implies that developed countries should lead the way in changing production and consumption models, and developing countries, while upholding their proclaimed development goals, should change the manner of attaining them, i.e., adopt sustainable practices. It is, of course, important for developing countries that developed countries support their sustainable development financially, through technology transfers, and also through a reform of the global economic and financial architecture. (Report by a Panel of Experts, 2011, p. 4-5)

There are views in the developed world that green growth is favorable exactly to developing countries where potentially adverse effects of environmental degradation are especially obvious. Developing countries are more vulnerable to climate change and more dependent on the exploitation of natural resources for the needs of economic growth. Through green growth they are offered a possibility of avoiding unsustainable, profligate production and consumption patterns and of directly embarking on building an adequate infrastructure and network for the support of sustainable development.

Greening growth of a national economy depends on its institutional and economic-political idiosyncrasies, development level, availability of natural resources and environmental pressures to which it is exposed. Both industrialized and developing countries will be faced with diverse challenges and opportunities in the process of green growth implementation, but with similar problems and dilemmas. According to the OECD, two types of policy are required for greening growth in any country: first, macroeconomic management that can effectively secure allocation of resources, with preservation of the natural capital; and, second, specific policies that induce greater efficiency in using natural resources or impose penalties for pollution.

The green approach to economic growth promotes four key concepts:

- *productivity*, i.e., increased efficiency in the use of energy and other resources, primarily owing to human knowledge and skill;
- *natural capital*, which (like other forms of capital) needs to be valued fully as a factor of production and human wellbeing;
- *innovation*, i.e., the creation, accessing, absorption and application of knowledge and/or technology that leads to new or significantly improved products, services or processes (it can include so-called green or clean technologies); and
- *green growth indicators*, i.e. new measures "beyond GDP" to measure green growth progress. (Report of the Green Growth Advisory Group, 2011, p. 12-13)

As an economic and political approach, compatible with sustainable development, green growth is attracting a lot of attention in scientific and scholarly circles, but research in this field is still limited and knowledge is fragmented. Progress is expected on the theoretical and practical planes, as well as on the plane of measuring a green economy.

Application of the green growth concept in finding the way out of the crisis

Global economies are slowly, but at different speeds, overcoming the severest crisis after World War II. The return to "business as usual," as it has turned out, is not a good solution and involves risks, which in the long run threaten to jeopardize the very process of economic growth and development. The world is turning to a green economy and green growth in seeking new, sustainable models of production and consumption. The "green race" has already started. The winners will be rewarded - innovation and investment in technologies for producing clean energy will stimulate green growth, which will create new jobs and provide greater energy independence and national security. Business people around the world have recognized green products and technologies as markets of the future worth investing in. Investors are turning to green infrastructure, which is regarded as an attractive field for investing available capital. The state, on its part, should provide a relevant economic-political framework and encourage private investment in this field.

The efforts of world governments to support the greening of economic growth have intensified in the past several years. Many countries have adopted policies and programs that can be characterized as broadly defined green growth. In June 2009, 34 world countries and the European Union signed the OECD Declaration on Green Growth. The Declaration states that economic recovery and environmentally and socially sustainable economic growth are the key challenges of the modern world. A number of well targeted policy instruments need to be used in order to simultaneously contribute to economic recovery in the short-term and help to build the environmentally friendly infrastructure required for a green economy in the long-term. In order to advance the move towards sustainable low-carbon economies, international cooperation is crucial in areas such as the development and diffusion of clean technologies, application of green ICT for raising energy efficiency, and the development of an international market for environmental goods and services. The countries that signed the Declaration agreed to encourage green investment and sustainable management of natural resources; to encourage domestic policy reform with the aim of avoiding or abandoning environmentally harmful policies that might thwart green growth, such as subsidies to fossil fuel consumption or production that increases greenhouse gas emissions, subsidies that encourage unsustainable use of other scarce natural resources or contribute to negative environmental outcomes; to work towards establishing appropriate regulations and policies to ensure clear and long-term price signals encouraging efficient environmental outcomes; to ensure close coordination of green growth measures with labor market and human capital formation policies in order to support the development of green jobs and the skills needed for them. (OECD, 2009).

