

Korea's Global Leadership: Accomplishments and Challenges

Seoul
May 8, 2012

G20 and GG

- Toward a G20 Global Green Growth Strategy
- For the Mexico G20 Summit
- Los Cabos June 18-19, 2012

GOALS: Sustainable Energy for All

- Universal access to energy.
- Double the global rate of energy efficiency.
- Double the share of renewables in the global energy mix.

SE4 ALL BY 2030

The Future is NOW

- THE ISSUE FOR THE WORLD TODAY IS”

“WHERE ARE WE IN 2050 ?”

2030 is a stepping stone to 2050 with 9 B world population.

Incrementalism Won't Work

Not just how to use economic policy to generate growth and employment while achieving fiscal consolidation BUT

How to TRANSFORM the Dynamic between
Energy Systems and the Economy

Systemic Change in the Dynamic of Energy and the Economy Together

- To achieve Economic Growth based on
- Low-Carbon Energy Sources and Systems

which require and generate

INNOVATION –INVESTMENT-and- NEW JOBS
as central drivers of a New Economy

One Size Does NOT Fit All

NATIONAL GOALS DRIVE COUNTRY STRATEGY

for Systemic Transformation based on

- ALLIANCES among Key Economic Actors,
Social Groups and Political Leaders

“Energy System Transformation Can NOT be
sustained by Environmental Consciousness
ALONE.” (Huberty and Zysman, page 21)

ENERGY AND ECONOMIC Transformation

- GOAL: “To shift the Energy System onto a New and Self-Sustaining DEVELOPMENT TRAJECTORY” [Huberty & Zysman, p. 15]
- Investment>Innovation>Employment>+C >+I...
- Systemic Transformation of Energy AND the Economy TOGETHER
- Need LEVERS to SHIFT the Trajectory of the Global System as a Whole and Nationally

LEVERS

- Levers= “Shifts Inducing Complementary Changes throughout the Economic System”
- EXAMPLES
- Tax breaks for Buildings and Businesses to Invest in New Energy Sources and Systems.
- Budgetary, Philanthropic Support and Corporate Incentives to Promote R&D in New Technologies for Production, Storage and Distribution of Energy.
- Massive Infrastructure Investment in Clean Cities, Urban Development and Public Transportation.

LEVERS (2)

Nuclear safety regulatory reforms to put nuclear energy back in play as a major energy source.

CSS breakthroughs and water-safe fracking technologies are as important as renewables.

Public Private Partnerships for Green Growth Innovations to create complementarities.

Mobilize investors, financial markets, and banks to prioritize innovation and investment in GG.

NATIONAL STRATEGIES

- National Strategies must be:
- Comprehensive and Compelling
- Integrated and Inclusive
- Systemic and Synergistic
- Multisectoral and Holistic

NATIONAL STRATEGIES

- National Strategies must be Economy-Wide:
- Big Industry Dimensions of GREEN ENERGY
- Development Paradigm for GREEN DEVELOPMENT
- Sustainable Development for a GREEN ENVIRONMENT
- The Micro-Meta-Macro Dynamics for the GREEN ECONOMY

THIRD INDUSTRIAL REVOLUTION

- 5 “TIR” PILLARS (Jeremy Rifkin)
- 1. Scaling-up Renewable and Clean Energy Sources and Production
- 2. Embed Micro-Energy Sources in New and Renovated Buildings
- 3. Develop New Energy Storage Technologies
- 4. Electricity and Hydrogen Powered Vehicles
- 5. Smart Grids SUM> Parts

“TIR” 5 Pillars Strategy

- Decentralized, Participatory, People-Centric, Inclusive and Integrated
- Within the Reach and Responsibility of Communities, Families, Farms, Firms and Factories Everywhere.

The BIG Picture

- NOT just about Energy Source Replacement
- But about:
- ECONOMIC TRANSFORMATION:
- A NEW Paradigm for Growth, Jobs and Energy

Micro-Macro Linkages

- “TIR” 5 Pillars are NOT comprehensive enough alone to constitute a Green Growth Strategy
- PROPOSAL: Embed the “TIR” 5 Pillars in the G20 “Framework for Strong, Sustainable and Balanced Growth” [FSSBG]
- Part of Shift in Advanced Industrial Countries to INVESTMENT-LED GROWTH STRATEGIES
- Creates Linkages, Multipliers and Synergies
- Puts Specifics on “Sustainable” in the FSSBG

The World Economy WILL be URBAN

- By 2030, 7 out of 10 People will be living in URBAN areas.
- Therefore, Energy Strategies for Cities = Major Driver for Transforming the Global Energy Regime.
- The 5 “TIR” Pillars coupled with Major INFRASTRUCTURE INVESTMENTS (G20 Action Plan) in Urban Transport and Urban Development = Transformative Power

G20 Global Green Growth Strategy

- Investment and Innovation across the Energy Spectrum integrating:
- GREEN ENERGY
- GREEN DEVELOPMENT
- GREEN ENVIRONMENT
- GREEN ECONOMY

Global Green Growth Strategy in G20

- Embed “TIR” 5 Pillars in the G20 “Framework for Strong, Sustainable and Balanced Growth”
- Scale-Up the G20 Infrastructure Investment Action Plan to Focus on Urban Development and Advanced as well as Developing Countries
- Green the G20 Seoul Development Consensus
- Green the Millennium Development Goals (MDGs) and the post-2015 MDGs

GLOBAL GREEN GROWTH STRATEGY

- OBSTACLES TO SUCCESS:
- Segmented, Sectorial, Silo Approaches
- Economistic Predominance : Energy Transformation is NOT for MoFs Alone
- The Era of Market Fundamentalism is Over.
- The Market is NOT giving “Right Prices”
- Social and Environmental Costs not Included

G20 GLOBAL LEADERSHIP

- FOR ECONOMIC TRANSFORMATION there is a need for
 - * STRATEGIC LEADERSHIP TO OVERCOME OBSTACLES
 - * INNOVATIVE IDEAS
 - * ALLIANCES
 - * LEVERS

G20 Summit Leaders → Galvanizing Vision for GGG to Mobilize
Economic Actors, Society and Resources for Transformative Change

Strategic Leadership

- Strategic Leadership is required when:
- 1. Future Problems are NOW
- 2. Spillover Effects are Large
- 3. Market Failures Occur
- 4. Goals are “Inextricably Linked” → Coordination Requirements
- 5. Whole > the Sum of the Parts> SYNERGIES
- 6. Transformation Requires Horizontal Integration not Vertical Sectorial Approaches Alone

The G20 Mexico Summit Los Cabos

- Provides Strategic Leadership for Economic Transformation as Key Driver for a Sustainable Energy Future.
- Provides a Vision for Sustainability for the Rio-Plus-20 Summit.
- Provides a Strategy for People-Centered Transformation where People Live and Work and have their Livelihoods within a Comprehensive Economy-Wide Vision