Shifting Paradigms: The Road to Global Green Growth
By Lee Myung-bak

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ON AUGUST 15, 2008, the 60th anniversary of the founding of the Republic of Korea, I announced a new vision for Korea of “Low Carbon, Green Growth.”

Arguably, Korea has achieved more in the last 60 years than any other nation. Despite its arduous beginnings after the Korean War, it has grown to become the world’s 13th largest economy. Many Korean companies are global champions in their industries, and their brands are becoming household names everywhere. Except for the interruption of the Asian financial crisis of 1997-98 and the global crisis of 2008, Korea has maintained steady, high levels of growth for decades — although, like all economies that reach a certain level of maturity, growth rates have eased in recent years.

But the challenge for Korea going forward is to recognize that we are entering a new stage in our development that will no longer permit us to conduct “business as usual,” without regard to the toll our economic activities are taking on the environment and, indeed, on future generations.

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Three Pillars of Green Growth and ‘Green Entrepreneurship’

Green growth is about addressing climate change in an aggressive manner while, at the same time, making the green technologies and industries needed to combat climate change the driver of national economic growth. But it is also much more than that. It entails a new social and civilizational paradigm shift away from the business assumptions and lifestyles of the industrial age to a new path that satisfies the need for economic growth, social and corporate responsibility, and the integrity of the environment. It is a shift in thinking that no longer pits “green” against “growth.”

In order to make “green” and “growth” compatible, there are three key requirements.

First, there needs to be strong political will and leadership to make the transition to a new paradigm. In Korea, I established a presidential committee to oversee integration of the green growth vision in all sectors of society, from central to local governments to businesses to civic groups. In order to ensure that the vision has priority over all relevant policies, the National Assembly passed the “Basic Act on Green Growth” across party lines. As part of the government’s five-year green-growth plan, we are spending 2 percent of our gross domestic product per year to push the policies forward — a larger share of GDP spending on green growth than any other country in the world.

Second, the public needs to embrace the new paradigm and discard old habits of thinking and acting. A new civic-mindedness and an institutional commitment to innovation must replace narrow self-interest and slavish adherence to the status quo. From a policy standpoint, this requires measures to raise awareness of green growth and provide proper incentives and disincentives — such as

There is an even greater challenge. Korea’s economy is very energy-intensive while being heavily dependent on foreign oil imports in its energy needs. That makes the economy highly vulnerable to swings in global oil prices. It is imperative that we fundamentally change our economic strategy.

Finally, we cannot turn a blind eye to the most urgent global issue, climate change. As United Nations Secretary General Ban Ki-moon rightly said, it is the defining challenge of our time. Unrestrained fossil fuel use by human civilization since the Industrial Revolution has caused irrevocable damage to our climate system. The global community needs to drastically cut greenhouse gas emissions to stabilize the climate system while, at the same time, spending billions of dollars to guard against the worst effects of increased natural disasters.

Therefore, it is essential that we find a more sustainable path to growth — a path that will strengthen our energy security, ensure continued growth and combat climate change.

For years, however, those who believed that addressing climate change would be a burden on the economy have dominated the debate in Korea. Most business and government leaders argued that we must delay taking action to combat climate change in order to “ensure global competitiveness” — as though inaction, in the long run, would be in Korea’s interests.

I felt a somewhat paradoxical approach was needed to break this deadlock: if a new road to growth was unavoidable, we should not resist it, but rather embrace it wholeheartedly. This is what lay behind the “Low Carbon, Green Growth” strategy.
Republic of Korea President Lee Myung-bak addressing other heads of state and delegates at the UN Climate Change Conference on December 18, 2009. ‘After the Copenhagen meeting, we can expect that more countries will increase their investment in green technologies,’ he says.

Photo courtesy of the Office of the President
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carbon pricing and taxation — to help the public make the right decisions. The Korean government is leading by example, such as adopting stringent goals and measures to promote energy-saving in public buildings. The public is also becoming involved through schemes such as the carbon-point system, where those who are willing to make the change are being financially rewarded.