In line with the above declaration and in response to the economic and financial crisis and climate change challenges, the European Union adopted in 2010 the strategy "Europe 2020", focused on a new sustainable market economy, a smarter, greener economy in which prosperity comes from innovation and more efficient utilization of resources, whose key input is knowledge. (European Commission, 2010). In comparison with the previous, Lisbon strategy, there is an evident shift from quantitative to qualitative green growth that takes into account the interdependence between the economy and environment.

Among the key targets of the new EU strategy is to reduce greenhouse gas emissions by 20% compared to the 1990 levels (perhaps even by 30% if other developed countries commit

themselves to comparable emission reductions and if developing countries contribute adequately according to their capabilities), to increase the share of renewable energy sources in the final energy consumption to 20%, and to increase energy efficiency also by 20%. (European Commission, 2010, p. 11).

Meeting the energy goals by 2020, it is estimated, could result in € 60 billion less in oil and gas imports. In this case it is not only about financial savings, but about maintaining energy security. Further progress with the integration of the European energy market can add an extra 0.6% to 0.8% GDP. Meeting the objective of 20% of renewable energy sources has the potential to create more than 600,000 jobs in the EU. Adding the 20% target on energy efficiency, the number of new jobs could well exceed one million. (European Commission, 2010, p. 15)

The said strategy identifies three priorities that the EU will pursue in its internal and external policies:: (1) creating value by basing economic growth on knowledge (promoting knowledge and innovation as the main incentives to sustainable growth); (2) empowering people in inclusive society (through the acquisition of new skills, fostering creativity, development of entrepreneurship); and (3) creating a more competitive, coherent and greener economy. (European Commission, 2010, p. 10)

To green the EU economy, according to EU 2020, the following instruments and measures are required: enhancing resource utilization by adequate regulations, emissions trading, tax reform, grants, subsidies, public investment, public procurement policy; creating new industries and accelerating the modernization of existing ones, with emphasis on sustainability, innovation and education of human resources, aimed at enhancing the competitiveness of the EU economy in the global market; and developing a smart, modern transport and energy infrastructure, which will contribute to attaining multiple goals, including lower carbon emissions, transport safety and energy security. (European Commission, 2009, p. 7-8)

The starting point for a revitalization of the European economy is a substantial increase of investment. Ambitious energy and climate policies, it is estimated, should become the fulcrum of EU's overall economic policy (Carlo. C. Jaaeger et al, 2011, p. 5). Building wind turbines, implementing cogeneration of heat and electricity, insulating houses, modernizing the power grid, etc. – all require substantial investment. However, the green investment should not simply displace investment in other sectors, as in this case growth would not speed up and employment would only be re-allocated between sectors, without reducing the number of unemployed. In the coming years green investment can be part of a broader surge of investment induced by the perspective of achieving sustainable growth. (After the global crises of 1929, such a surge of investment in Europe was initiated, but with different, less acceptable motives – investment in military armament). Additional investment will enable economies to grow faster, and faster growth, for its part, will generate positive expectations for the future, which will induce further investment. This is a virtuous circle that should take European economies to a new growth path.

South Korea is a good example of a country that is strongly committed to the promotion of green growth during the crisis. Among other things, it chaired the OECD Ministerial Council Meeting that adopted the "Green Growth Declaration." In August 2008, "Low Carbon/Green Growth" was proclaimed as the new national vision to guide the development

of the Republic of Korea in the next fifty years. In order to implement this vision, the "National Strategy for Green Growth" (2009-2050) was adopted, as was the Five-Year Plan for Green Growth (2009-2013), which provides a comprehensive policy framework for implementing green growth in medium- and long-term. Instead of the "brown economy," where growth is achieved regardless of costs, a "green economy," focused on long-term prosperity and sustainability, is advocated.

