Summary

Green growth is an international concept which has the OECD as a major advocate and driving force. The launch of the concept appears to have been influenced by a need to increase the share of environmental investments in the national stimulus packages following the 2008 financial crises. Another reason may have been an interest among participating governments to defend themselves against the common perception that economic growth is associated with an unsustainable impact on natural resources and the environment.

The OECD's definition of green growth, i.e. "*fostering economic growth and development, while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies*", is one of several definitions. It does not give an exhaustive explanation of what is required for economic growth to be considered green.

The issue of whether economic growth, measured as GDP, is helping or hindering the success of environmental policy has not yet been clearly addressed in the efforts to develop the concept of green growth. The underlying theory is vague, and the ongoing work with developing methods for measuring progress is still in its infancy. No academic assessment of the concept and its implementation does yet appear to exist.

The usefulness of this new concept may be put in question. As presented in the existing literature, dominated by a large number of papers and reports from the OECD, green growth does not differ much from the environmental part of the concept of *sustainable development*. It differs from the competing concept of *green economy*, which has UNEP as a major advocate, mainly by putting a stronger emphasis on the possibility of aligning environmental protection and resource management with a continued economic

growth from an already high per capita level. However, the evidence of the possibility of developing green growth has so far been insufficient.

It appears reasonable to assume that the incremental cost that often, but not always, becomes a result of increasingly stringent environmental requirements will burden affected companies in a way which, at least in the short term, is to their disadvantage in competition with firms based in less environmentally stringent countries. The costs associated with a set of very ambitious natural resources and environment policies will hold back consumer spending in other areas while at the same time reduce some of today's expenditure for, for instance, healthcare. Though some stringent environmental regulations may not harm economic growth, others, and particularly those needed to save the world from climate change, may carry costs that at least in the short to medium term will reduce the growth rate.

The work on green growth carried out so far has mainly focused on greenhouse gases. Other areas that have to some extent been targeted are the use of land and water and the preservation of fish stocks and biodiversity. Chemical health risks and longer term threats to food security have not drawn much attention. Nor have the potential hazards associated with technological development and the introduction of new materials.

One advantage with the green growth concept is its distinct focus on the relation between environment and economy, and particularly environment and economic growth, as well as its strong emphasis on the importance of using cost-efficient policy instruments and measures. The Swedish government and its Committee on Environmental Objectives could refine and improve their policies in these respects by learning from the OECD's and other organizations' green growth efforts.