

Sustainability and Economic Growth

*Comparative Perspectives across Development
Contexts*

By

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across Development Contexts

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List of Acronyms and Abbreviations

EKC	Environmental Kuznets Curve
ESG	Environmental, Social and Governance
SDG	Sustainable Development Goals
GDP	Gross Domestic Product
TBL	Triple Bottom Line
UN	United Nations

Chapter 1

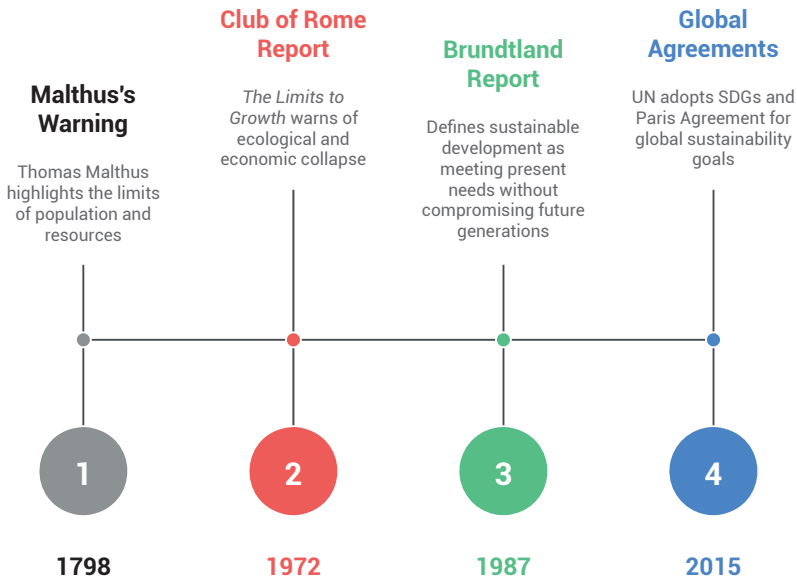
Growth and Sustainability in the 21st Century: From Dilemma to Integrated Sustainability

Introduction

The 21st century presents one of the greatest challenges in human history: how to promote economic prosperity without exceeding the planet's ecological limits? In recent decades, we have witnessed the gradual exhaustion of the traditional model of continuous economic growth, confronting societies with dilemmas involving environmental sustainability, social justice, and political innovation.

Situations such as environmental degradation, depletion of natural resources, accelerated loss of biodiversity and climate change have made it clear that we need to radically rethink our development paradigms. The responses to these challenges involve not only adapting policies but also understanding their historical roots and the strategic options facing each society.

Some key questions are repeatedly asked: Is it possible to grow economically without destroying the ecological basis of life? What lessons do the leading thinkers and milestones in history offer us about the limits to growth? How has the concept of sustainability evolved and what are the central tensions that persist today?

Figure 1.1 *Key Milestones in Sustainability History*

From Thomas Malthus' warnings about population limits in the 18th century, through the Club of Rome's *The Limits to Growth* in 1972 and the Brundtland Report's defining definition of 'sustainable development' in 1987, one can trace the path of the great debates that shaped the concept of sustainability.

Throughout this chapter, it will re-examine historical transitions and contemporary challenges, laying the groundwork for understanding the range of alternatives, strategies, and opportunities that make up the debate on economic sustainability in the 21st century.

1.1 From Malthus to Sustainability: Historical Roots and the Emergence of the Debate

Concerns about the limits to growth and the sustainable use of resources are deeply rooted in the history of economic and environmental thinking, with authors such as Malthus and Mill

standing out, culminating in growing concern and global warning signs. The tension between growth and natural limits is long-standing: Malthus (1798) already warned of population risks, Mill (1884) of the value of balance, with the Club of Rome (1972) bringing the debate to the international agenda.

This context was marked by the publication of the report *The Limits to Growth* by the Club of Rome (Meadows et al., 1972), which warned of the risks of the linear model of development, guiding the world towards the need to establish ecological limits and new strategies for progress. This report was pioneering in demonstrating, based on mathematical models, which accelerated economic growth could lead to ecological collapse if production and consumption trajectories were not revised. In fact, the United Nations Conference in Stockholm in 1972 marked the formal beginning of international concern for the environment, bringing to the forefront of political and diplomatic debates the need to reconcile economic growth, environmental protection and social justice in a broader and more integrated approach initially known as eco-development.