The National Strategy contains three objectives, three strategies and ten policy agendas for their implementation. The *basic* objectives of the National Strategy are: to promote a synergetic relationship between economic growth and environmental protection; to improve people's quality of life and promote a green revolution in their lifestyle; and to contribute to international efforts to fight climate change and other environmental threats. The *three strategies* include: mitigating climate change and promoting energy independence; creating new engines for economic growth; and improving the quality of life and enhancing Korea's international standing. The *ten policy agendas* include: effective mitigation of greenhouse gas emissions (the government will pursue mitigation strategies for buildings, transport and industry, and will also insist on reporting on emissions and promote forestation); reduction in the use of fossil fuels and the enhancement of energy independence (Korea will reduce energy intensity to the OECD average, increase the use of renewable energy and expand nuclear power capacity); strengthening the capacity to adapt to climate change. (In this context, Korea will launch the restoration of its four major rivers and increase the share of environmentally friendly agricultural products to 18% by 2020); development of green technologies (this should boost the share of relevant sectors in the world market to 8% within five years); the greening of existing industries and promotion of green industries (exports of green goods will rise from 10% in 2009 to 22% in 2020, and the government will help small and medium-sized enterprises green their business); advancement of the industrial structure to increase the role of services (health care, education, finance, and high value-added services); engineering a structural basis for the green economy (the government will gradually introduce an emission trading system, make the tax system greener and extend public credit guarantees to green industry); greening land and water and building the green transport infrastructure (the share of passenger travel by rail will rise from 18% in 2009 to 26% in 2020); bringing the green revolution into people's daily lives (education on green growth will be expanded, the government will increase mandatory procurement of green goods); and becoming a role-model for the international community as a green growth leader (Korea will actively engage in international climate-change negotiations and increase the share of green ODA from 11% to 30% in 2020. (Randal. S. Jones and Byungseo, 2011p. 6).

The Five-Year plan lays out the government's activities towards implementing the Strategy and the specific tasks of the ministries and local government bodies. Also earmarked is the funding for the implementation of green growth programs and projects in the amount of 2% of GDP. (UNEP, 2010, p. 6) At first, investment will predominantly be streamlined into infrastructure in order to get the economy going. Korea has the ambition to gradually become a leading exporter in the field of green research and green technology.

It is worth noting that Korea was one of the first countries to prepare in 2012 a report on the results achieved in the field of green growth in the past ten years, following the indicators proposed by the OECD. It was demonstrated in it that the set of policies adopted

in 2009 is yielding results and that, generally, this country is moving towards a greener economy. Further implementation of the Green Growth Strategy will enable Korea to transform its energy-intensive economy and create new sustainable resources for long-term growth. (Korea's Green Growth – based on OECD Green Growth Indicators, 2012)

China, as the world's largest emitter of greenhouse gases, faces severe problems from air and water pollution. To further reduce poverty, China's economy must continue growing. At current emissions per unit of GDP, Chinese economic growth implies that by 2030 they would account for the entire global emission allowance of carbon dioxide that is consistent with the target of keeping Earth's temperature from rising. (Gill and Raiser, 2012, p. 429)

Aware of the seriousness of environmental challenges, China incorporated green growth in its 12th five-year plan 2011-2015. The plan, among other things, envisages reduction in energy consumption by 16% per unit of GDP and carbon dioxide emission by 17% per unit of GDP by 2015. All seven strategic industries, as defined in the plan, lead China towards a less resource-intensive economy. Four industries are explicitly green: new energy sources, new materials, new energy cars, and energy conservation and environmental protection. (China's Twelfth Five Year Plan 2011-2015)

Even though the transition to green growth is a long-term process, it is estimated that the next 20 years are a crucial period for China to seize the opportunity, gain competitive advantages, and show global leadership in green goods and services. China enjoys substantial advantages over other countries when it comes to pursuing green growth (government ability to mobilize collective action on high-priority issues; lower level of development, which facilitates its transition to new growth and development; large domestic market and the possibility of achieving economies of scale in the development of green industries; abundant capital - including human capital – to invest in green sectors; natural endowment of resources for clean energy, etc.), but it is also faced with not so small challenges (distorted prices of resource commodities, over-reliance on administrative measures for reducing carbon emissions, weak incentives for environmental protection, lack of a competitive market environment for green sectors, etc.). (The World Bank, 2012, p. 257) If it succeeds in meeting these and other challenges and remains committed to achieving sound growth, the results will certainly be good.

There are many more examples that illustrate the importance of green growth in paving the way out of the crisis. Various governments are committing to invest substantial funds in specific green growth-related programs or industries. The United Kingdom, for example, intends to launch a green investment bank in 2012 to provide funding for "low carbon projects" with returns that are too long term, or too risky, for capital market investment. (Report of the Green Growth Advisory Group, 2011, p. 11) Also remarkable is the example of Germany, which announced in May 2011 that it will strive to become the first industrialized country to completely shift to clean energy by increasing investment and research and development for renewable energy and energy efficiency. Germany intends to close all its nuclear power plants by 2022 and fill the gap in its energy supply it has proposed vigorous development of wind, solar and biomass, new standards for thermal efficiency of buildings, and creation of a continent-wide super smart grid, which would include the import of power from sun-rich North Africa. Also, the United States has issued a 10-year clean energy strategy, Brazil has aggressively merged its policies for growth, climate change, and

environmental management, while Japan, even though it is already one of the most energy efficient countries in the world, is pushing for an additional 30% in energy efficiency gains by 2020 relative to 2006. (The World Bank, 2012, p. 234)