Last but not least, there needs to be technological revolution to support the first two requirements. Breakthroughs in technology are what will enable the path to green growth and allow the public truly to transform its lifestyle. Here, businesses have a special responsibility to promote “green entrepreneurship.” Unlike traditional definitions of “entrepreneurship” that focus on the considerable risks and initiative undertaken to realize a business idea primarily for profit, green entrepreneurship entails innovation and risk-taking to achieve green growth outcomes.

In this regard, I welcome US President Barack Obama’s initiative in launching the Major Economies Forum on Energy and Climate (MEF), which identified 10 areas of transformational technologies to combat global climate change: advanced vehicles; bio-energy; carbon capture, use and storage; energy efficiency in buildings; energy efficiency in the industrial sector; high-efficiency, low emissions coal; marine energy; smart grids; solar energy and wind energy.

Korea has actively engaged in this effort by taking the leadership role for smart grid technology, identifying barriers and finding strategies to make this future technology a reality. Nuclear is one of the most efficient power generation methods that will lead us to a low-carbon society, and I intend to make sure that Korea keeps up with its role as one of the major suppliers of these
zero-carbon power plants. The nuclear plant that Korea recently agreed to build in the United Arab Emirates, for example, amounts, in effect, to 40 million tons of carbon mitigation. This bold and insightful choice by the UAE for nuclear power as a clean future energy source is indeed noble and admirable.

After the Copenhagen meeting, we can expect that more countries will increase their investment in green technologies. Governments can help lead the initiative in research and development, but it is business entrepreneurship that will make these technologies a reality. Businesses must embrace the green growth paradigm and seize the opportunity to unleash creative ideas and solutions that will bring green entrepreneurship to life.

There are fundamentally three key areas in which green entrepreneurship could truly change the world: first, we need new green products that can harness new energy sources, and that are safe and abundant, to fully replace our fossil fuel dependency; second, until we have such technology, we need products to enhance the efficiency of fossil-fuel use; last, we need products that can capture and transform the greenhouse gases in our atmosphere. The entire global community must seek to promote green entrepreneurship to make this a reality.

THE NEED FOR A GLOBAL PARTNERSHIP
In June 2009, the Organization for Economic Cooperation and Development, whose membership represents the world’s leading economies, adopted a declaration that its members would move toward green growth. Following the Copenhagen climate change meeting, some news organizations called green growth the prevailing economic model of our time. It is good news that the global community appears to be embracing this new paradigm, because no one country can achieve it alone. It has to be a global endeavor. All countries must find their unique strategy to achieve green growth. And because there is no clear map to follow, we must help each other as we go along.

As for Korea’s role in this global collaboration, I envision three key pillars of involvement where we can exercise leadership. The first is through the creation of the “Global Green Growth Institute,” which I announced in Copenhagen. Through this institute, we can serve as a global “hub” of ideas, new technologies and policies for the green growth initiative. Second, by drawing on our unique experience of having moved from being a beneficiary of international aid to becoming a major contributor of aid, I believe Korea can play a vital role in helping the institute bridge the divide between developed and developing countries on climate change. We can play a leading role in helping to share new technologies and institutional designs with developing countries. Many governments will join this global partnership to bridge the climate change divide and ensure a prosperous future for all. The institute, which will begin its activities this year, will build a broad network of diverse countries with differing economic circumstances, and work with universities, international organizations, institutes and civil society groups from around the world.

Finally, I believe Korea can play a catalyzing role by adopting what I have called a “me first” approach. Too often in the past, the need to mobilize global action to combat climate change has been stymied by a reluctance of nations to act until others act first. No matter how painful or costly, someone has to act first.

I believe it is time for Korea to act first. In doing so, we recall the Confucian saying, “If one undertakes right things voluntarily, how can others not follow?” We must all work together to forge the path to green growth. And I truly believe that those who take the first actions will reap the fruits of the new green world.

Lee Myung-bak is the President of the Republic of Korea.