The new economy: Sustainable and socially inclusive?



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IF NATIONS do not find solutions for global environmental, economic, and social problems, human existence may be impossible. Sounding the alert is Israel Klabin, president of the Brazilian Foundation for Sustainable Development (FBDS) and a pioneer of environmentalism in Brazil. For him, the global economic crisis is rooted in misuse of natural resources. Nevertheless, Klabin is optimistic: "I believe that this crisis can bring about solutions and there will be some political leaders who can implement new models of global, national, and business governance," he says. The former head of Klabin Corporation, the biggest producer, exporter and recycler of paper in Brazil, highlights the importance of a sense of history when evaluating the issues that stimulate environmental, social, and economic discussions today.

***The Brazilian Economy*—Can you say, in the year of Rio + 20, that the Brazilian economy takes sustainability into account?**

I***srael Klabin***—I believe the term "sustainability" is becoming outdated. It refers to too many things! To answer your question, we must reflect on what we think about the present and future in terms of events of the past. By doing this we see that the very creation of the Getulio Vargas Foundation had a fundamental role, since it is linked to the present reality and has the ability to maintain all the economic data necessary for the Brazilian model to relate to others speaking the same economic language.

What are your views on the world economic crisis?

The [economic] model survived until recently, when exhaustion sent it into crisis. . . The basic reason for this entire model going down—including global and national governance and relationships between diverse economies—is an infrastructure that created demand for non-renewable natural resources, especially energy resources.

So the problem goes beyond the current economic model, and ultimately economic issues go hand in hand with environmental and social issues?

Absolutely. Environmental, social, and economic [factors] should be brought together in the model of governance and we have not seen this yet. Today more than 85% of the energy of the planet is based on a framework that exceeded the limits for the planet's survival. Why? Because greenhouse gas emissions are increasing temperatures . . . That is what we call unsustainable. Not only are temperatures rising, but other natural resources, like water, are being depleted, and there are problems with the entire structure of governance, the entire framework within which humankind lives.

Could Brazil, where most of our energy is clean, stand out in the search for a new economy?

Brazil has relatively clean energy production . . . Within its borders, Brazil has more than enough renewable energy sources to expand capacity for another 30, 40 or 50 years . . . There are a number of innovations that could boost an energy model that is extremely favorable to Brazil.

With regard to mismanagement of natural resources, why is social inclusion important?

The economic model with which we have lived since World War II no doubt increased the wealth of nations and to some extent social inclusion. The vast majority of the population that previously had no access to wealth does have access today. However, we have a much worse environmental impact . . . We now have "planetary limits" that affect not only the energy supply, but also water, social inclusion, and food production . . . It is impossible to continue developing without considering inclusion of those less fortunate.

Do you believe that nations have worked to resolve crises without looking ahead?

Individual nations have not been able to make a rational transition to [a new] economy in terms of energy distribution, governance, and life in cities. This wall of impossibility is one of the issues covered in the Rio +20 conference. If you ask me if I have any hope that there will be a short-term solution, I will say no. Nevertheless, I have much hope of raising awareness of people and governments.

Both in Brazil and globally, is there a lack of policies to educate people in how to be environmentally responsible?

In Brazil, without a doubt, education is severely lacking. You talk about environmental education, but we do not have education. Our educational process is completely outdated. We have not been able to prepare people and future generations for a sustainable world ... The world is living at a rather critical moment in an outdated economic model and is apparently unable to renovate this model

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within the principles of economic and environmental sustainability and social inclusion.

In this critical scenario, what expectations should we have?

Rapid advances in terms of awareness and model changes occur only in dictatorships, and that is unacceptable. The *evolution* we would like to see is for national governments to become rapidly aware of global thinking and then set up new models, based on an understanding of the limits the planet imposes upon us.

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How should government promote these changes?

Some countries use tax policy to give companies incentives to provide the services the government is unable to, such as rapid evolution and deployment of new technologies in the market. The tax tool is one thing to be considered seriously for advancing solutions. The other thing we recommend is better coordination between centers of research and innovation throughout the world . . . not just making available technologies to those in need but also, of course, the exchange of information between research centers for the better advancement of science.

What lines of research would promote innovation?

Here are two areas where I consider innovation to be essential. One is the desalination of seawater. Why? Because the world is on the verge of exhausting drinking water. But we live on a planet two-thirds of the surface of which is sea water. If you can find a connection between solar energy and desalination and use the water to fight desertification and increase food production, you will have an important formula. Another is the structure of the energy supply . . . [and] the ability to find technology to absorb the emissions produced by the use of fossil fuels.

Many people have criticized the fact that climate change is not on the Rio +20 agenda.

The Conference of Parties on Climate Change to be held in Qatar in the end of the year will discuss the *effects* of climate change. Rio +20 will discuss the *causes* of climate change, [which again relate to energy, technology, and social inclusion]. The new economy will be at the center of discussions at Rio +20.

Some countries have abandoned the Kyoto Protocol.

The Kyoto Protocol was a model for solving greenhouse gases emission problem, based on the old idea that the polluter pays. That idea is correct . . . but it requires comprehensive participation. China, India, the eight or ten countries that are the greatest [polluters] would have to adopt the Kyoto Protocol if it were to be a universal remedy; that did not happen.