Serbia ahead of the challenge for green growth

In the last several years, Serbia has been openly faced with a twofold economic crisis – internal and external. The effects of belated transition, burdened with blunders in the sphere of current economic policy and strategic shaping of the future, are interwoven with the impact of the global economic crisis that has "spilled over" to our region and uncovered internal weaknesses in the implementation of reforms, which would have come to light sooner or later anyway. Even before the outbreak of the global crisis, all serious analyses indicated that economic growth in our country is not of high quality, that it fails to create conditions for self-sustainability, for continuation in the coming years, but rather directly jeopardizes the prospects for economic progress in the coming period. It was growth now at the expense of the future, based on excessive consumption and enormous foreign debts.

There is much debating in the scholarly circles in Serbia about the "new model of economic growth." One gets the impression that designed after the year 2000 was a model of economic growth which successfully operated until the crisis, but its potential was exhausted in the altered circumstances, so other solutions should be sought. However, the fact is that our growth and development in the past period has been largely haphazard, heedless of "paper strategies," which were too late and numerous anyway to represent a true support and signpost when development-related decisions were being made. This, of course, does not mean denying the need to define the key directions of our country's development in the future.

In its attempt to pave the way out of the crisis, Serbia needs to concentrate not only on reviving economic growth, but on raising its quality as well. Any continuation of economic growth on the earlier foundations is not only undesirable but impossible. The time of economic growth that feeds on "fruit from the lower branches" is behind us – foreign capital inflows have been reduced, privatization proceeds are drying up, and the country's foreign debt has risen substantially.

As has already been said, the European Union has issued a new economic strategy for Europe in order to overcome the crisis and strengthen the foundations of European social market economy in the coming decade. Among the priorities is the necessity to achieve sustainable growth, which involves promoting a more resource efficient, "greener" and more competitive economy. Following the example of the European Union, our country drafted a relevant document, "Serbia 2020", which is declaratory in character and, essentially, copies European objectives. (Serbia 2020: A concept of Serbia's development to 2020, 2010) Even though green growth is not explicitly mentioned in this document, the energy sector and increased energy efficiency are recognized as important generators of Serbia's economic growth in the next decade. In line with EU objectives, a 40% increase in energy efficiency is envisaged (which, it is estimated, would save a total of € 3 billion by 2020 due to reduced energy imports), with the share of renewable energy sources in Serbia's total energy consumption increased to 18% by the end of the decade. In order to achieve these goals, it is

necessary to provide adequate legal and economic-political conditions, including tax relief and other benefits for companies implementing energy efficiency promoting projects. (Serbia 2020, 2010, p. 16)

Another strategic view of Serbia's future economic growth and development is found in the study "A post-crisis model of Serbia's economic growth and development 2011-2020". The study also advocates a change to the model of economic growth that, among other things, would imply diversification of energy sources and an extensive use of renewable energy sources, with promoting energy efficiency in all sectors of energy production and consumption. The measures and actions that need to be taken in order to achieve these priorities include: removing price disparities among energy-generating products, passing relevant regulations, removing administrative obstacles, and earmarking incentives at the systemic level to stimulate investment in energy projects, especially those relating to renewable energy sources. (Group of authors, 2010, p. 41, 292)

It should also be mentioned that a little earlier, in May 2008, Serbia adopted the "National Strategy for Sustainable Growth" to 2017, where the issues of environmental protection and promotion and rational utilization of natural resources feature prominently. Sustainable growth has been a topic of discussion in our country since late 1980s, but the authorities are late in putting the concept into practice. The concept, as we said above, is compatible with the more recent idea of green growth.

In its quest for a way out of the economic and social crises rooted in sound and lasting foundations, Serbia, like European and other countries in the world, should to a much greater extent turn to a green economy and green growth, which can contribute to creating new jobs and boosting standards of living, and to rational utilization of natural resources and environmental protection. For this purpose our country has access to relevant EU funds and credit lines with European banks. In December 2009 The Green for Growth Fund for South-East Europe was set up by the European Investment Bank and the KfW Entwicklungsbank (Germany's development bank), with financial assistance from the European Commission and the European Bank for Reconstruction and Development. Mostly through local financial institutions, the Fund invests in the sector of renewable energy sources and energy efficiency. Funding is intended for the countries in this region (including Turkey) which are in the EU pre-accession phase.

