



Green Economy and Sustainable Development: Bringing Back the Social

UNRISD submission to the UNCSD, 1 November 2011

Social dimensions have consistently received least attention in the triad of issues that define sustainable development. The achievement of the core development goals of poverty reduction, equity and justice require that ecological, economic and social dimensions are rebalanced.

Any transition to a sustainable and equitable green economy will require restructuring patterns of production, consumption and distribution. Social dimensions are critical in driving this transformation.

A 'green economy' that fails to address the root causes of vulnerability, poverty, and multiple global 'crises' will fail to achieve sustainable development.

KEY MESSAGES

1. Social dimensions of green economy are not add-ons, but are central to achieving sustainable development. Bringing social dimensions more centrally into 'green economy' requires recognizing the role of:
 - Social contestation
 - Social impacts and distributional consequences
 - Social policy
 - Social institutions and governance
 - Social action
 - Social alternatives
2. Transition to a sustainable and equitable 'green economy' will require transforming patterns of inequality, exclusion, knowledge and power, accompanied by policies to protect and compensate those adversely affected.
3. Currently, policies that address social dimensions tend to focus, first, on issues of protection and compensation of those negatively affected by certain processes of change, and second, on attaining co-benefits between the three spheres of sustainable development.
4. A third set of social dimensions has received less attention. Social processes related to governance, participation, inclusion, empowerment, mobilization, regulation, knowledge and rights—are key determinants and drivers of sustainability. Policies should also address this third level, as this is the catalyst for transformation that must underpin a fair transition towards sustainable development.



Social dimensions of green economy

By linking green economy with the broader goals of sustainable development and poverty eradication, the importance of social dimensions of development has been acknowledged. But there is often a tendency to focus narrowly on particular social dimensions and to ignore others, or to focus on a 'wish list' of groups, issues, processes and outcomes that need attention. Addressing the social dimensions is either (i) seen largely as a means to achieve other economic or environmental goals, or (ii) is called on to protect or compensate individuals or groups from the negative consequences of other economic or environmental policies. This has resulted in the social dimensions of sustainable development being considered as an instrumental 'add-on' to development policy.

A just transition to a sustainable and equitable 'green economy' needs to go beyond this. It must promote the **transformation** of social structures, institutions and relations that underpin and reproduce vulnerability, poverty and persistent inequalities (in production, consumption, and the distribution and redistribution of resources and power). Centering social dimensions in green economy requires that governments and other development actors address this transformational dimension. The following social dimensions are central for all areas of policy design and implementation that relate to sustainable development:

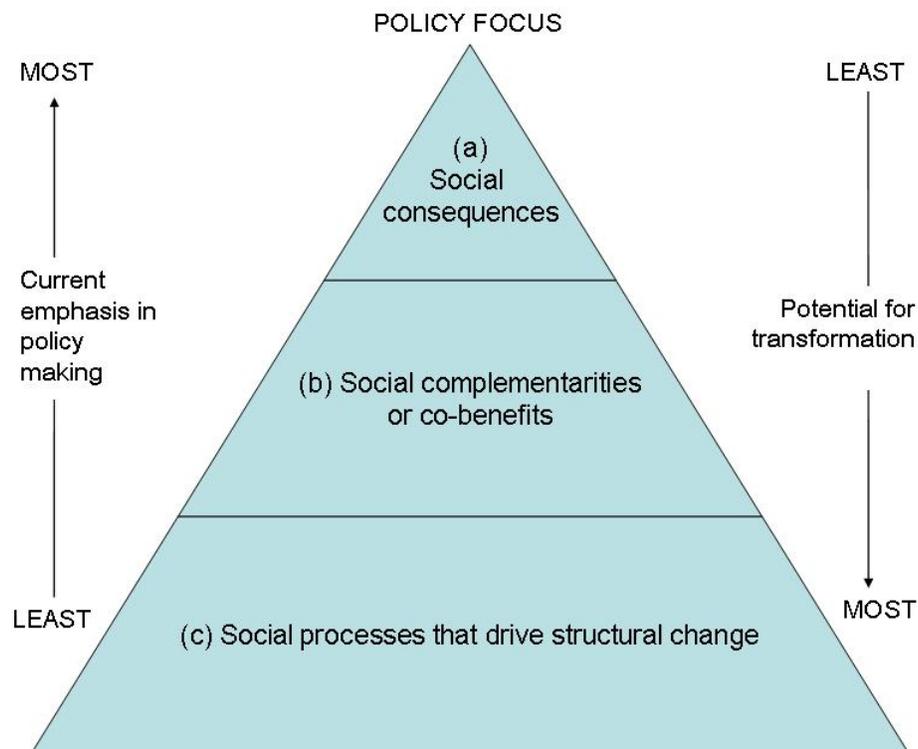
1. **Social contestation:** Green economy concepts, approaches and policies are contested by a wide range of social actors (states, businesses, civil society, individuals or groups), each with different access to power and resources. Who can take advantage of new opportunities, whose voices are represented, who exercises power and who participates in policy decisions in turn affects framing, design and implementation.
2. Unintended and unfair **social impacts and distributional consequences** reflect the fact that there may be winners and losers. This requires new metrics and better measurement of social impacts.
3. **Social policy** (both social and eco-social) has a crucial role in a green economy transition, given its multiple functions related to employment, protection, human capital, redistribution, and care/social reproduction.
4. **Social institutions and governance:** Social relations (including class, gender and ethnicity) and other geographical and historical divides underpin inequality. Key in transforming such relations and ensuring that markets are socially embedded are rights-based approaches and active citizenship associated with participatory governance, decentralization, social accountability and regulation (by states and other social actors in the public interest), building social capital, and working with local knowledge and value systems.
5. **Social action:** The organization and mobilization of disadvantaged groups, as well as broad-based coalitions, alliances and compromises between diverse social actors, are important in determining whether (and how) a green economy transition achieves its goals of inclusion, equality, poverty eradication and sustainability.
6. **Social alternatives** conducive to well-being, economic development and sustainability do exist and need to be acknowledged and supported.



Addressing the social dimensions: A policy framework

Public policy and action to address social issues in a green economy transition can be categorized in three (overlapping) sets of interventions. These aim to:

- a. **Protect and compensate** individuals and groups negatively affected by climate or environmental change, or by the consequences of a green economy transition;
- b. Facilitate **complementarities** or the **co-production of benefits** between economic, social and environmental outcomes; and
- c. Facilitate or support **transformative social processes** that will drive change towards new patterns of production and consumption while improving well-being, strengthening rights and participation, empowering individuals and communities, and ensuring a fair distribution of power and resources.



While all types of policy approach are necessary, analysts, governments and private actors currently focus most attention on the top 2 tiers (a, b) to the exclusion of the third (c) tier. But without attention to (c), the social underpinnings of inequality, poverty and unsustainable development will not be addressed. Fortunately a number of examples provide positive lessons for policy makers and practitioners on how the 3 levels can be **joined-up** (see pages 6 – 8).



Policy and Practice – what works?

(a) In the development field, social dimensions are frequently associated with specific problems that require attention—often as *consequences of environmental, economic or policy change*. Such issues are often defined in relation to categories of people—the poor; those considered vulnerable by reason of age, gender, location or ethnicity; those likely to be affected most directly by climate change (often overlapping categories with the above); or those likely to be disadvantaged by transitions to green economy (e.g. workers in ‘dirty’ industries). Responses are then framed as *protection* or *compensation* of individuals or groups to overcome the adverse impacts of processes or policies, or as *adaptation* to enable the most vulnerable to (e.g. poor households) to better respond to or manage environmental or climate related risks. Examples of such interventions include:

- Social assistance programmes for vulnerable groups, including (conditional or unconditional) cash transfer programmes, or other (in-kind) transfers or safety nets;
- Efforts to support employment, productivity and income generation (possibly linked to adaptation efforts), including productive safety net programmes (as in Ethiopia) and India’s Rural Employment Guarantee programme (NREGA).

