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Policy pointers

Green policymaking that does not explicitly take account of social concerns and priorities is likely to result in significant costs for people living in poverty.

Social safeguards such as cash transfers can be critical for offsetting transition costs, but may fail to reach the worst off and are usually insufficient for achieving long-term poverty reduction.

Integrated policies for social and environmental goals are far more likely to produce valuable co-benefits, at a lower cost than separate approaches and with more lasting gains.

Policies that aim to address the structural drivers of deprivation and inequality can generate green and socially transformative outcomes.

Securing social justice in the green economy

Green economy and green growth policymaking are moving to the centre of many national development strategies. But policymakers often fail to take sufficient account of the social implications and costs of such policies — and miss valuable opportunities for social synergies, to the detriment of people living in poverty. Diverse country experiences of green policymaking demonstrate a spectrum of approaches, ranging from no social analysis or action, to pursuing transformational social change. This briefing draws on learning from a wide range of national case studies to propose ten guidelines for promoting national strategies and policies that are both green and just.

Green, yes — but is it socially just?

The goal of sustainable development remains at the heart of international policy dialogue, with attention focused on drawing up sustainable development goals. Achieving sustainable development calls for the simultaneous pursuit of poverty reduction and environmental sustainability. As illustrated in Figure 1 (overleaf), these twin priorities have many mutually reinforcing linkages (indicated by + signs), but also some potentially counteracting pressures (indicated by – signs). The net effect largely depends on how policies for pursuing both social and environmental goals are designed and implemented.

Green policymaking has gained significant traction in recent years; many low- and middle-income countries are collaborating with international agencies and donors to draw up national green growth or green economy strategies. These strategies have tended to focus on raising economic growth while reducing the intensity of greenhouse gas emissions, and are becoming increasingly central to national planning, from Ethiopia and Mozambique to Barbados and Vietnam. This is partly because they focus on

economic development, have the backing of multilateral institutions and create opportunities for attracting international carbon finance.

The major focus of greening strategies is nearly always in the key sectors of energy, transport and infrastructure. Some also focus on agriculture, forestry, resource-intensive manufacturing and recycling.

Instruments for green policymaking across these sectors cover four broad areas:

- **Pricing instruments:** taxes, subsidies, user charges and payments for ecosystem services, which reflect the full cost of environmental resource use.
- **Regulatory tools:** including legal reform, sustainable certification, green standards, public procurement and information policies.
- **Public investment** in resource-efficient infrastructure, skills development and stimulating innovation.
- **Building resilience** by mainstreaming climate change adaptation into government policies, standards and operations.^{1,2}

Rather than reap expected benefits, women and men living in poverty could face significant costs

There is sometimes a presumption that green policies will bring long-term benefits to people living in poverty — by stimulating economic growth, creating jobs and restoring environmental

assets. But approaches to greening key sectors can lead to complex social impacts for diverse groups.³ Rather than reap expected benefits, women and men living in poverty could face significant costs — such as rising

energy prices, restricted access to forest resources and the collapse of the 'brown' sectors in which they worked — while anticipated job opportunities and national investments in green infrastructure may not reach them.¹

Growing awareness of these complex social implications, particularly after the UN's Rio+20 conference, has shifted attention towards ensuring that green policymaking is inclusive — for example, policymakers may include measures to safeguard poor people against potential transitional price hikes or compensate them for reduced access to the natural assets on which their livelihoods depend.⁴ Such measures are important, but they risk defining a narrow approach to social justice in the green transition, which relegates the goal of poverty reduction to a secondary and remedial concern.

There is an alternative. Countries can harness the current momentum of green policymaking to promote a far more integrated approach to addressing social and environmental goals; one that identifies potential benefits and trade-offs in

advance, in order to pursue national development that is both green and just.

A spectrum of policy approaches

Diverse national approaches to green policymaking are on course to produce a wide and often unanticipated array of social outcomes — from exacerbating poverty to promoting transformational social change. Drawing on analysis by the UN Research Institute for Social Development, Table 1 presents four stylised approaches to addressing social concerns in green policymaking.⁵

The four approaches have quite different outcomes for poor people. The first — green policies that involve no social analysis or action — will probably exacerbate existing inequalities and disproportionately affect politically and socially marginalised groups, including women and ethnic minorities.

Safeguarding policies, on the other hand, are often critical during transition phases to ensure no harm in the short term. However, they are unlikely to promote long-term poverty reduction. They may also be designed in ways that underestimate the social and cultural costs of transition, while depending on the (often ineffective) capacity of local institutions to ensure that they reach those most affected.

