

## Brief for GSDR 2015

### Sustainability and economic de-growth

*Maria Rita Guercio - University of São Paulo\**

A major problem that permeates human development today are the limits that the Earth's ecosystem imposes on efforts to persist in an increasing economic growth. With the end of the Cold War the environmental issue gained relevance but the economic interests still speak louder. The pattern of development based on the model of the Industrial Revolution still remains and is structured as unsustainable. But this unbridled growth resulted in speculative bubbles and crises which further harm the ecosystem and do not cooperate in a sustainable and more equitable society. Michael Renner of World Watch Institute says: "In general, environmental governance was relegated to the sidelines in search of economic globalization driven by corporate interests - a process that has been marked by deregulation and privatization and the relative weakening of political institutions national "(Renner, 2012).

The mistake is to believe that the resumption of indiscriminate economic growth and increased consumption is the solution to this situation. The new paradigm that is established is the need for economic-growth which in turn would cause a decrease in consumption. Only with this retraction is possible to leverage a stronger economy and without stress to the already aggravated ecosystem. The United Nations University (UNU - WIDER) states that in 2000, 1% of the richest adults in the world own 40% of the world's wealth while the disadvantaged half of humanity has only 1% of global wealth. That is, the

degradation of the environment happens only to meet the needs of the wealthier half of the world population, while the poorest are suffering from environmental degradation and are still priced out of material blessings. The poorest countries suffer from drought, soil desertification, floods, dumping of toxic products and other environmental disasters. Sustainability means, of course, social inclusion and rational use of natural resources.

Michael Renner says the Green Economy is the tendency to ally development respecting the natural limits of the ecosystem, creating social welfare reducing environmental risks. Emerging countries are somewhat resistant when carbon emission containment measures are required, and may represent a limitation to their development. However, it is the task of the emerging countries, which have not yet reached a high level of development but have a position to increase, promoting the conditions to leverage a model of increasingly sustainable economy, serving as a model for other countries. Ana Flavia Barros, a Brazilian professor of International Relations, says that emerging countries are being required both proposals as the responsibilities regarding the current environmental issue because: "(...) if liability has always been the rich countries, now new responsibility is also emerging, robust economies, with internationally articulated leaders, big polluters and emitters of greenhouse gases (GHG), and large consumer markets, given

that China, India, South Africa and Brazil represent 1 / 3 of the world population "(Barros, 2011).

This effort to promote a sustainable economy is aligned with the paradigm of economic degrowth that does not mean stagnation, but a more rational and balanced growth with respect to natural resources. Reduction of working hours and consumption is the keynote from now on. Erik Assadourian, a researcher at the Worldwatch Institute states that: "(...) the rapid warming of the Earth and other damage to ecosystem services demonstrate that economic degrowth is vital and must be covered as soon as possible so as to achieve the stabilization of earth's climate, the prevention of irreparable damage to the planet and in the process, to civilization "(Assadourian, 2012).

In addition to the ecological limits, the 2008 crisis shows that the world economy has entered a new phase. Octavio de Barros, Brazilian economist, says that until then the growth rates were high, there was credit expansion and lack of concern with financing. Following the precepts of the economist Mohamed El-Erian, the world economy was entering a "new normal". During the period 2000 to 2007 the world economy has seen a rapid growth of China, with deregulation of the financial system and growth based on consumption. For El-Erian this development model would have been exhausted. The "new normal" mean China growing, but at lower levels and emerging countries would be based its productivity growth rather than consumption, greater financial regulation and lower supply of credit. According to Barros, "It is as if there had been an apprenticeship with the crisis that makes businesses and families deem more

calculated steps and less daring in their consumption and investment decisions" (Barros, 2012).

Thus, the traditional economy is headed, up involuntarily, for this decrease. We must seize this opportunity and propose a new paradigm of retraction of growth, consumption restraint, seeking a simpler standard of living, with less trinkets (electronics, books and toys), living in simple homes, using less car and more public transport, as housing, transport and food cause a major ecological impact. The reduction of consumption should focus on goods and services, as people are induced to purchase them, and there is not a real need to get them, generating in turn harms the health and ecological stress. Studies show that consumerism is funded by long working hours and debt but do not promote full satisfaction of human needs, such as leisure, family and community life.

The economic and environmental crises show the need for greater market regulation and implementation of public policies that promote new patterns of behavior, less degrading to the environment and based on sustainable models. Such policies will be fully effective if they take into account social inclusion within countries and between nations on a global scale. New models of housing, transportation, food, less consumption and structuring of new paradigms of coexistence must be implemented with the basic support public policies to foster them. The energy sector, strategic field of human activity, needs not only of fossil fuels, blamed for global warming and various political disturbances. Research indicates that the use of renewable energy sources like wind and biofuels, are less harmful to the environment and are responsible for an increase in the number

of jobs. We need to promote public transport, create sustainable housing, promote recycling. In developing countries such as Brazil, recycling has an essential role in the informal economy, although the collection of recyclable materials is an alternative to avoid poverty than the result of an ecological conscience.

We must deploy a new standard of social behavior, based on perennial and sustainable values. The planet cannot offer renewable resources in a sustainable and continuously and also cannot processing more of waste. The Earth has limited resources and increasing demand. We need public policies that value goods and services that are more sustainable, deploying new patterns of behavior. Taxation of non-sustainable goods and services becomes an incentive to change. Society and government need to be aware and to propose this new standard, which celebrates life in its fullness, not allowing economic interests speak louder than human and nature values.

## References

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