

Compatibility between economic sustainability and ecological sustainability essay...

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Introduction

Economics theory that are traditional had suggested that it would be possible for posit between environmental sustainability and economic growth. Over the years there have been empirical and theoretical literature that has been well conducted that shows that there may exist a positive relationship between environmental sustainability and economic growth (Cato, 2011, p. 37). The existence of a positive relationship between environmental and economic sustainability can be achieved where the externalities that have occurred as a result of economic growth on the environment will be internalized. These externalities on the environment will be reduced when technology will be introduced to reduce the impact of economic growth on the environment (Ayres 1996, p. 117).

In the paper, an examination of the impact income has on environmental sustainability have been done. Many companies in the recent past have been incorporating the programs with regard to environmental sustainability in their plans of development (Simon, 1980, p. 143). This has promoted the concept of having businesses that environmentally sustainable to their growth. A report from the United Nations environmental program show that the idea that has been a advanced over the year that there exist a tradeoff between economic sustainability and environmental sustainability can only be fictitious (Commoner 1972, p. 261).

The report has it that the green economy has the capacity to provide new and better opportunities with regard to creation of jobs growth and economic investment opportunities. The report goes further and questions a common belief that only wealthy nations can afford a green economy. In the report it

has been proved beyond reasonable doubt that in developing countries too there have been transitions that have been identified. The report asserts that such transitions can be transferred to any other place in the world (Daly 1993, p. 267).

The relationships that exist between environmental sustainability and economic growth over the years have been controversial. The qualities of the environment have been question especially where economic development is taking place. Irrespective of the trade-off that have been posited, various well designed and carried out research with regard to the environment for instance Kuznets curve have shown a different perspective about this relationship (Cato, 2011, p. 49). Researches have shown that the relationship between economic sustainability and environmental sustainability is positive. As such it have identified that the prerequisite of environmental improvement can only be economic growth and development (Ayres, 1996, p. 118).

Pollution

EKC is one of the researches that have shown that the relationship between economic growth and environmental sustainability is indeed positive. In these researches we find that where the level of per capita income is relatively low, the level and intensity of pollution is usually high. This unlike where the level of per capita income is high. The research asserts that the intensity and levels of pollution is low (Cato, 2011, p. 57). The research has it that pollution increases as income rises which does not last for long and then it decreases. According to these researches, we find that as countries

progress the level of pollution decreases which has been a major pattern in the world economies for instance New York, London and other advance cities where the level of pollution was high in the past than it is in the current years. This is a clear evidence that the relationship between economic growth and environmental sustainability is indeed an inverse relationship (Ayres 1996, p. 120).

There have been other proponents who assert that as the gross domestic income of a country rises, it means that the level of production goes up. The increase in the level of production in the country can be associated with increased levels of pollution. As production increases, pollution in the environment, in the air and in the water increases (Commoner 1972, p. 269). In addition to that, waste products are dumped which may put the lives of people on the line. In response to this, the researches have shown that this occurs at the initial stages when the level of per capita income is low (Ayres 1996, p. 121). However, when the per capita level increases, there will be demand for health and quality environment. To make this happen, environmental regulations shall be effected with increase in income. It occurs that the production process in the country will have to shift their techniques of production to production techniques that are positive in the composition of their output.

Pollution is only one of the problems with regard to the environmental sustainability. Other various researches have shown that even other factors with regard to environment have always improved with respect to improvement in the level of per capita income of country (Ehrlich and Holdren 1971, p. 1216). As income shifts in the positive direction, the

environment improve where the tendency has been that when incomes are low the environment worsen but the environment improves in a large way to become sustainable as income levels increases which promote economic sustainability (Ayres, 1996, p. 130).

Poverty alleviation

The relationship between environmental sustainability and economic growth compatibility can be seen further in their common agenda of poverty alleviation. Economic policies that are being formulated in the present day have to include the concept of environmental sustainability in their move to alleviate poverty. Economic development will only occur where people have access to clean water, the air that surrounds them is clean and that they can be able to manage the basic needs (Wissenburg, 1998, p. 77). While struggling to achieve these basic needs that are fundamental to people, environmental sustainability shall be achieved in the long run. This shall be possible due to the fact that better programs of waste management, garbage collection, water connection while trying to achieve economic development shall at the same time solve environmental problems within the society (Simon, 1980, p. 147). This is a clear indication that in the bid to alleviate poverty, both economic sustainability and environmental sustainability are compatible and a positive relationship exists between the two (Commoner 1972, p. 269).