Policies designed to address both social and environmental goals can generate significant co-benefits, such as creating jobs through land restoration. They are most likely to bring lasting gains when they are designed with the participation, knowledge and practices of the target communities. There will often be a need for

Figure 1. Links between poverty reduction and environmental sustainability

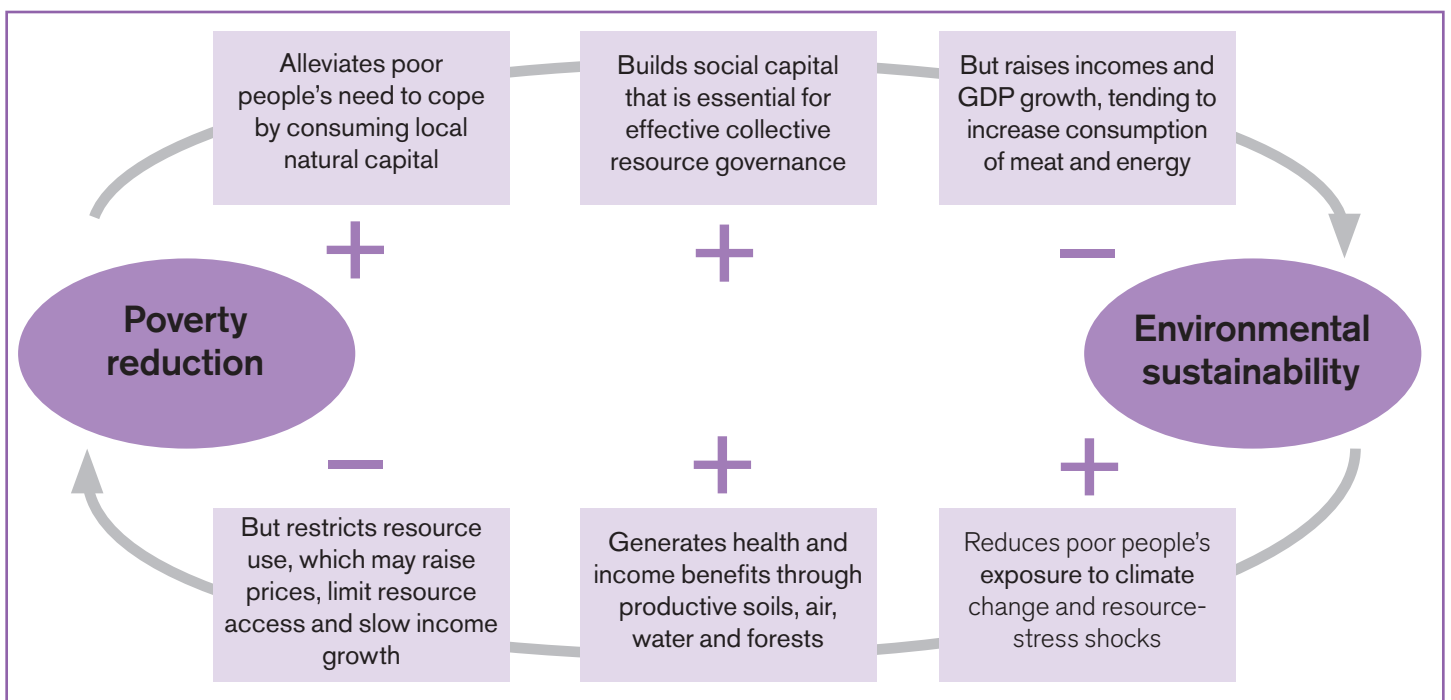


Table 1. Integrating social justice into green policymaking: approaches and impacts

Social content of green policies	Typical policymaking	Common social policy tools	Illustrative case studies
No action Taking no account of social impacts	Siloed green policymaking, without accounting for social impacts	<ul style="list-style-type: none"> no explicit social impact analysis no policy design or implementation intended to alleviate social costs or promote social benefits 	Traditional gazettement of protected areas, removing previous users from hunting and fishing exclusion zones. Carbon offsets and other concessions granted to external or powerful actors, restricting access for traditional users.
Safeguarding Do-no-harm conditions and compensation for the social costs of green policies	Green policy design, with social offsets added on	<ul style="list-style-type: none"> cash transfers social protection redundancy payments micro-finance access enterprise and skill training 	China's National Forest Protection Programme, which has provided redundancy payments for 1 million state forestry workers. Ghana offset the removal of fossil fuel subsidies in 2005 by ending state primary school fees, capping bus fares and raising the minimum wage.
Co-benefits Designing win-win policies for green and social benefits	Policies co-designed for both social and environmental goals	<ul style="list-style-type: none"> conditional cash transfers set in law access to sustainable and affordable energy, water, sanitation, transport and housing sustainable produce certification pro-poor payments for ecosystem services 	India's National Rural Employment Guarantee Scheme, which guarantees poor people – particularly women and ethnic minority groups – 100 days' work per year building community assets. South Africa's Working for Water Programme, which creates 25,000 jobs per year clearing invasive species from waterways.
Social transformation Addressing the structural drivers of social deprivation while also greening the economy	Integrated policymaking that promotes a shared and lasting national prosperity	<ul style="list-style-type: none"> redistributing control over assets labour rights reform tackling women's reproductive care burden deepening participation ensuring procedural justice 	Namibia's 50 community-governed 'nature conservancies', which manage eco-tourism. Bangladesh's Solar Homes Programme, which provides electricity to 2 million rural homes and empowers women as technicians to install and maintain the systems.

capacity building and skills training, to ensure that poor people can indeed take up the opportunities created.