The Brundtland Report (1987) consolidated the concept, defining sustainability as development capable of meeting present needs without compromising future generations, integrating environment, economy, and society into a single equation. These two perspectives are examples that show that this dilemma is not new, despite the urgency of recent decades.

At the global level, this urgency translates into political and regulatory instruments. Globally, interdependent agreements and targets (such as the Sustainable Development Goals (SDGs) (UN, 2015) and the *Paris Agreement* (UNFCCC, 2015) have been signed

with the aim of harmonising economic growth, social justice, and environmental protection. These agreements represent not only technical commitments, but also political, economic, and moral pressures on governments, businesses and societies to redefine their growth strategies.

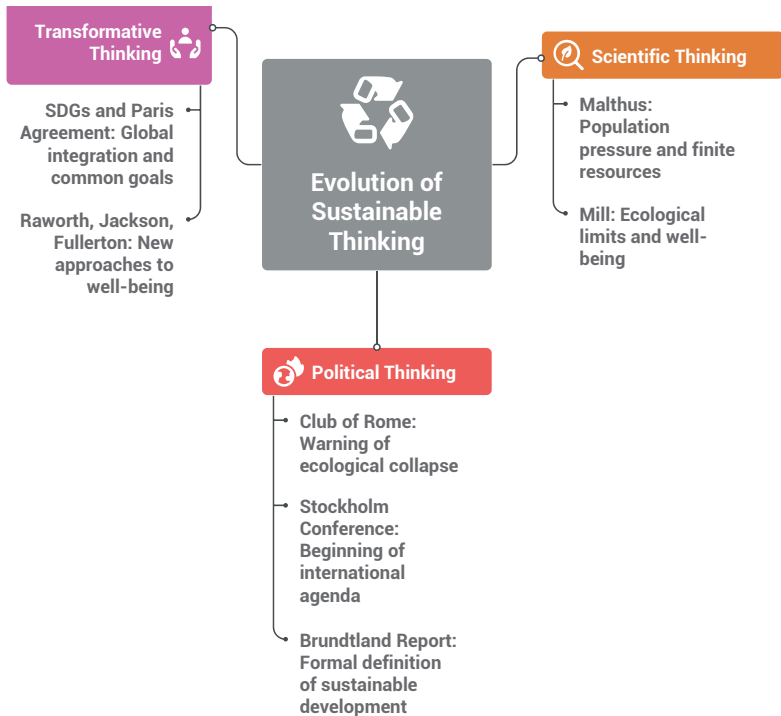
Over time, economic growth models have undergone a profound review to include new concerns and requirements (social and environmental) in line with the new guidelines set by new regulations. In the 21st century, innovative approaches broaden the debate beyond growth, giving priority to collective well-being and planetary balance (Fullerton, 2015; Jackson, 2017; Raworth 2017).

In short, moving from an isolated concern with environmental threats to an integrative principle that seeks to balance economy, society and ecology characterises the essence and current relevance of the sustainability debate.

1.2 From “Limits to Growth” to the Brundtland Report: The Global Shift

The impacts of the green or sustainable transition are distributed very unevenly across regions, sectors, and social groups. The concept of a “just transition”, central to the agendas of the United Nations (UN) and the International Labour Organisation, will only be real if it articulates social inclusion, justice, and protection for the most vulnerable communities. A just green transition requires technology transfers, progressive climate finance and community involvement in policy governance and implementation.

Figure 1.2 *Evolution of Sustainable Thinking: From Ecological Concern to Global Integration*

