Global Recession And Sustainable Development

written by Hamna Seyyed | August 1, 2022

It is reasonable to assume that the global financial crisis and the ensuing economic downturn would have had at least the advantage of slowing down environmental degradation in the different nations. The slowdown in economic growth has some immediate advantages for the environment. These benefits include a decrease in the rate of air and water pollution due to less energy use, which directly affects the health of the urban underprivileged. The costs associated with several environment protection measures, like those linked to energy savings, the protection of natural resources, and water environment, are likely to be much greater than the limited gains to global and regional environments that result from the economic slowdown. Energy and environmental investments are impacted on both the supply and demand sides.

On the other hand, businesses and households pay less for energy efficiency measures. Decreasing credit and lowering prices have made investments in energy saving and environmental protection less economically attractive, and the economic crisis has caused end users to limit their spending in general. In addition, solution providers are expected to reduce their investment in research, development and commercialization of more efficient energy models unless they can obtain government financial support. It is a livelihood opportunity for the poor in rural areas. In addition, the development of wastewater treatment plans to limit the release of pollutants into rivers could be further delayed in many countries and is expected to harm the aquatic environment. Thus, in sum, the small benefits to the global and local environment from economic recession can be far less than the cost of many environmental protection measures to improve the living conditions of the poor.

The natural resources and ecosystem services provided by the environment are essential to support economic growth and better living conditions for the poor. Inaction on important environmental issues such as climate change can have serious economic consequences in the future. These concerns justify government actions to support investment in green growth measures and promote direct investment or financial incentives for low-carbon, energy-efficient and environmentally clean technologies. The investment required to put the national economy on a low-carbon green growth path is much higher than expected.