Green Growth, Sustainable Development, Architecture for Green Growth
and Korea’s Aspiration as a Hub for Global Green Growth

A Keynote Speech¹ at the Workshop on ‘Strengthening Planning and Implementation Capacities for Sustainable Development in Post-Rio Context’ held at Songdo Park Hotel, Incheon, Korea, on November 14~16, 2012, organized by the UN Office for Sustainable Development, Incheon

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It is a great honor for me to be invited to this workshop to give a keynote speech in my capacity as Chairman of the Presidential Committee on Green Growth of the Republic of Korea.

I would like to take advantage of this opportunity by discussing the relevance of Korea’s green growth policies for the theme of this workshop, “strengthening planning and implementation capacities for sustainable development”.

Korea’s 4 Years of Green Growth: a Showcase for Green Growth as a New Paradigm

Green growth was formally proposed as a new paradigm for sustainable development of a nation for the first time by President Lee Myung-bak on August 15, 2008, in his speech marking the 60th anniversary of the Republic of Korea.

In this speech, he declared that ‘low carbon green growth’ will now be the pillar of Korea’s new vision, saying that it is a new development paradigm of the nation which seeks sustainable growth by reducing greenhouse gas emissions and environmental pollution. To elaborate, he further said that the key to green growth as such was green technologies and clean energies --- in other words, green innovation.

The Korean government has been pursuing green growth in a comprehensive, systematic, and vigorous way since then, beginning with the establishment of the Presidential Committee on Green Growth that consists of the Prime Minister and 13 Ministers as well as up to 36 prominent private experts.

In its first year, this committee prepared the National Green Growth Strategy, a long-term policy blueprint as well as the first 5-Year Plan for Green Growth for the implementation of the strategy, and the Framework Act for Low Carbon Green Growth. Among other things, it also coordinated

¹ This is the edited and improved version of a shorter speech that was actually delivered on November 14, 2012.
the national discussion that led to the adoption of Korea’s MT aggregate GHG emission reduction target of 30% relative to the baseline by 2020.

As of today, that is, in 4 years or so since the launching of green growth policies, architecture for the nation’s green growth has been firmly established to ensure the continuity of green growth over time.

A vibrant ecosystem for green innovation, in energy and bio technologies as well as in more traditional environmental areas, and involving both large and small firms, has been created as has been a surge of green business dynamism.

The national infrastructures as well as the natural environment are being greened and renewed.

A new culture of green living is on the rise. Local communities are competing against one another with their respective, creative green growth projects.

So, to sum up this quick review of Korea’s 4 years of green growth, a new era of green growth has been launched successfully. What about the future, especially, beyond the present Lee Myung-bak government?

In a poll taken earlier this year, a 97% of the respondents expressed support for the continuity of green growth policies. And rather unusually, there continues to be unanimous support for green growth in the parliament, except on a couple of specific projects.

I believe that, under the new government to come in early next year, green growth policies will be, if anything, even further strengthened.

**Green Growth as Lightning Rod for Sustainable Development: Korean Experiences**

Korea’s much publicized history of developmental success began with an intensive national effort for economic growth and development during the decades of the 1960s and the 1970s, during which Korea’s income level rose from less than 70 US dollars to around 2000 dollars.

Korea’s such national economic drive was choreographed by 4 successive 5-Year Plans for Economic Development, first launched in 1962.

The overriding objective in those Plans was to escape poverty. Social development per se was not too much of a concern, in part because escaping poverty through growth by itself constituted social development. So, in effect, the objective of social development was subsumed by the objective of economic development which in turn focused on growth.

But with income exceeding the level of 2000 dollars by the early 1980s, social development emerged alongside economic development as a separate objective because growth had begun to
be hampered by growing social problems including inequalities. So, the government began to pursue twin goals of economic development and social development.

This shows up in the change of the name of the 5-Year Plan from “Plan for Economic Development” to “Plan for Economic and Social Development”, beginning with the 5th 5-Year Plan in 1982.

The objective of social development has become a permanent and increasingly central goal for Korea’s national development since then.

A rather sudden and full political democratization that took place in the late 1980s was in a fundamental way a prescription for further social development as well as a trigger of eruption of many new social grievances. One impact of democratization was to lead to the abolition of the 5-year planning practice in the early 1980s, allowing the 4th Plan expire in 1991 without a successor, until its revival as a 5-Year Plan for Green Growth in 2009. Nonetheless, reconciling social goals with economic development has become the overriding goal for national development.

I think that this is even more so today, and further that this is true of every country around the world – reconciling the economic and the social pillar, among all three, of sustainable development has been and is fully well recognized in all countries as their principal, if not also rather intractable and therefore perennial, goal for national governance and development.