Economic growth

In forecasting the future growth of a country, a positive relationship between economic growth and environmental sustainability can be traced and their

compatibility underscored. Economic growth policies that have been brought forward are well inclusive of the greens policy since they are well aware that they improve the social welfare (Ehrlich and Holdren 1971, p. 1212). The policy makers have incorporated the potential trade off that is known to exist in order to achieve their projected economic growth. In line with that, they engage in a line to line analysis where they seek to identify the optimal strategy where all the costs on the environment are minimized. this is done by putting in place market based policies as well as regulations which seeks to ensure that very little cost on the environment (Wissenburg, 1998, p. 71). This is one of the strategies that have been put into place in planning economic growth where green growth has been incorporated. In addition to that, more researches that have been carried out have shown that green growth has the capacity to provide a pathway which will leads to a more development and achieve environment sustainability at the same time. Green growth promotes development through the manner in which it provides for economies to be managed reflecting the broader concept and the composition of an effective growth that is sustainable (Wissenburg, 1998, p. 99).

In addition to that, whole exploiting natural resources that will be used as factors of production in engaging in economic activities that will spur economic growth, such policies are required. Policies that will emphasize the fact those natural resources should be not over exploited to avoid environmental degradation (Commoner 1972, p. 271). As the exploitation takes place, there should be economic policies that will ensure the externalities that come with exploitation of natural resource are adequately

internalized to ensure they cover the cost that they have on the environment.

How to achieve compatible economic and environmental sustainability

The achievement of economic growth in line with environmental sustainability that will be compatible and one that will reflect a good and positive relationship requires that good policies and strategies be put in place (Ehrlich and Holdren 1971, p. 1214). These policies and strategies must be growth oriented, and must reflect a positive interest for the environment. For instance the policies should address issue that touch on reforming energy subsidies. There are various steps that have been put forth as the best in ensuring that a green economy is achieved as a path way to development that is sustainable (Simon, 1980, p. 143).

Step 1

In all the national circumstances, it shall require that green growth strategies be tailored and be all inclusive. They should be aimed at emphasizing immediate benefits as well as maximizing the benefits and avoiding the possibility of lock-in. Tailoring strategies that are national inclusive to achieve optimal solution will differ from one country to the other. This is because they have different and varying capacities of the institutions (Ehrlich and Holdren 1971, p. 1212).

Step 2

Sustainable decision making should be made by the entire stakeholder that shall promote efficiency. The private sector, consumers and policy makers

have the responsibility of making these decisions and ensuring that they are fully implemented. The stakeholder should use the entire instrument in their position to ensure that these policies work (Simon, 1980, p. 147). For instance, they can affect charges on pollution and other instruments since they are important as they help incentive efficiency and to a great extent they spur innovation. In addition to that, the natural asset requires that they be incorporated in the national account systematically. Failure to incorporate national assets can be equated to neglecting physical and human capital which have detrimental effects on the economy and it is also not good for growth (Ayres 1996, p. 130).

Step 3

The capital needs that are up front shall be met with financing tools that are majorly innovative. With respect to the fact that financial resources are scarce, multinational financial institutions as well as the government have the responsibility to work on policies that will encourage the private sector to engage and play a role in green investment. The partnership between the public and the private sectors are crucial so that finance required for the purpose of initiating and developing a green economy for both medium and small enterprises can be achieved (Ayres, 1996, p. 134).

The ultimate thing that is needed to achieve green growth with respect to economic and environmental sustainability is growth policies that are good. These policies must seek to fix the markets and get the prices right, fix failure with regard to coordination, get to know all the externalities that can be closely associated with economic development. Once these externalities

have been identified, mechanisms to internalize them should be put in place to ensure that the cost on the environment is reduced (Costanza, 2000, p. 232).

It is worth noting that policies with regard to green growth do not have any panacea with regard to the shortcoming that may take place in the economy. As we observe the environment, we must not forget the economic development policies that we need to put in place since macroeconomic instability cannot be offset by environmental measures. (Wissenburg, 1998, p. 123)

Conclusion

The presence of a good environment for conducting business one without financial systems that are poorly regulated , labour market that are distorted or business environments that are hostile are key to economic growth. A positive direction with regard to economic growth will increase the per capita income of the country and as a result, there shall be demand for an environment that is clean and one that is sustainable. This will be achieved through enacting regulations that will promote both economic development and environmental sustainability. In the paper we have seen the relationship between a growing economy and improved environment. In addition to that, the paper has highlighted various steps that have been brought forward by various researchers that can help in achieving a green economy. Indeed there is a positive relationship between environmental sustainability and economic sustainability and indeed they are compatible.

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