While these interventions will remain critical sources of support for poor households, they need to be complemented by other interventions (below). Alone, they represent an approach to social issues as ‘add-ons’ to other policies designed to achieve the ‘core’ economic and environmental goals, and are at high risk of being cut if resources are constrained. These are responses that need to be accompanied by more transformative approaches.

(b) Social dimensions may also be defined in *instrumental* terms—social goals, policies or interventions are introduced to complement or provide co-benefits between the so-called ‘primary’ goals or objectives of economic or environmental development. These ‘win-win’ policies make the link between achieving successes in one policy area with addressing barriers and/or negative consequences in another. It is in this context that we often hear of the need for ‘policy coherence’. Examples include:

- Linking climate and employment via green (and decent) jobs, such as in the renewable energy or clean waste sectors;
- Incentives/ disincentives for green consumption and production, while compensating for negative impacts of such policies; e.g. green energy rebates and green/carbon taxes
- Market incentives/ disincentives to conserve global environmental commons, e.g. Payment for Ecosystem Services (PES) and Reducing Emissions from Deforestation and Forest Degradation (REDD+) schemes
- Eco-social policy, e.g. energy-efficient housing design for state welfare housing;
- Regulation via voluntary standards and corporate social responsibility (CSR), e.g. Fair and ethical trade standards.



(c) A third more comprehensive and transformative approach to social dimensions would be concerned with the ‘drivers’ of change, including:

- **Behaviours of individuals, communities, businesses/corporations, or other actors (societal, state or market) that can reinforce problems or deliver solutions; or**
- **Institutions, governance arrangements, knowledge and power relations that underpin such behaviour and can empower people, as individuals or as collective groups, to achieve social change.**

Beyond policy instruments to influence producer and consumer behaviour, transforming institutional arrangements and processes will be central to a fair and equitable transition. Key issues include the need to redress existing inequalities; the guarantee of rights; the promotion of participatory governance and the empowerment of people in ways that can alter economic and social relations between key actors - states, business and civil society. Furthermore, diverse solutions and alternatives exist; their articulation and scaling-up provide lessons for moving towards more inclusive, sustainable development. Some of these, such as social and solidarity economy projects and livelihood or resource management systems, have demonstrated the possibility of real co-benefits between economic, social and environmental objectives, and often involve the empowerment of otherwise marginalized voices.

For ‘green economy’ to also become ‘green society’, public action—including economic and social policies, as well as the collective mobilization of citizens—must focus not only on *outcomes*, but on the *transformative processes* that will shape, enable or constrain its achievement. This will require attention to:

- Power inequalities and the (re)distribution of power and resources;
- The role of the state vs market mechanisms in regulating nature and society;
- The inclusion and legitimation of diverse forms of knowledge, livelihood strategies, and cultures;
- Governance, rights, participation and empowerment of a wider range of actors.

SUMMARY

Policies to mitigate negative consequences or construct win-win outcomes are often constrained by their failure to engage with wider social processes and institutions. Those that succeed often owe their success to attention to such factors as: the (re)distribution of costs, benefits, power and resources; the recognition of diverse cultures and forms of knowledge; improved and participatory governance processes, including laws, regulation and accountability of business actors; and the mobilization of different social actors to advocate for social change at local, national and global levels.

The following examples illustrate how these factors might be combined in order to achieve poverty eradication in tandem with environmental and economic sustainability.



India: ‘Scheduled Tribes and other forest dwellers (Recognition of Rights) Act of 2006’ and the ‘Draft National Land Acquisition and Rehabilitation and Resettlement Bill’.

India’s rapid growth has often not translated into rural economic growth or gains for the rural poor. Negative social consequences of the development pattern include lack of jobs and livelihoods, and the displacement of people from forests, land and natural habitats. Two state policies aim to address these *consequences* for marginalized and displaced peoples. This case study reveals the context-specific challenges in achieving this.

The *Recognition of Rights Act* recognizes rights to forest dwelling Scheduled Tribes and other traditional forest dwellers who have been residing in such forests for generations – by granting primary power to determine forest rights to the village assembly.

