

Promoting an Eco-efficient Economy

Liberal International, Congress 2009

The Liberal International parties consider there to be no choice between caring for the environment and promoting economic growth – quite the contrary. They are deeply dependent on each other and must be tackled at once, as one. This is obvious in a time when the world faces the consequences from resource degradation, climate change and one of the deepest economic crises ever.

If the challenges are met simultaneously, it may create new business opportunities, markets and jobs and be a forceful engine for sustainable growth and competitiveness. To continue with “business as usual” is not an option. Rather, we have to shift, urgently and forcefully, to an Eco-efficient Economy that manages to create more wealth and new, sustainable jobs at the same time as we use less natural resources and cause less impact on the environment.

Important lessons and good examples on how an Eco-efficient Economy can work can be found in many sectors. Renewable electricity and biofuels for transports are examples in new, emerging sectors, and sustainable cities and energy efficiency are cross-cutting examples. In the traditional sector heating, iron and steel, chemicals and automotives may inspire. The Eco-efficient Economy is not only about eco-innovation. Mature sectors must also be included as they have very critical roles for employment and the economy and for resolving environmental problems.

Considering that:

There are many analyses which show that it does not cost much to limit the effects from climate change. The investment needed to keep the level of greenhouse gases at 450 ppm have been estimated to cost only about 0.5 per cent of global GDP over the period 2013-2030. This corresponds to a fall in global GDP growth by 0.19 per cent per year up to 2030. According to the “Stern Report” a business as usual scenario may result in losses of ca 15 per cent of global consumption in the future, due to damages on social and economic systems from climate change impacts. It is obvious that it is economically better to act now than to wait.

Liberal International calls for:

- Transiting industries and economies throughout the world for achieving an Eco-efficient Economy.
- Reaching an ambitious agreement on climate change in Copenhagen in December 2009, where all countries in the world are included.
- Cutting the global green house gas emissions with at least 50 per cent in 2050, compared with year 1990.
- Shifting the revenue base for national budgets from taxing labour and enterprises towards taxing resources and energy use as well as environmental impacts. Introducing an international price on carbon emissions and setting common minimum levels on taxation of carbon emissions based upon that.
- Expanding the global carbon trading system so that it takes into account a larger amount of countries, markets and sectors.

- Auctioning off the tradeable carbon permits instead of “grandfathering” them.
- Developing additional robust, reliable and widely recognised indicators that can be used to measure progress towards an Eco-efficient Economy