Governance of Markets with Distant Environmental Impacts

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Quick overview...

• Markets for many natural resource products are **systemic drivers** of environmental degradation.

• There is a **governance gap** for these markets.
Green economy and the social dimension

• Statement: A green economy will be one in which patterns of natural resource use are able to be more closely guided and steered, that is *governed*.

• Who will do this and how will it be done?
Typology of a governance response

• Actors and governance arrangements
  – Problem framing (allocation of responsibility)
  – Leverage points
  – Transformative potential
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<th>Labelling/Information provision</th>
<th>Campaigns (boycotts, arrest mobs)</th>
<th>Corporate governance/Soft regulation</th>
<th>Eco-taxes and subsidies</th>
<th>Certification schemes</th>
<th>NGO Industry roundtables</th>
<th>Regulation/prohibitions</th>
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- {X} Supportive/Pressuring role
- X Implementation role
- ~ Potential implementation role
Results of agenda-setting exercise

• All GAs require a greater degree of traceability. This is complex and protracted!

• Some GAs target perceived market failures, others attempt to restructure patterns of production and consumption

• Some actors are constrained by (eg.) the international trading framework, while others might be enabled
Continued...

• Difference GAs suit different natural resource markets (e.g. buyer-dominated vs. producer-dominated)

• There are no silver bullets: each GA can have unintended consequences.
Future research directions

Transformative potential

- Interactions between GAs and institutional settings
- Structural constraints on GAs
- Unintended consequences
- Problem framing/Actor motivations