The *Draft National Land Acquisition and Rehabilitation and Resettlement Bill* focuses on land acquisition processes and compensation for land acquired for projects such as hydro-electric dams. This facilitates acquiring commons land for infrastructure development.

Unfortunately, implementation of these policies has at times contradicted the needs and knowledges of forest dwellers in India. In the state of Sikkim, the valuation of land, commons, rivers and ponds as economic commodities contrasts with the nature-based spiritual beliefs of the region’s tribal people, and has compromised people’s rights by threatening spiritual and holy places. In Orissa state, forest assemblies have often not been adequately consulted, and so the most marginalized have not participated in decision-making nor influenced policy choices.

In India, instead of mitigating negative impacts of green growth, these policies have been poorly implemented and have exacerbated inequalities, exclusion and conflict. In this case study, protective measures on their own were not adequate to redistribute social impacts.

-Research conducted by P. Banerjee and A. Sood

Brazil: ‘Araçuaí Sustentável’, a learning and agricultural programme implemented by the Centro Popular de Cultura y Desarrollo (CPCD).

Araçuaí Sustentável aims to reverse environmental degradation and boost the role of agriculture in the local economy, so that the poor can live comfortable and independent lives without having to migrate for employment. It addresses the negative *consequences* of development—such as poverty, illiteracy, landlessness—as a form of marginalisation and lack of citizenship (i.e. social capital), not lack of natural capital.

The programme combines literacy training with a nature conservation programme. It includes a demonstration farm based on the principles of agroecology and permaculture, which produces 28 tons of food per month and demonstrates water conservation, rainwater roof catchment, intensive horticulture, and composting, as well as training and social mobilisation.

The project’s success is rooted in local knowledge. For example, CPCD has organised workshops during which women exchange recipes to make herbal remedies, soap and a range of preserved foods, thus recovering much local knowledge through events that build on what people in the community know. Poverty reduction is based on valorising what is already present in a community, not what is lacking, a very different approach from other aid or state agencies.

The project has been so successful that it has been scaled-up to the regional level, and has led to a well-developed network of paved roads, rural electrification, water distribution, a new market, and a regional transport system.

This example illustrates that addressing social drivers of inequality and valuing diverse knowledges can have successful outcomes for green economy and sustainable development.

-Research conducted by L. Rival



Bangladesh: Green jobs in the off-grid solar energy industry

In Bangladesh, investment is flowing into rural off-grid renewable energy programs, creating a large number of 'green jobs' that aim to preserve or restore the environment while also being decent, inclusive and gender-sensitive. Since the off-grid solar industry began in 1996 more than 800,000 off-grid solar home systems have been installed and 60,000 jobs have been established, including many for disadvantaged rural women.

Co-benefits between green jobs and social outcomes include increased energy efficiency of buildings, shifting employment opportunities to green industries, and a net gain on the job market. The role of rural electrification in alleviating poverty has also shown improvements in health, living standards, household incomes, productivity, employment opportunities for women, and in general, more jobs. In Bangladesh, a driving factor has been the link with microcredit financing by Grameen Shakti, a subsidiary of the Grameen Bank.

However, although improving livelihoods and extending the benefits of electrification are related, most rural electrification programs measure economic and employment impacts of electricity, not of the 'green' industry itself. The social dimensions of the jobs created, such as the total number of jobs, the types and quality of jobs, payments, gender, entrepreneurship, labour conditions and working hours are not well understood. The social impacts of the shift from public to private solutions are also unclear.

This case shows how green economy policies that focus on some interconnections (i.e. links between employment, energy, technology and financing) but exclude other social issues—such as gender, labour conditions and well-being—fall short on delivering equity, poverty eradication and social justice.

- Research conducted by J.R. Siegal, C. Kantz, and K. Bimesdaërfer

UK: Incentives and disincentives for green consumption, 'Transition Towns'

Green consumption policies can be *win-win* policies – generating finance, shifting production, mitigating climate change, and improving participatory governance or 'green citizenship'. Incentives and disincentives (e.g. carbon taxes on goods and services) can raise resources that communities and governments can use to drive locally-appropriate sustainability actions.

