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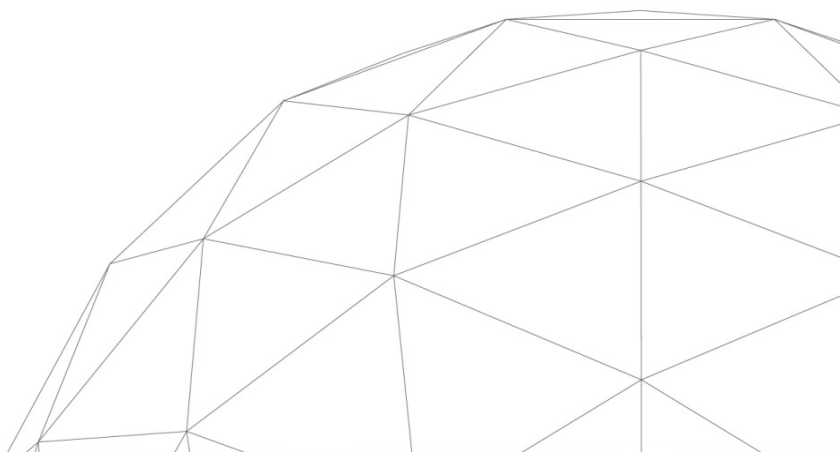
DNC 2015 | GLOBAL CHANGE
SDGs NEXUS APPROACH

POSITION PAPER – Extended Summary

People, Prosperity and the Planet

Michael Herrmann

Day 3 | Population Growth



People, prosperity and the planet

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A. Introduction

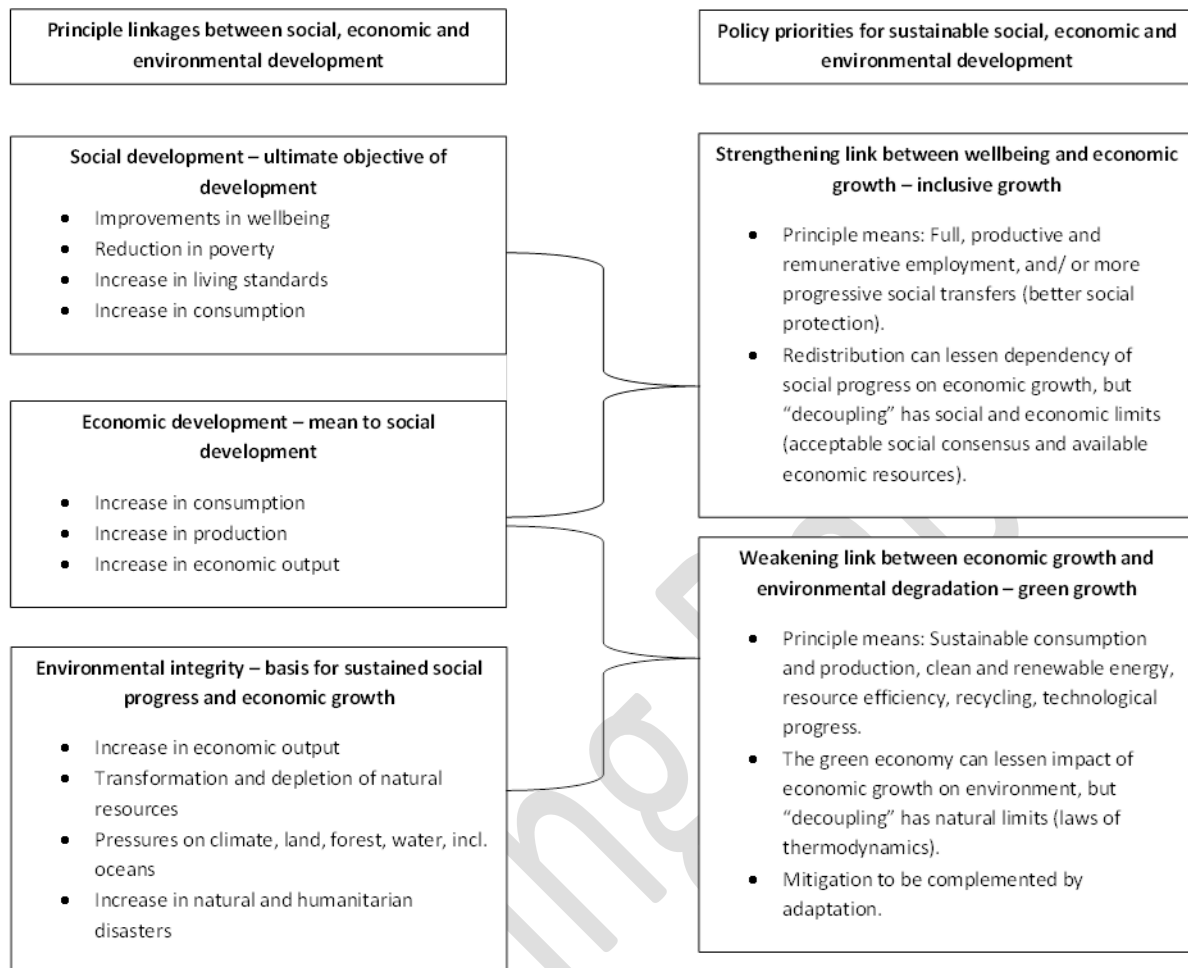
The world population reached the 7 billion mark and will grow to over 9 billion by mid-century. Meeting the need of current and future generations, of a large and growing world population, while ensuring the sustainability of the natural environment, is the challenge of the century. Responding to this challenge requires not only a more balanced distribution of economic resources – an imperative in an increasingly unequal world – but also higher levels of economic output. The production of all goods and services inevitably depends on the transformation of natural resources, and will – without decisive policy changes -- place mounting pressures on the natural environment. To address this challenge, demands not only policies that ensure more inclusive and greener economic growth, but also policies that address and harness population dynamics. While these policy priorities have been recognized decades ago (notably by the Rio Declaration of 1992, and the ICPD Programme of Action of 1994), little has happened since. Inaction, this paper argues, is attributable to two principle types of misconceptions: Misconceptions related to the macroeconomic costs and green economic sectors, as well as misconceptions related to population dynamics and population policies.

