

## **CHAPTER IV**

### **CONCLUSION**

The concept of Green Growth has been recently advocated in different international organizations, such as Organization of Economy Cooperation Development (OECD), United Nations Environment Program (UNEP) and World Bank. However, the concept starts with the introduction of sustainable development that is introduced in Brundtland Report 1987. Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts, first is the concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and the last is the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs. Sustainable development would mean development which would meet the need of people in the present without compromising the ability of future generation.

As time passes, the world's population has doubled since the last half century ago. Following that fact, the world's economy growth also gradually increases. Moreover, people's living standards also have been improved. However, major challenges have not been resolved yet; poverty, hunger, health problems and inequality still remain. Based on the fact, it shows that the growth has not been enough.

To improve the quality of people's life, the countries are still trying to improve their economic growth. However, the current growth costs to the environment, because the growth depends on environment. People's failure in managing the environment can be shown from their activities in burning fossil fuels, such as to run industries, vehicles, release GHG emissions (carbon dioxide, methane, nitrous dioxide and fluorinated gases). These gases are hazardous, because can lead Earth to climate change, because the gases prevent the loss of the heat into space. Besides, the GHG emissions also because several environmental problems, such as shrinking of water supply, increasing incident of severe weather, change in food supply, geographical change. The scientists also predict that global temperatures will increase.

Facing serious issues of environment, United Nations held United Nations Conference on Environment and Development or Rio Summit in June 1992. The conference talked about transformation behavior to solve the environmental issues. The aims of the conference is to ensure that economic activities would take account on environment impact, find alternative energy resource to replace fossil fuel and raise awareness of people to put their concern on water scarcity.

However, until 20 years adoption of Rio Summit, the global environment is getting worse. People are still seeking economic growth with dependency on natural resources. The situation is getting worse when collapse international banking Lehman Brothers in 2008 and led into international crisis. It also caused failure in business, great recession in 2009 and increased number of unemployment. Facing the complex situation of environmental issues before,

international sphere must keep conducting economic activities and resolute policy action is needed to restore confidence and put the economic recovery into a sustainable growth path.

Furthermore 35 member countries of OECD (Organization of Economy and Cooperation Development), including South Korea, signed Green Growth declaration on June 2009. The member countries will strengthen their effort to pursue Green Growth Strategies as part of their responses to the financial crisis, acknowledging that green and growth can go hand-in-hand.

In order to implement the framework, OECD has set the indicators of Green Growth that countries to measure Green Growth indicators in the countries, then followed by policy actions to improve the condition. The indicators are environmental and resource productivity, natural asset based, environmental quality of life and economic opportunities and policy responses.

After the end of Korean War in 1950-1953, South Korea suffered from economic turmoil. The war had caused economic uncertainty in South Korea that became one of the poorest countries in the world with only had income \$64 per capita. Following this condition, South Korean government set up stimulating for economic growth by promoting industrial policy.

Under President Park Chung Hee, the government of South Korea aimed to improve its economy by transforming from agrarian country to industrialization one. After the implementations the policy. It was shown that South Korea's

GDP per capita increased. Economic expertise usually give the name of “Miracle on the Han River” since the rapid economic growth that is performed.

Along with South Korea’s economic growth, the country’s energy use and GHG emission have continued to increase since the implementation of industrialization policy cause massive production of GHG. It also caused significant pressure on environment and natural resources such as forest, water resources, biodiversity and the urban environment. The mature stage of economy and significant advance in economic development consume considerable energy. Most of economic activities depend on fossil energy such as petroleum, coal and natural gas (NG), those have led Earth to climate change.

In addition, supply and demand of energy in South Korea faces many challenges, such as dependency and excessive use on fossil fuel, soaring gasoline price, global energy market changes, and international cooperation to solve climate change issues. Lack of natural resources, South Korea considered as 10th largest importer in the world. The country is also the 5th largest importer of oil in the world. As one of the largest oil importer, in 2008, a 60% rise of the cost of South Korea oil imports because of impact of financial crisis, had driven country into deficit for the first time since Asian crisis. In order to avoid the impact of fluctuation in the global oil in the future (PCGG, 2012). The government having strong willing to improve the condition

In 60 years celebrating Independence Day, President Lee Myung declared on Low Carbon Green Growth. Furthermore, the government adopted it as

National Strategy with Five Year Plan (2009-2013). Developed Five Year Plan for Green Growth, South Korea's government had prepared The Framework Act on Low Carbon Green Growth as a legal framework; it includes Actions Framework with 3 strategies and 10 policy directions, Organization Framework for Presidential Committee on Green Growth and Fiscal Framework to Adjust Green Growth in Policy Actions.

From the policy actions and programs that South Korea tried to implement, the government adopted based on framework of three strategies and ten policy directions, it is implicitly explained said that South Korea's government wanted to reduce GHG emissions and mitigate climate change. Second, the country wants to improve energy independence and find new drivers for economic growth. Since the country has been facing the serious impact of high number of GHG emissions and climate change. Besides, the country also wants to improve energy independence, to avoid global fluctuation of oil price in the future.

Those also proved with the bunch of greenhouse gas reduction-related programs, improvement of environment-related programs, providing and research on energy alternative-related programs.