A green economy and green growth need to be viewed within the broader context of sustainable development of Serbia's economy, so that, while taking care of the environmental and economic aspects of development, its social dimension may not be neglected. A comprehensive concept of sustainable development represents the best framework for the coordination of the various policies – economic, social and environmental – and their joint activities towards promoting people's wellbeing.

Conclusion

The global crisis has made many countries aware of the fact that a different kind of economic growth from the one they pursued before its outbreak is required. Accordingly, governments around the world have taken steps towards achieving green recovery. The crisis has created an opportunity and also served as a catalyst for increased efficiency of

energy and materials utilization, for the development of new green industries and jobs, which is desirable from the standpoint of both the economy and the environment.

Nevertheless, the transition to a green economy and green growth is accompanied by incomprehension and suspicions. The most widespread is the belief that there is an inevitable trade-off between environmental sustainability and economic progress. The fact is, however, that greening the economy does not jeopardize the creation of wealth or job opportunities. On the contrary, many green industries provide good opportunities for investment and growth and for increasing employment in the long run. In order to make full use of the opportunities, it is necessary to create favorable conditions for investment during the transition to a green economy, which implies relevant actions on the part of policymakers.

Another myth is that a green economy is a luxury that only rich countries can afford, or, worse still, that this type of economy jeopardizes development and upholds poverty in underdeveloped countries. The example of many developing countries today controverts these views. The experience of developed countries also demonstrates that a number of environmental problems are the result of errors. Less developed economies have the opportunity of avoiding their mistakes and achieving better quality economic growth.

Of course, this does not mean that all countries, regardless of the degree of their economic development, should carry the same burden of responsibility for environmental damage, nor that the environment in underdeveloped economies should have the same priority as in developed ones. Also, of necessity, the manner of building green growth varies from country to country depending on a number of factors: availability of labor, capital and natural resources; institutional and management capacities; political stability; demographic profile; strength of private sector and social groups; rural-urban and regional differences; culture and tradition, etc. The World Resource Institute has recently published a survey of green policies, programs and initiatives around the world. The survey comprises 52 countries that have seen positive green economy results of the implementation of public policies. (World Resources Institute, 2011) Even this incomplete survey reveals two key points: first, the idea of green growth is being implemented worldwide; and, second, the modalities of achieving this growth are rather diverse and adapted to country-specific conditions.

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Zeleni rast kao generator za prevazilaženje krize

REZIME - *Suočena sa najtežom ekonomskom krizom posle Drugog svetskog rata, globalna ekonomija se okreće ka novim izvorima rasta, koji treba da je izvedu na put ekonomskog oporavka. U takvim okolnostima, afirmiše se ideja zelenog rasta, koji počiva na uverenju da ekonomski rast i briga za okruženje mogu da idu «ruku pod ruku». Zeleni rast, u izvesnom smislu, znači korak nazad, tj. vraćanje na Konferenciju UN o životnoj sredini i razvoju koja je održana u Riju 1992. godine, kada je ekološka održivost privrednog rasta i razvoja bila u centru pažnje. S druge strane, zeleni rast predstavlja korak napred, jer je to praktičan i fleksibilan pristup koji treba da doprinese implementaciji koncepta održivog razvoja u svim njegovim dimenzijama: ekonomskoj, ekološkoj, ali i socijalnoj. Veliki broj zemalja sveta, uključujući Evropsku uniju, sledi model zelenog rasta, uz uvažavanje nacionalnih*

specifičnosti, što je u radu i pokazano. Da bi uspešno komunicirala sa Evropom i svetom Srbija treba da deli njihove osnovne vrednosti i opredeljenja, ali i da čuva svoj nacionalni ekonomski identitet. Zeleni rast (u kontekstu održivog razvoja) je dobar izbor za Srbiju i čvrsta spona koja je veže za ostatak svet.

KLJU:NE REČI: *zeleni rast, održivi razvoj, okruženje, ekonomska kriza, investicije, zaposlenost, prirodni kapital, obnovljivi izvori energije, javne politike*

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