This paper spells out the linkages between population dynamics, macroeconomics and planetary boundaries, and it dispels commonly held beliefs that stand in the way of addressing these linkages and promoting sustainable development pathways. The paper puts forward concrete and practical suggestions for sustainable development goals and targets and has important implications for the post-2015 development agenda.

B. Conceptual framework of sustainable development

Regardless of the definition and measurement of human wellbeing – absence of fear and wants, meeting of basic needs, the strengthening of capabilities, elimination of poverty and food insecurity, opportunity to decent work and remuneration, or access to health and education – it is associated with the enjoyment of essential goods and services. In this sense, economic growth is an essential mean to social progress, and environmental damages are an undesired effect of economic growth. Sustainable development strategies must seek to strengthen the contribution of economic growth to social development, while lessening the impact of economic growth on the environment (graph).

Conceptual Framework of Sustainable Development and its Policy Implications



Source: Herrmann (2012).

Meeting the needs of a large and growing population, of current and future generation, is a considerable challenge. Meeting it requires not only a more balanced distribution of economic resources – this is an imperative in an increasingly unequal world – but also higher levels of economic output. The production of all goods and services will place mounting pressures on all natural resources. Nothing can be produced from nothing, and everything that is produced will result in environmental change. This is true even for seemingly non-material goods such as knowledge, and services such as education and health care. Knowledge often depends on resource-intensive research and development; education requires books, computers and stationary; health care is unthinkable without medical machinery and pharmaceutical industries; and either demands physical infrastructure. The production of goods and services inevitably depends on the transformation of natural resources. This will place mounting pressures on all natural resources including water, land, forests and the climate, which are an essential as well as finite basis of life. Failure – the continuation of business as usual – is not an option. It would result in rising poverty and inequalities, or lead to unsustainable environmental degradation, and either would ultimately end in unimaginable humanitarian crises. Human kind has maneuvered itself between a rock and a hard place, but still has choices.

C. Implications for sustainable development strategies and policies

In accordance with the framework outlined in this paper, priorities for sustainable development must focus on three principle objectives:

1. ***Inclusive economic growth:*** Over the past years, all world regions and most countries have witnessed increasing inequalities. To achieve a more balanced distribution of goods and services, or income, is an important step towards greater sustainability. However, distribution confronts limits and will not suffice to address the challenge.
2. ***Green economic growth:*** Another important step towards sustainability is a major structural transformation of economies and the promotion of green economic growth. The paper argues that this transformation was held back two economic fallacies: The fallacy of macroeconomic costs (which has hampered efforts to create greener economies) and that of green economic sectors (which has resulted in misguided and overly optimistic expectations of the future).
3. ***Population dynamics:*** Finally, efforts to promote more inclusive and green economic development must be complemented by efforts to address and harness population dynamics. Contrary to common misperceptions, countries can do so without violating human rights and freedoms.

D. Implications for sustainable and forward-looking development goals

The paper holds important implications for the priorities of the post-2015 development agenda and the associated set of sustainable development goals. Sustainability demands that we not only reconsider how we distribute what we have, but also reconsider how we produce what we want and need, and how we address and harness demographic change.



Michael Herrmann is Adviser on Population and Economics, and Manager of the Innovation Fund at the United Nations Population Fund (UNFPA). He is also member of the United Nations' Lead Economist Network and the Global Agenda Council of the World Economic Forum. He is responsible for assessing the linkages between demographic and economic change, and for informing global policy dialogues on development challenges. His focus is on sustainable development, green and inclusive economic growth, and poverty; employment, social security, and pension; as well as economic trends and prospects, sovereign and private debt, and macroeconomic policies. Previously, Mr. Herrmann worked with the United Nations Conference on Trade and Development (UNCTAD), where he coauthored flagship reports on the world economy and reports on the world's poorest countries. He lectured economic policy and development, and published on a range of issues.