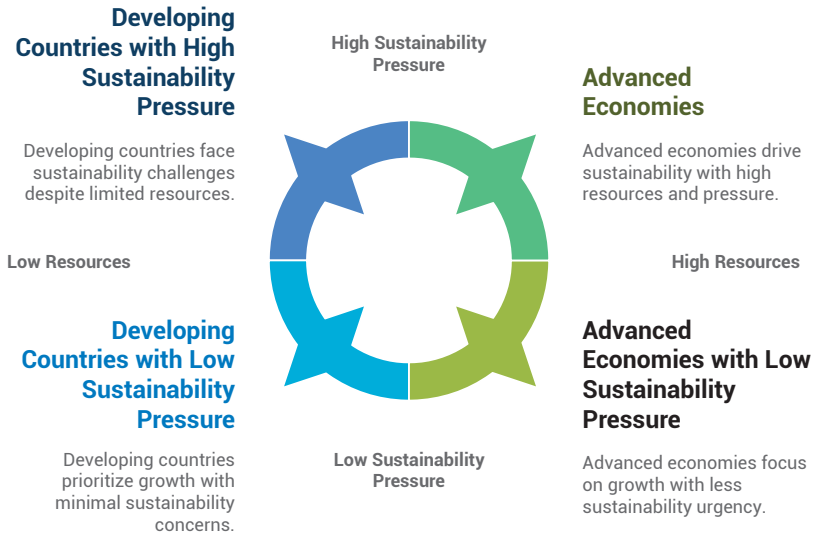


Sources: Fullerton, 2015; Jackson, 2017; Meadows et al., 1972; ONU, 2015; Raworth, 2017

However, the impacts of this transition are deeply asymmetrical. The transition to sustainability faces systemic challenges, as it is marked by profound social, economic, and territorial inequalities that influence both access to the benefits of the transition and exposure to its costs and impacts. The worsening climate crisis has revealed that the most marginalised populations (such as Indigenous communities, rural workers, women and vulnerable socio-economic groups) suffer disproportionately from extreme

events and environmental changes, making it clear that social vulnerability is a crucial factor in this process.

Figure 1.3 *Balancing Economic Growth and Sustainability*



The transition to economic and production models with low environmental impact, although necessary and offering opportunities for innovation and the creation of green jobs, faces structural resistance. Sectors dependent on fossil fuels, unequal access to financial, technological, and training resources, and the concentration of power in large economic actors hinder the implementation of ambitious policies and the fair redistribution of the benefits of sustainable transformation. At the same time, subsidies for polluting activities, a lack of connection between public policies and local realities, and insufficient financial transfers to developing countries accentuate the disparity in the pace and quality of the transition.

In reality, advanced economies have greater institutional, technological, and financial resources to invest in green innovation, renewable energies, and the reconfiguration of their value chains. These countries are characterised by more educated citizens who are aware of sustainability issues, putting pressure on governments and companies to change their behaviour. This pressure leads to a spiral of research and development, which, together with the financial capacity existing in these countries, is further enhanced. In contrast, developing countries face more intense dilemmas. These countries must reconcile and ensure economic growth that is inclusive and reduces inequalities with environmentally sustainable trajectories.

This duality of economic growth and sustainability generates new international tensions with the demand for conscious behaviour at the global level, but it also makes it possible to pursue a path of cooperation and technology transfer between nations.

Thus, the challenge of sustainability is not only to ensure environmental integrity, but also to promote inclusion, equity, and social justice, supporting development strategies that leave no one behind. This implies creating support mechanisms for workers in declining sectors, investing in education and technological training, fostering social dialogue, and ensuring governance capable of addressing historical barriers to exclusion. Only with a holistic and participatory approach will it be possible to ensure that the solutions developed are durable, accessible, and distributed in an effectively sustainable manner throughout society.

However, despite the challenges, the green transition can reduce historical inequalities and open up unique opportunities with the implementation of policies that promote education, innovation,

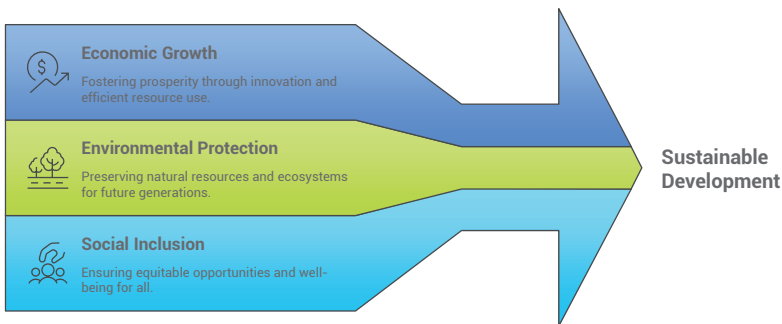
resilience, and the active participation of all groups in the sustainable economy of the future.