Significance of green growth in the context of sustainable development is in the fact that, while it does not propose to address the problem of this reconciliation, it recognizes that an egregious failure of the approach to development in many countries around the world, and especially in all developing countries that I know or have heard of, is that it neglects the impact of both economic and social pillars on the environmental pillar and vice versa.

Green growth addresses this failure and proposes to reconcile environmental development with economic development, on one hand, and environmental development with social development, on the other.

In Korea’s green growth strategy, social development is considered to be conducive to green growth while efforts are made to ensure that green growth is ‘inclusive’ in the sense that it won’t increase social inequalities and furthermore will ameliorate those inequalities.

Policies to help small and medium enterprises (SMEs) green themselves or explore green technologies, to offer educational and training programs for workers and youth on green growth, green businesses and green jobs, and to offer compensation to the low income people for regressive green growth policies constitute such efforts.
In the same vein, the government has also launched extensive programs of adaptation to climate change inclusive of 10 sectorial plans for adaptation to climate change. These all have the effect of protecting low-income people and the socially weak, in particular, from damages from climate change.

A prominent example of such policies has been the project to restore ‘four main rivers’ for the purposes of increasing the capacity of the rivers as storage of water to avoid both the flood-related disasters during the one-month period of monsoon in the summer and shortages of freshwater during the prolonged period of droughts in the winter and the spring, restoring the ecosystems in the rivers damaged due to loss of water in the rivers, and developing the riverine areas for popular tourism and leisure activities including bicycling.

In this way, and in this sense, green growth is a solution to remedy the common weakness in the existing national paradigms for sustainable regarding the link between the environmental pillar, on one hand, and the economic and social pillars, on the other.

Green growth does not capture all requirements for economic development but it creates synergies between economic and environmental development. It does not capture all requirements for social development but, with appropriate reinforcement regarding inclusivity, it proposes to capitalize on potential synergies between social and environmental development.

So, to sum up on the relevance of green growth for sustainable development, green growth provides for a new paradigm for sustainable development that incorporates mutually supportive relationship between the environmental pillar, on one hand, and the economic and the social pillar each, on the other. In practical terms, green growth is an actionable strategy for leveraging on the environmental goals to promote economic growth and social inclusiveness.

Green growth is the lightning rod, if not the magic wand, for sustainable development, as it were.

**Towards an International Architecture for Green Growth: Korean Campaign**

Green growth is a response to planetary environmental problems, including climate change, in particular. Accordingly, green growth should be pursued as a global agenda to be meaningful. For this reason, the Korean government has worked consistently to promote green growth as a global agenda, including for the developing countries, in particular, through various venues.

Policies and actions are undertaken by individual countries. This raises the issue of capacities of developing countries. The developing countries are ill equipped with the policy knowhow and capacities, technological capacity, and financial resources necessary to implement green growth policies and projects with effectiveness.
This sense of under-preparedness keeps many developing countries from the current paths of brown growth to the new path of green growth. Recognizing this, in their Declaration, the G20 Leaders who met in Los Cabos in June this year agreed that:

“developing countries should have access to institutions and mechanisms that can facilitate knowledge sharing, resource mobilization and building technical and institutional capacity to design and implement inclusive green growth.”

I propose to call the institutions and mechanisms which are referred to here and would enable developing countries to design and implement green growth the international architecture for green growth. The G20 Leaders were in effect stating the need to build such architecture for green growth.

Korea has been at the forefront of the efforts to create the international architecture. To discuss those efforts, here is first a quick review of many international green growth initiatives which the Korean government has pursued alongside the domestic policy efforts:

- At the G8 Extended Summit in July, 2008, held in Toyako, Japan, President Lee Myung-bak promised that Korea would later declare a voluntary commitment to GHG emission reduction and that Korea would launch an East Asia Climate Partnership, a green ODA initiative, to encourage voluntary reductions by developing countries, noting the green growth effect expected of emission reductions;

- Subsequently in 2008, Korea launched the EACP (2008–2012). At Rio+20, President Lee announced that EACP would be expanded into a Global Green Growth Partnership, a green ODA initiative with the size of at least 5 billion dollars for the period up to 2020;

- At the OECD, Korea championed the OECD Ministerial Declaration on Green Growth in the depth of the global financial crisis in 2009, which included a call for a major horizontal project on green growth strategies. The report from the project was released in May 2011, followed by the declaration of Secretary-General Angel Gurria to adopt green growth as one of the OECD’s mainstream programs, calling President Lee Myung-bak of Korea “the father of green growth”;

