

## Building a "green economy."

Written by EarthTalk® □ From the Editors of E/The Environmental Magazine.  
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**Dear EarthTalk:** *What does it mean when one uses the phrase, "building a green economy?" I've heard it repeated a few times lately and would like to have a better understanding of the concept.*

*-- Rosie Chang, Islip, NY*

The phrase "building a green economy" means different things to different people, but in general it refers to encouraging economic development that prioritizes sustainability—that is, working with nature and not against it in the quest to meet peoples' needs and wants—instead of disregarding environmental concerns in the process of growing the economy. The primary way governments around the world are trying to "green" their own economies today is by increasing investment in—and, by extension, creating jobs in—industries on the cutting edge of non-polluting renewable forms of energy, such as solar and wind power.

President Obama has repeatedly invoked his vision of a green economy as a tool for helping the U.S. lift itself out of recession and position itself as an economic powerhouse in a carbon-constrained future. The American Recovery and Reinvestment Act (ARRA) of 2009, the \$787.2 billion stimulus package that Congress signed into law in 2009, was chock full of provisions to boost renewable energy, energy efficiency and environmental restoration initiatives. Examples include \$4.5 billion to convert government buildings into high-performance green buildings, \$8.4 billion for investments in public transportation, and tens of billions of dollars more for research into new technologies to amplify existing efforts. ARRA also earmark \$11 billion for the implementation of the "smart grid," a new approach to power distribution that will bring more clean energy sources into the mix and promote energy efficiency.

Infusing such huge amounts of cash into sustainability-oriented projects is one way the Obama administration hopes to "green" the U.S. economy while simultaneously pulling the country out of recession. "To truly transform our economy, protect our security, and save our planet from the ravages of climate change, we need to ultimately make clean, renewable energy the profitable kind of energy," Obama told Congress a few months ago.

Of course, Americans aren't the only ones bent on building a green economy. During the 1980s

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and 1990s, while the American government was largely asleep at the wheel on environmental issues, countries such as Denmark, Germany, Spain and Japan were already busy investing in wind and solar research and implementation. And while these nations' ongoing efforts are nothing to sneeze at, economists point out that what is most needed is action on the part of the world's fastest growing economies—China and India.

A recent report by the consulting firm McKinsey & Company found that China—which surpassed the U.S. as the world's largest generator of greenhouse gases three years ago—has great potential for building a green economy over the coming decades. According to McKinsey, by 2030 China could reduce its oil and coal imports by up to 40 percent and its greenhouse gas emissions by 50 percent by investing upwards of 1.5 trillion yuan (\$220 billion in U.S. dollars) per year in both existing and new green technologies. China has begun to see the light with regard to reducing emissions, increasing energy efficiency and embracing renewable alternative energy, but it has yet to make significant financial commitments, which will be key to both warding off catastrophic climate change and building a truly global green economy.

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