

WHY AND HOW TO MEASURE THE "GREEN ECONOMY": THE RIO DE JANEIRO STATE CHALLENGE

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Abstract:

A growing global movement towards Sustainable Development has been ongoing since the Rio Earth Summit of 1992. The Green Economy concept, which is now under holofotes, is expected to fulfill the hard mission to implement the necessary tools and related changes on economic sectors to go straight forward to this desirable goal. Defined as an economy that results in "improving human well-being and social equity, while significantly reducing environmental risks and ecological scarcities" (UNEP, 2011), the so called Green Economy will be the focus of the "Rio+20" conference, and has become a core concern of the Rio de Janeiro state government, in Brazil.

The Rio de Janeiro state has to take advantage of this unique moment, as it prepares to host major events (Fifa World Cup in 2014 and the Olympics Games in 2016), to operate changes that promote green growth. These events are already bringing attention and financial investments, but are also increasing management's complexity, as it involves more actors, each of them with their respective economic interests.

This article proposes to analyze how the local government is organizing itself and with its stakeholders from the private and public sectors in order to make the state economy evolve towards a greener one. So far, a local specific government entity, the Subsecretary of Green Economy, has been created and is leading projects in collaboration with research entities to determine how green the local economy is and how to succeed in making the transition towards a greener one, while maintaining a sustainable economic growth.

The analysis focuses on the outcomes of one of these projects, developed in partnership with the Federal University of Rio de Janeiro (UFRJ), that aims to measure the Green Economy situation in the Rio de Janeiro state through economic, social and environmental performance indicators. Indicators such as the number of green jobs existing, applicable to all economic activities. The set of indicators defined should be monitored to help promote improvements in the sustainable economic path, pointing out needs of change in the current markets or institutional failures. To support this goal, a review of the political and fiscal initiatives in the country and in the state, like tax exemptions, alternative energy incentive programs, or decent work promotion, and the state-of-the-art of the international discussion about this theme up to now, are presented.

As its main results, the article proposes an identification of the major difficulties experienced by the team of researchers in aggregating indicators from different dimensions (economic, social and environmental) and the challenges of measuring how green a local economy is.