- Korea pushed green growth as an agenda for the G20 Summit at its Seoul meeting in 2010 hosted by President Lee and worked with Mexico at the meeting in Los Cabos earlier this year to mainstream inclusive green growth into the agenda for development cooperation;

- At COPs of UNFCCC, beginning at COP 15 held in Copenhagen in 2009, Korea proclaimed its emission target as a voluntary political commitment in what President Lee called the ‘me-first’ spirit, urging other countries to do the same and proposing a ‘NAMA Registry’ as a means for recognizing and encouraging such voluntary commitment by non-Annex I countries;
- Korea launched the annual Global Green Growth Summit, a gathering of global green growth leaders from governments, international organizations, businesses, and academia, in Seoul;

- In the lead-up to Rio+20, Korea had worked to have ‘green economy’ recognized as an approach to sustainable development with a partial success;

- Korea launched the Global Green Growth Institute (GGGI) as an international institute for advisory studies and services on green growth policies and projects for developing countries in Seoul in May, 2010, and re-launched GGGI as an international organization with 17 other countries as founding members last month;

- Korea entered into a Green Growth Alliance with Denmark in May 2011 which has given rise to a number of joint initiatives such as sectorial cooperation projects and cooperation for the annual Global Green Growth Forum in Copenhagen as well as the launching of GGGI; and,

- The Korean government launched the Green Technology Center of Korea (GTC-K) for promotion of international cooperation on green technologies, especially, for the benefit of developing countries in Hongneung, Seoul, in March this year.

**Three Pillars for Global Green Growth Rising: Beginning of a New Era**

I am much pleased to note that, in part as a result of Korea’s all those international green growth leadership initiatives, three of the most important pillars of the international architecture for green growth architecture have finally begun to rise.

*The GGGI heralds a new era of green growth and a new economic order.*

The launching of GGGI as an international organization in Seoul on October 23 this year, I believe, symbolically speaking, marks the beginning of a new era for the world economy- an era of green growth as well as an era of sustainable development.

The new GGGI presents an interesting and significant parallel to the OECD in Paris. Created right after the WWII by today’s western industrial countries led by the United States, in particular, under its Marshall Plan, the mission of the OECD was and has been to nurture and further improve a new international economic order that is based on the market principles.

The OECD has been very successful in this regard. But the economic order it has helped develop is now undergoing a profound crisis as shown by the global economic crisis of recent years and the planetary environmental degradation which has been deepening, left largely unattended during last few decades, in particular. To assess its accomplishment through the rear-view mirror, focusing on this failure, the economic order it has promoted fostered the industrial success of the western countries, and more lately, also the industrial dynamism of the emerging countries, on the basis of brown growth.
The OECD has been promoting environmental protection as well, but until the latest launching of its green growth initiatives to its credit, this has been more or less, mending operations.

The OECD also has not been an inclusive international organization as its earlier nickname, “Rich men’s club”, signifies. Even today, its ‘main’ members are the advanced western industrial countries. This feature of the OECD makes it vulnerable to charges of a rich-country bias in its work. And its contribution to the world’s progress toward sustainable development has perhaps not been as critical as it could have been for this reason.

Emerging against this background, the work of the GGGI will be geared to the goal of addressing the above-mentioned failure of the OECD, though not by competing but cooperating with the OECD. Significantly, the GGGI is the brainchild of Korea which is not rich (yet), is not a western industrial country but a recent graduate from the ranks of developing countries which started out as one of the poorest countries five decades ago. Its eighteen founding members are more or less equally divided between developed and developing countries with Korea in between.

The GGGI will hopefully rise as the central pillar of the global green growth architecture that is by definition inclusive toward the developing countries and help them take-off onto paths of sustainable development. The GGGI will be the OECD’s new, younger brother that will complement the OECD in working toward a new, balanced international economic order for the 21st century.

It will hopefully promote a new international order, reshaping the exiting one into one that fosters and facilitates green growth around the world, helping developing countries make a leap toward sustainable development.

How significant and fitting it is for the GGGI to be located in Seoul, Korea, a non-western country in transition from a developing country to a developed one!

*The GCF to open a green financial industry, with its anchor in Korea.*

The Green Climate Fund (GCF) was launched in Durban at the UNFCCC COP 17 in 2011 for the purpose of offering and administering financial assistance to developing countries for their climate change mitigation and adaptation actions.

On October 27 this year, the Board of Directors of the Green Climate Fund (GCF) awarded the location of its secretariat to the new Songdo Incheon City which is 20 minutes away from the Incheon International Airport which has been awarded as the best international airport in the world for several consecutive years. The Songdo City is currently 40 minutes away from the heart of Seoul by car and subway but this distance will be shortened to 20 minutes with a new transportation project in several years from now.
This is a development with many profound and auspicious implications for the future climate change cooperation, the regional economic, financial, security orders in East Asia as well as Korea’s economic and political development, and in the final analysis for the international and political order of the world a few decades ahead.