1.3 Agenda 2030 and the Paris Agreement: Metrics, Targets and Governance

The central challenge that structures this book can be summarised in one fundamental question: *can an economy grow without sacrificing the environment?* This question unfolds into specific challenges for research, teaching, and public policy formulation, raising other essential questions:

- What are the physical, social, and institutional limits to reconciling economic growth and sustainability?
- What role do public policy, technological innovation and financial instruments play in building new equilibriums based on new development paradigms?
- How do the trajectories of developed, emerging and developing countries compare in this global effort?

Figure 1.4 Pathways to Sustainability



The comparative structure of this book allows for the analysis of different national and regional profiles, highlighting how distinct historical trajectories, institutional structures, and environmental contexts condition the opportunities and obstacles to sustainability. The use of statistical data from the most and less sustainable groups of countries allows for the identification of regularities, contrasts, and good practices in the pursuit of sustainable growth. In addition to national cases, cross-cutting themes such as green innovation, energy transition, sustainable financing, and international cooperation are addressed. These themes illustrate how the challenges of the 21st century require integrated and coordinated solutions at various levels, from local to global, and from the public to the private sector.

Methodologically, the comparative analysis reveals not only contextual differences, but also convergences that point to robust and transferable policy recommendations. The comparison between national realities, economic sectors and different institutional paradigms provides an overview of the structural factors that favour (or hinder) the balance between economic growth and sustainability. This approach advocates international mutual learning and the construction of collaborative agendas for the transformation of development models.

Final remarks

The discussion in Chapter 1 shows that reconciling economic growth and sustainability is one of the greatest challenges of our time, requiring clear recognition of environmental limits, critical assessment of global disparities, and effective integration of economic, social, and ecological dimensions into development

processes. The need to transition to new paradigms has become unavoidable in a world marked by growing environmental risks, unequal access to resources, and pressure for innovation.

Figure 1.5 *Cycle of Sustainable Development*



Historical experiences and contemporary debate show that there are no universal answers or effective solutions (they depend on institutional contexts, available resources and political choices) but they gain strength when anchored in international cooperation,

the sharing of good practices and innovation adapted to different realities.

This chapter therefore lays the foundations for a critical, comparative, and multidimensional understanding of sustainable development, seeking to inspire the reader to actively analyse the alternatives available to societies, governments, and businesses in building a more equitable, prosperous, and resilient future. The following sections will explore each of these themes in greater depth, linking theory with practice and identifying concrete paths for sustainable transformation.

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Chapter 2

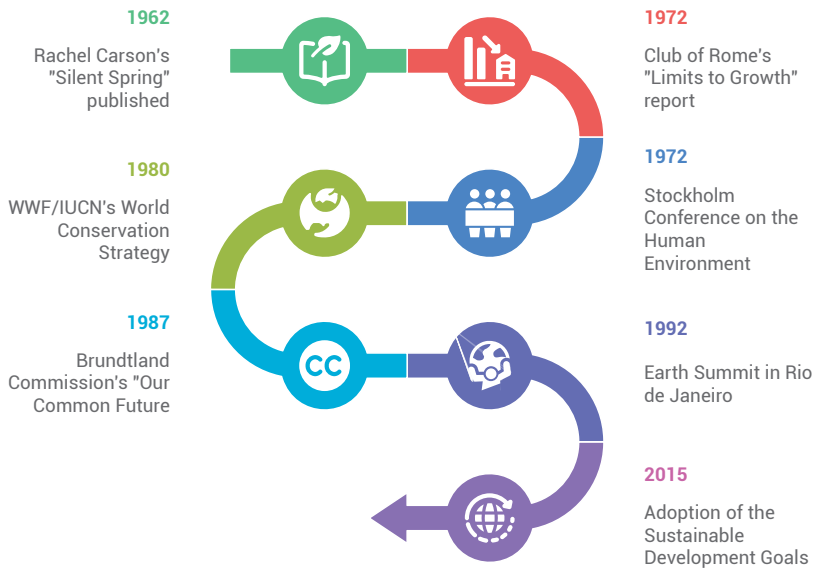
Sustainable Development: Conceptual Evolution, Metrics and Debates

Introduction

The concept of sustainable development has established itself as one of the most influential ideas of the 21st century, progressively incorporated into political agendas, international regulations, business strategies, and social practices. Its power lies in the attempt to reconcile economic growth, social justice, and environmental preservation, overcoming the vision of progress based solely on the growth of Gross Domestic Product (GDP).