The fourth, more ambitious, social transformation approach may require a change in rules and legal regimes in order to strengthen poor people's assets, rights and empowerment, paying attention to gender and ethnicity. Only then can it shift the structural drivers of deprivation.

There are clear opportunities to move the social outcomes of green policymaking far beyond do-no-harm interventions towards achieving co-benefits and transformational social change. An upcoming IIED/CAFOD review of diverse national experiences suggests ten tentative guidelines to achieve this.

Ten guidelines for green and just policymaking

1. Champion integrated social and environmental policymaking. Generate a

common vision of a shared and lasting national prosperity that is both green and just. Working across government ministries and with diverse national stakeholders, this can best be achieved by enriching ongoing integrated planning and policymaking, rather than demanding a new, one-off strategy.

2. Embrace holistic approaches to planning and monitoring both poverty and the environment. Take a multi-dimensional approach to tackling poverty and promoting the wellbeing of minorities and vulnerable groups by addressing their health, education, income, decent work, living standards, security, empowerment and resilience. Likewise, extend environmental goals beyond greenhouse gas abatement to address whole ecosystem integrity and functionality, and respect for planetary boundaries. Business, government and civil society should all plan and account for their performance against the same basic framework.

3. Get beyond compensation: seek co-benefits and transformational change.

Ask clearly and early: where are synergies between social and environmental goals, and how can these best be promoted? At the same time, explicitly recognise that trade-offs between them will arise, identify who will be affected and focus on ensuring that the process protects poor people's interests and enhances their wellbeing.

4. Be aware of the bias and limits of economic methodologies and market instruments.

Economic valuation tools and cost-benefit analyses are commonly used for designing policy. But they risk overlooking and undervaluing social and cultural goods and services, distributional impacts, and long-term value. Likewise, market-based instruments such as cash transfers may provide critical safeguards, but their effectiveness depends on institutional capacity and procedural justice being in place.

5. Promote poor people's empowerment and address elite power.

Ensure policies and services are co-designed with the participation, knowledge and practice of communities to ensure they meet local needs and interests. Support the smart devolution of natural resource governance to community scale, while promoting equitable governance within the community. Be strategic in recognising and addressing the influence of powerful elites and interests — overt and covert — in blocking, capturing or unlocking the gains of green policymaking.

6. Ensure gender- and ethnicity-aware policy design.

Enable women and minority groups to co-design schemes that are intended to serve their specific needs and interests. Provide skills training and childcare support, particularly to promote women's ability to benefit from opportunities in transitioning sectors.

7. Expand the creation of decent green jobs.

Seek out policy designs that deliver pro-poor returns by considering locally based investments that create jobs at low financial, resource and energy cost. These may be complements or alternatives to capital-intensive, nationally driven investments. Identify job opportunities throughout product life-cycles — from sourcing and assembly to reuse and recycling — to optimise job creation, such as in renewable energy programmes. Promote and enshrine skills upgrading and decent work in law to increase the likelihood of such co-benefits.

8. Consider spacing, timing and phasing. The transition to a green and just economy will not be smooth. Understand the geography of sectoral change: stranded assets, job creation, job losses, induced migration and all their associated opportunities and threats. Anticipate the timing of the start-up and wind-down of social and environmental interventions, to protect communities that are vulnerable to price or regulation change.

9. Support adaptive, context-specific, local policy approaches.

Be adaptive, with flexible, responsive policymaking that can adjust as the impacts of policy measures become clear. Be context-specific, redesigning initiatives to suit each context. At the same time, harness the reinforcing benefits of local change, recognising that successful outcomes are often achieved at local or city scale.

10. Ensure donor policy alignment. Call on international agencies and donors to align their support behind the national or local strategy. They should not set policy prematurely around what they see as 'low hanging fruit'. Donors' domestic and foreign policies — such as biofuels mandates and standards for carbon credits — must also be coherent with developing countries' strategies. In particular, donors' commitments to providing international carbon finance need to materialise in ways that can underpin a diversity of transitions to green and just economies in developing countries.

We address these preliminary guidelines primarily to the many in-country stakeholders involved in making the transition to a green economy. However, at a time when the United Nations, development banks, donors and other international players are devising green economy and green growth programmes for developing countries, IIED and CAFOD suggest they also scrutinise their own frameworks using the above guidelines. Doing so could help international players to sharpen their conception of their own particular roles and identify the complementary actions and partnerships they need to put in place.

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Notes

¹ Dercon, S (2012) Is green growth good for the poor? World Bank policy working paper No 6231 / ² OECD (2013) Putting green growth at the heart of development. / ³ Poverty Environment Partnership (2013) Building an inclusive green economy for all. PEP joint paper. /

⁴ Benson, E *et al.* (2014) Green economy barometer: Who is doing what where and why? Green Economy Coalition draft for consultation. /

⁵ Cook, S *et al.* (2012) Green economy or green society? Contestations and policies for a fair transition. UNRISD.