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## GREEN ECONOMY DOES NOT NECESSARILY MEAN SUSTAINABILITY

By Adriana Sánchez

A number of multinational corporations have adopted the concept of a "green economy," a model that allows the private sector to implement practices that save energy and reduce pollution. These corporations have not hesitated in using the terms "green" or "sustainable" in their mission statements and in marketing products ranging from shampoo to hydroelectric projects. And while there are some good-faith efforts to promote good environmental practices, critics argue that the moves are more cosmetic and that the bottom line remains profit and not sustainability.

The corporations are well-aware that demand is increasing for environmentally friendly products and are responding accordingly. This was illustrated in the Image Power Global Green Brands 2010 Survey, which indicated that consumers worldwide intended to purchase more environmental products in the auto, energy, and technology sectors compared with last year.

Furthermore, the study found that consumers across the globe have become savvier about how green choices in personal care, food, and household products directly affect them and their families; as a result, they are expanding their green-purchase interest to higher-ticket items, such as cars and technology.

The trend is very notable in the US, where profits derived from the sale of green products surpass US\$500 billion per year, reports Penn Schoen Berland Associates, a market research firm that studies the green economy.

But critics in the development community argue that, despite this new orientation, the goal of the corporate world is still primarily to promote the business interests of large companies.

"The green economy is the new international environmental vogue, but it has lost all vestiges of the concept of sustainable development and has taken another direction," Maureen Santos, an expert on international issues at Brazil's Federação de Órgãos para Assistência Social e Educacional (FASE), told Inter Press Service (IPS).

Leida Mercado, an expert on Latin American environmental issues, points out that the purchase of organic products and environmentally friendly goods is not enough to make a difference in protecting the environment. "The goal should be to develop a culture of sustainable development; a green economy is only a part of that concept," Mercado said in an interview with NotiEn.

Mercado said some sustainable-development issues are not addressed within a mere green-economy paradigm, among them intergenerational considerations and the notion of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs. The shift toward a green economy needs to ensure that the poorest and weakest have access to the resources needed to increase their resilience, noted Mercado.

"If citizens and governments don't become aware of the long-term effects of their interactions with the environment, the consequences could oscillate from health problems for the community to an inability to adapt to the climate changes produced by the destruction of natural resources," said Mercado.

### **No uniform standards or enforcement methods**

The commercialization of green products and services worldwide is a billion-dollar industry, but verifying the safety and/or contribution of such products to the preservation of the environment in most cases remains a completely voluntary process. This means that the effectiveness of such products is not monitored by national or international organizations. For example, the US Environmental Protection Agency (EPA) has developed a set of recommendations and standards for a wide variety of products, but companies are not required to monitor and report on their practices.

There are cases where companies agree to commission or conduct an environmental study, but they carefully control what is made available to the public.

"When there is not an enforced process of certification, consumers are not able to make educated decisions regarding the products they are acquiring and could be paying more for products that may not deliver what they advertise," said Patricia I. Vásquez, an independent Latin American energy expert. "This situation could be more prevalent in some Latin American countries where the product labels may be inaccurate and not contain the ingredients they advertise."

Aside from the challenges of monitoring the accuracy of green products in the market, Vásquez points to communication gaps from the government to the citizens, both in the US and in Latin America. "Different administrations have different stances regarding the environment, which makes it difficult to obtain information and data," said Vásquez. "This situation may be worse in Latin America where the urgency to bring investors into the country could limit the scrutiny given to companies that come into the country to invest".

Vásquez said lasting results could only be attained if governments work with consumers to create systems that allow communities and individuals to express their concerns regarding products or green projects. "Currently the only outlet that many communities have to express their worries and discontent is to take the streets and protest; a protest is a critique to the government for its inability to reach the citizens," said Vásquez.

Some efforts are underway to create a set of guidelines for the corporate world. One of these efforts took root at the 2010 World Economic Forum (WEF) in Davos, Switzerland, in the form of a program called Driving Sustainable Consumption. The participants, who included executives from different industries such as media and entertainment, transportation, computer technology, and chemicals, developed a road map of practical actions that could be taken to develop more sustainable business practices.

### **Road map signed at Davos**

Below are the main points agreed on by the executives and published in the 2010 Deloitte Report Road Map for Sustainable Consumption.

\* Convening stakeholders. This involves bringing together important stakeholders such as retailers, manufacturers, curators of common interests, and policymakers; all have different motivations regarding life cycle assessment, but all share an interest in simplified information. Convening to create efficiencies in the use of information would enable a shift to life cycle thinking for entire business models rather than just life cycle measurement of products.

\* Clarifying and simplifying available data. This involves defining a common vision for the information available and identifying common hotspots. Some 30 to 50 standards would be inventoried and assessed as to how they would be applied for specific businesses and "business ecosystems" along the value chain. It would include simplifying information sets for more applicability and practicality, but without losing impact of the full life cycle assessment.

\* Sharing examples of the benefits of life cycle thinking. This involves examining how companies are successfully using life cycle assessments for multiple, positive purposes in a cost-effective manner and drawing conclusions about how convergence, simplification, and engagement with key stakeholders, both businesses and consumers, can add value. With regard to innovation, this means focusing on the importance of the choices at the beginning of the innovation process, both within a company and in its supply chain.

"In my view, this is an issue of accountability and access to information. The question here is who keeps a project's owners accountable--either it is private or government owned. The response is both institutions--either governmental or nongovernmental--and the citizens. It is a shared responsibility," Mercado said.

"The media has an important role to play in making the information available and providing opportunities for the public to speak," said Mercado. "For this, journalists need to fully understand the issues--they need specialized training--and the media needs to give priority to inform and investigate once a project is suspected of being green just in name."

"Good partnerships between the media and nongovernmental and grassroots organizations could also help to inform the public," said Mercado. "Social media can also be a powerful tool in disseminating information and opening doors for the public to participate."

But there is a broader lens from which to view the issue of sustainability: at the governmental and multilateral levels. The Rio+20 UN Conference on Sustainable Development is scheduled for June 4-6, 2012, in Rio de Janeiro. This gathering will occur on the 20th anniversary of the first Earth Summit, which took place in the Brazilian city in 1992.

The goals of the Rio+20 conference are to secure renewed political commitment for sustainable development, assess the progress to date in implementing the outcomes of the major summits on sustainable development, and address new and emerging challenges.

"Putting a price on nature is no solution, because it isn't a commodity," Katu Arkonada, a researcher at the Centro de Estudios Aplicados a los Derechos Económicos Sociales y Culturales (CEADESC), told IPS. "The green economy must not distort or divert the basic principles of sustainable development. It is a mistake to say that people will only look after goods if they have a price tag and an owner and generate profits."