From the first post-war environmental discussions to the global spread of the concept, sustainability has evolved from an ethical ideal to a strategic and normative orientation. The UN's 2030 Agenda, the Sustainable Development Goals (SDGs) and instruments such as the *Paris Agreement* have set concrete and universal targets to align prosperity, equity, and ecological integrity.

This chapter traces this evolution along four main axes: (1) a conceptual timeline linking major milestones (from Rachel Carson and the Club of Rome to the Brundtland Report and the consolidation of the SDGs); (2) the Triple Bottom Line (TBL) model, articulating the economic, social and environmental dimensions in the assessment of development; (3) the debate on limits to growth and the emergence of alternative paradigms; and (4) national examples illustrating different responses and trajectories towards sustainability.

Figure 2.1 *Milestones in Environmental Awareness and Action*

2.1 From Carson to Brundtland: The Roots of Sustainable Development

The debate on sustainability arose from the confrontation between the environmental and social consequences of the Industrial Revolution, in which economic growth was achieved at the expense of high consumption of natural resources. Until the mid-20th century, economic development was exclusively identified with material progress and GDP growth, neglecting ecological impacts and social inequalities.

The environmental impacts of world wars, the oil crisis (1973) and studies such as Rachel Carson's *Silent Spring* (1962) (denouncing the effects of DDT and industrial pollution) raised new social concerns, especially in the most economically developed coun-

tries. On the other hand, the Club of Rome launched *The Limits to Growth* (1972), showing, for the first time with mathematical simulation, the incompatibility between unlimited economic growth and the existence of finite resources. The report placed the risk of ecological collapse at the centre of international discussions and inspired the United Nations Conference on the Human Environment (Stockholm, 1972).

The 1980s consolidated the term eco-development and saw the World Conservation Strategy (IUCN, 1980), advocating the need for integration between the environment and the economy. The definitive turning point came with the publication of the Brundtland Report (*Our Common Future*) in 1987 by the United Nations World Commission on Environment and Development. The report defines sustainable development as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs.' This innovative concept placed social, environmental, and economic dimensions at the heart of the global agenda and demanded changes in sectoral policies, production models and institutional strategies. The report also anticipated concerns about global warming, biodiversity, and intergenerational justice, proposing an ethical contract between present and future generations.

Figure 2.2 *Milestones in Sustainable Development*

2.2 From Brundtland to the SDGs: Institutionalisation and Global Goals

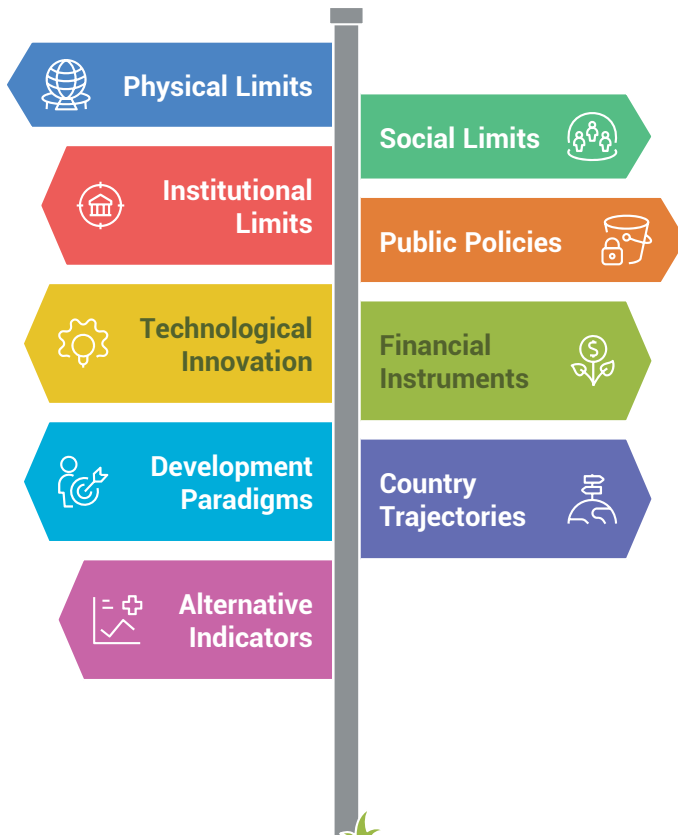
The Brundtland Report, published in 1987 under the title *Our Common Future*, defined and consolidated the modern concept of sustainable development, proposing a global agenda that considers economic, environmental, and social pillars in an integrated manner. This definition (“development that meets the needs of the present without compromising the needs of future generations”) has become a benchmark for international, corporate, and social