In the UK, the 'Transition Town' movement has been described as "the fastest-growing social movement in the UK"; there are currently over 344 in the UK and 859 internationally. It aims to find alternative solutions to peak oil, promote locally based and organic consumerism, and become self-sufficient in energy provision. *Complementarities* include developing public infrastructure, local currencies, community allotments and car shares to help people transition from a reliance on fossil fuels and consumerism. Transition Towns emphasize autonomous organisation at the local level and deliver local services focused on tackling climate change.

Despite some challenges in scaling-up transition towns, they do demonstrate innovative ways to raise resources for climate change that put people at the centre of achieving structural change. To work well, incentives need to be permanent; transparent; accompanied by information; packaged differently according to different groups; flexible and locally relevant; support growth in the voluntary sector; and support the functioning of community groups.

By generating funds through consumption policies such as incentives and disincentives, and using participatory political channels for their disbursement, consumerism can directly feed into strengthening local capacities to devise and implement local initiatives and address climate change.

- Research conducted by A. Merritt and T. Stubbs



Amazonas, Brazil: Success and constraints for REDD+ and PES, 'Bolsa Floresta'

PES and REDD+ schemes address *drivers* of ecologically destructive behaviours through market mechanisms, enabling individuals and communities to be financially rewarded for reducing emissions from deforestation, forest degradation and enhancement of carbon stock.

PES/REDD+ policies can have significant economic, environmental and social *co-benefits*, including improving community livelihoods, conserving biodiversity and protecting water resources. They have received growing investment from a range of actors including the private sector, national governments, multilateral organisations, environmental groups and grassroots actors.

There are also many challenges: the lack of legal frameworks for financing, investment, property rights; the unequal nature of multi-stakeholder consultation, private sector influence, decentralised governance, and community participation in decision-making; recognition of indigenous peoples' substantive and procedural rights and free, prior and informed consent; distribution and achievement of poverty reduction and social justice.

'Bolsa Floresta' exemplifies these tensions. The project is home to 370 families and comprises 589,612 hectares of forest, with hopes to expand to 6,500 families, ten million hectares and 13 protected areas. It is the largest tropical forest REDD/PES programme in the world, and may generate 171 million tonnes of CO₂ credits by 2050. *Protective policies and incentives* modelled on conditional cash transfers ('Bolsa Familia') have been largely successful. But, there is growing discontent from different actors around power and decision-making.

This tension is not limited to Bolsa Floresta, but generally underpins the broader contestation that currently holds up global climate change negotiations around REDD+.

- Research conducted by L. Rival

Worldwide: La Via Campesina, peasant movement for food sovereignty

'La Via Campesina' is an international movement engaging with climate change as part of a broader strategy of *transformation* (i.e. policy/action type c). It involves 200 million peasants, small and medium-size farmers, landless people, women, indigenous people, migrants and agricultural workers, and includes >150 local and national organizations in 70 countries. The movement is driven by communities who are directly engaged in local livelihood struggles—largely small farmers and farmers' organizations—and is an autonomous, pluralist and multicultural movement, independent from any political, economic or other affiliation.

La Via Campesina calls for the transformation of food production and consumption systems to achieve social and ecological goals. They reject the role of financial markets and transnational corporations and demand government action, particularly in redistribution and policy intervention. They see their members (and society in general) as *drivers of change* who are entitled to participation, voice, rights, information and choice. The main goal is to realize food sovereignty—the conviction that small farmers, including fisher-folk, pastoralists and indigenous people, are capable of producing food for their communities and feeding the world in a sustainable and healthy way. Via Campesina has influenced global food and agricultural debates in the FAO and the UN Human Rights Council, and food sovereignty has been recognized as necessary by the UN Special Rapporteur on the Right to Food and the International Assessment of Agricultural Knowledge, Science and Technology for Development.

This example illustrates that (i) empowerment and collective action are key drivers for structural change, and (ii) these networks have developed a strong analytical capacity so that local thinking can connect with global processes.

- Research conducted by N. Bullard and T. Müller