Assuming that it will overcome various difficulties in its early phase, including the problem of raising its fund by target amounts over time, the GCF is expected rise in the 2020s as a new development financing institution which will rival, and even exceed, the World Bank in the scale of its financial operations. It is a development of a great significance that the GCF will now be located in Korea, a hub country of East Asia in parallel to the World Bank in Washington, D.C., the heart of the United States, the key country of the western world. As with the OECD and the GGGI, the GCF and the World Bank will have to work with each other very closely.

What I would like to note for the purpose of my speech today is that this decision means that Korea has been chosen as the country of anchor for the work of GCF. This offers a considerable space through which Korea can contribute to the nurturing and evolution of GCF as a new institution and actively participate in both mobilization and the administration of climate change funds. In this way, Korea has secured an advantageous position to contribute to the evolution of a new, major international financial institution for the benefit of the developing countries and in support of global climate change cooperation, global green growth and sustainable development.

How impactful Korea will be in this regard will depend on how well the country would prepare for the role. Here are major opportunities for Korea to further enhance its global green growth leadership.

**Three Pillars of Architecture for Green Growth Anchored in Korea But for Global Work**

The GGGI and the GCF constitute the two most important pillars of the international architecture for green growth that the emerging new green economic order requires for its further development and elaboration. The future of this development will depend critically on the role played by Korea, the host country. And for this purpose, Korea should seek to create synergies between the two international institutions.

Another, the third most important pillar of the emerging architecture is the Clean Technology Center Network (CTCN) which is now being formed by the UN under an agreement reached at COP 17. GTC-K proposes to join in this Network and is preparing to play a leading role in the promotion and work of CTCN to facilitate transfer of green or climate change technologies to developing countries, hopefully serving as an important anchor.

All three green institutions are respectively in their very early phase of growth. Interestingly, and also if we count GTC-K as an anchor for the CTCN as it hopes to become, then, Korea is
rising as the anchor for all three central pillars of the architecture for green growth, and by the same token, as the anchor of the new international green architecture itself.

The Korean government expresses this point by saying that Korea has completed a ‘green triangle’ in the country – the triangle here consisting of policy knowhow (or strategy), technologies, and financial resources. This fact, however, will not by itself make Korea, the host country, a leading or influential force on the three pillars or on the development and functioning of the green architecture. Korea will have to earn such influence, that is, the leadership in this architecture. In this sense, Korea has just now entered the phase of real hard work in exercising leadership for global green growth.

What Korea should do in order to earn the global leadership for green growth is a subject for another speech.

Instead, I would like to conclude my speech by reporting to you that the Korean government is preparing to enhance the emerging architecture for green growth by creating a capacity-building institution in Korea. It is an international graduate school on green growth which will offer sponsored educational and training programs on climate change, sustainable development, green growth, green technologies, and green business management for officials, businessmen and young researchers.

Provisionally called the ‘Graduate School on Green Growth (GSGG)’, the school will be hosted by the Korea Advanced Institute for Science and Technology(KAIST), seek collaboration with the GGGI and other international organizations, prestigious schools abroad as well domestic institutions. GSGG is scheduled to open in the fall of 2013.

I believe that the GGGI and the GSGG will together form a powerful pillar for capacity building for green growth and sustainable development in developing countries. In this regards, GSGG is expected to be another important and integral component of the international green architecture.

All those work that is giving rise to the international green architecture anchored in Korea is the manifestation of Korea’s conviction in the importance of green growth for the world as well as its commitment to contribute to the launching of global green growth and sustainable development.

In this regard, Korea admittedly wants to be regarded as a leader as well as a guardian of global green growth. However, we, of the Korean government, are keenly aware that we are in for a real hard work that is global in scale and scope of participation, has to be sustained over many decades, despite various difficulties to be overcome. We are also aware that Korea can lead only by being a diligent, committed and fair-minded organizer of the enabling work, backed by its own developmental experiences as well as its own sustained example-setting pursuit of green growth and development as an early and fast mover on the path of green growth.
The architecture being anchored in Korea should serve as a global structure in which all likeminded, that is, green-growth minded countries around the world gather and work together.

This is Korea’s aspiration as the new hub of global green growth as well as a leading organizer of the global effort to build what President Lee Myung-bak called a ‘planet-responsible civilization’ for the survival and sustainable development of the humankind.

Thank you.