policies. The report highlighted poverty in developing countries (in Asia, Africa and Latin America) and consumerism in developed countries as obstacles to sustainability, advocating profound changes in patterns of production, consumption and cooperation between countries.

The 1990s were marked by the institutionalisation of sustainability through key events. The United Nations Conference on Environment and Development (Rio de Janeiro, 1992) launched Agenda 21, an action plan that valued participation, local planning and global consensus building. The Kyoto Protocol (1997) established the first commitments to reduce greenhouse gas emissions, and the Johannesburg Summit (2002) reinforced the link between sustainability, equity, and inclusion. Finally, ECO-92 consolidated the UN's role as a fundamental pillar for the international coordination of green policies.

From 2015 onwards, the leap was made to a global and universal agenda with the approval of the SDGs, 17 broad goals and 169 specific targets to guide policies, investments and innovation in areas such as poverty eradication, inclusive education, combating inequalities, clean energy, resilient cities, responsible production and consumption, and climate action. Unlike the Millennium Development Goals (2000-2015), the SDGs apply to all countries, promoting the principle that sustainability is a global mission and not just one for developing economies.

The incorporation of sustainability into national and global agendas has resulted in multiple practical instruments: companies implement environmental certifications, Environmental, Social and Governance (ESG) reports, circular economy, emissions reduction and investment in green innovation; governments adopt more

Figure 2.3 *Sustainable Development Goals (SDGs)*

stringent legal and fiscal frameworks, promote environmental due diligence, sustainable urban mobility, green taxation and transition incentives; civil society organisations and financial institutions drive projects in environmental education, responsible investment, reforestation, recycling and inclusion.

Experience shows that sustainability challenges are complex, systemic, and interdependent. No goal can be achieved in isolation. For example, mitigating climate change (SDG 13) requires advances in education, health, poverty, energy, and smart cities.

This cross-cutting and multidimensional nature requires international cooperation, rigorous monitoring and continuous adaptation of public policies and business practices.

In practical terms, sustainability manifests itself in policies for the rational use of resources, renewable energy, waste management and recycling, biodiversity conservation, promotion of responsible consumption and social inclusion, all with indicators and targets adapted to local and national realities.

The great contemporary challenge lies in operationalising these principles, transforming ethical concepts into actions, clear indicators and verifiable results that enhance shared well-being without exceeding planetary boundaries. Thus, sustainable development has evolved from a theoretical principle to a social and regulatory requirement, becoming a central reference point for public governance, business planning and active citizenship.

2.3 Triple Bottom Line: Fundamentals, Applications, and Criticisms

One of the most influential proposals for operationalising sustainability was the TBL, developed by John Elkington and Ian Rowlands in 1999. This model represents one of the main conceptual changes in sustainability practices, expanding the traditional focus of companies on profit (economic bottom line) to an integrated approach that considers, in a balanced way, three fundamental pillars (called the “3Ps”): People, Planet and Profit. Historically, TBL emerged as a response to the unsustainability of the business model focused exclusively on financial results, bringing the challenge of simultaneously measuring and optimising the economic performance, environmental impact, and social respon-

sibility of organisations. This approach has evolved as a conceptual and practical tool that guides governments, companies, and NGOs in decision-making, incorporating goals and indicators to assess and report results in all their dimensions, in a transparent and responsible manner.

The People pillar (social aspect) encompasses ethical commitment, fair labour relations, respect for diversity, gender equality, dialogue between communities, employee well-being and the social impact of operations. Practical indicators of this pillar include fair wages, health and safety, inclusion, training, volunteering, and community involvement.

When the focus is on the Planet (environmental component), efficient management of natural resources, reduction of waste and emissions, adoption of renewable energies, water management, biodiversity conservation, and mitigation of the ecological footprint, among others, are considered. Practical indicators include energy consumption and sources, waste management, recycling, use of recycled materials, carbon footprint, and environmental risk mitigation plan.

Finally, the Profit pillar (economic aspect) aims to assess beyond immediate profit, including sustainable value creation, financial efficiency, innovation, risk management, and the creation of shared value with society. Practical indicators include cash flow, sustainable profitability, process efficiency, application of innovation, green investments and return for stakeholders.

There are several possible examples. In multinational terms, companies such as Unilever integrate environmental and social goals into their annual reports in order to publicise their sustain-

ability policies. Cities such as Copenhagen implement “green” fiscal policies and strategic plans for sustainable mobility.

At the national level, Sweden combines high GDP per capita, low poverty rates and strict environmental policies, including carbon taxation and heavy investment in renewable energy (OECD, 2020). India, on the other hand, despite rapid economic growth and significant social advances, faces serious environmental challenges such as air pollution and water scarcity, as well as persistent income inequalities (World Bank, 2022). These examples show that the successful application of TBL depends on institutional conditions, financial resources and established political priorities.

Table 2.1 *Balancing People, Planet and Profit: Comparative Cases of Sustainable Development*

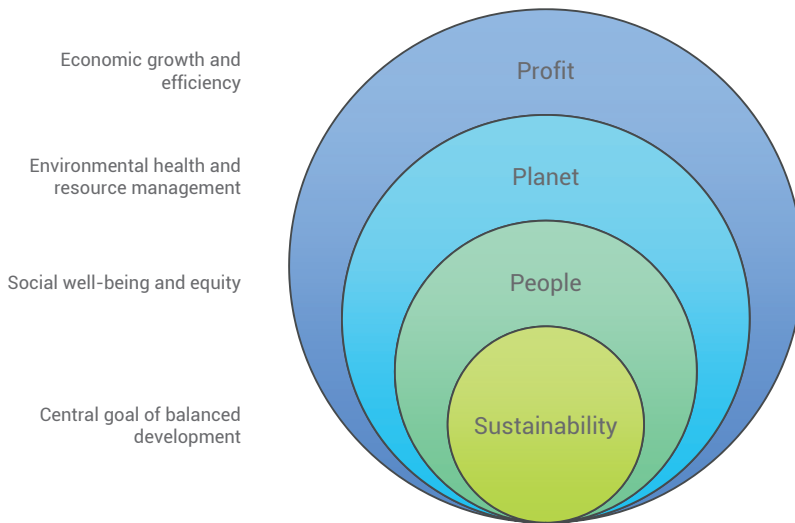
Case	People (Social)	Planet (Environmental)	Profit (Economic)
Unilever	Equal pay, workplace well-being	Waste and carbon reduction	Profitability through ESG innovation
Copenhagen	Inclusive mobility	Green taxation, clean energy	Sustainable urban growth
Sweden	Gender equality, robust education	High renewables, low footprint	High GDP/capita
India	Rural employment, inclusion	Reforestation, clean energy	Accelerated economic growth

Source: *Authors’ elaboration based on OECD (2020), World Bank (2022)*

Beyond business practice, the TBL model has inspired the formulation of public policies, responsible investment models, sustainable product and service design, and projects in the areas of the circular economy, labour inclusion, and innovation in social benefits. TBL and its practical methodologies have become essential for legitimising long-term sustainability strategies, establishing them-

selves as a benchmark for governments, companies and organisations seeking a balance between profitability, inclusion, and environmental protection, in a logic of shared value for present and future generations.

Figure 2.4 *Triple Bottom Line Diagram*



2.4 Implications for Strategy and Public Policy

One of the most influential proposals for transforming sustainability into measurable practice was the TBL model. The model represented a true paradigm shift: instead of evaluating success solely on financial performance, it proposes an integrated approach that considers, in balance, three fundamental pillars (the '3Ps'): People, Planet, and Profit. This expansion challenges companies, cities, and governments to relate economic profit, social responsibility and environmental impact within a single decision-making and reporting framework.