

Dubai PAGE Conference Parallel Session Report

Social Inclusion and Poverty Reduction – Making the Green Economy Work for All

1. Background

In the Rio+20 Outcome Document the international community recognized that people are at the centre of sustainable development, calling for a world that is just, equitable and inclusive, and committing to work to promote sustained and inclusive economic growth, social development and environmental protection and thereby to benefit all. Eradicating extreme poverty remains the greatest challenge to achieving sustainable development. While the MDG target on the proportion of people living in extreme poverty has been met five years ahead of the target date, at the global level, 1.2 billion people are still living in extreme poverty, and many people who have escaped extreme poverty are still vulnerable, as their incomes have not risen sufficiently to protect them from shocks, including related to increasing climatic and environmental pressures.

As the global development discourse shifts towards eradicating extreme poverty, integrated approaches addressing the environmental sustainability dimension become paramount to ensuring people escape and stay out of poverty. But sustainability is further threatened by degrading resources - fertile soils, freshwater resources, forests and timber, or biodiversity. At the same time, climate change is putting even more pressure on the resources that people, particularly the poor, depend on for livelihoods, health and reduced vulnerability, increasing risks associated with disasters such as droughts and floods.

There is overwhelming evidence that investment and policies promoting sustainable use and conservation of natural resources can benefit the poor and marginalized, and thus be a means of income generation to break the vicious circle of poverty-resource degradation. More recent evidence suggests that while investments in sustainable management of natural resources are necessary, complementary poverty reduction investments are needed to lift the incomes of the poor to accelerate and sustain progress. Issues of gender equality and women's empowerment can also be better targeted through integrated approaches.

Nonetheless, national experiences suggest that, despite all efforts, not all will be able to reap the benefits of growth at the same time and in similar ways. This warrants targeted government interventions to empower and respond to the needs and knowledge of those left behind. A range of government supported integrated, innovative policies and programmes with partnerships around green value-addition, job creation and social protection, including mechanisms for social protection floors, cash grants, and public works have been tried around the world with varying degrees of success and lessons for the future. Implementation challenges must also be addressed so that inclusive green economy policies deliver social outcomes that respond to these fundamental challenges and improve the lives of the poor.

2. Content of the session

The session titled “Social inclusion and poverty reduction – making the green economy work for all” addressed the question of how can green economy approaches help reduce poverty, inequality, and vulnerabilities while ensuring environmental sustainability. Under this overall theme and objectives, the session was guided by the following questions:

- 1) What are good practices for integrating poverty-environment concerns into development planning, financing, and monitoring in ways that help reduce poverty, inequality, and vulnerabilities, and enhance social protection while ensuring environmental sustainability?
- 2) What are some of the tools, institutional approaches, and key actors that countries can deploy to ensure that poor communities and households are engaging in and benefiting from inclusive green economy approaches?
- 3) What integrated approaches are available for green economy-oriented interventions to create jobs, raise productivity and incomes of the poor and what opportunities for knowledge sharing?

The session benefited from panelists representing governments (Cambodia and Rwanda), leading social enterprises institutions (Development Alternatives and SEED Initiative), the private sector and United Nations agencies (ILO and UNDP). The co-chairs were Ms. Coletha Ruhamy, Deputy Director General, Rwanda Environmental Management Authority and Mr. Kees van der Ree, Coordinator, Green Jobs Programme at the International Labour Organization. Panelists were Mr. Vannak Chhun, Secretary of State, Secretary-General and Member of National Council on Green Growth of Cambodia; Mr. George Buma, Policy Advisor, Development Policy Bureau at the United Nations Development Programme; Ms. Helen Marquard, Executive Director, the SEED (Social and Environmental Enterprise Development) Initiative; and Mr. Ashok Khosla, President, Development Alternatives, India.

Mr. Kees van der Ree noted that social inclusion and poverty reduction through a green economy could entail more than a change within the system, but a change of the system, the question being how to translate that vision through national strategies and policies and creating synergies among economic, social and environmental objectives.

Ms. Coletha Ruhamy highlighted her country’s green growth strategy and land policy reforms to allow women access to land, cash grants on a revolving basis (loans without interest), a business development fund (targeting women and youth) along with advisory services, collateral for access to bank funding.

Mr. Vannak Chhun highlighted Cambodia’s strong GDP growth which helped reduce poverty and achieve the MDG target on poverty along with a national social protection strategy for the poor and vulnerable groups. He stressed the important role for government to set the direction to promote a green economy transformation.

Mr. George Buma remarked that more people are living in poverty today than in 2000 when the MDGs were launched. He highlighted six points to link green economy and poverty reduction:

Poverty-environment nexus with plans embedded in existing strategies and policies; growth, poverty reduction and sustainability linkages; the importance of policies; the costing and budgeting policy responses; indicators and measurement framework; and implementation challenges at national and local level – noting that the context of different countries offers different entry points.

Ms. Helen Marquard noted that there are many social and environmental entrepreneurs taking creative action through start-up micro enterprises at the local level – working in partnership with NGOs and local communities - and delivering green economy through social actions that have environmental benefits. She emphasised the importance of Access to finance, access to markets, reporting mechanisms for micro enterprise

Mr. Ashok Khosla stressed the need to promote markets with a human face, based on socially based local enterprises, out of the mainstream economy but with links to it. He remarked that technologies developed in the advanced industrialised countries may not work well in developing country contexts owing to their material and energy consumption intensities. The future for global south lies in rethinking what is a good life and redesigning technologies accordingly as being attempted in countries such as Bhutan.

3. Good Practices, Insights and Lessons Learned

State-of-the-art knowledge and good-practice examples

- Interventions targeted at the empowerment of women with education, rights to land ownership, access to finance and means to earn a decent income as demonstrated by experiences in Rwanda and India were shown to generate high gains for social inclusion and poverty reduction. This includes country experiences such as the « green village » concept in Rwanda which provides for biogas generation, milk production and income generation – a project being scaled up and replicated in other locations to relate 205 families from areas with degraded lands.
- Policy coherence is central to ensure that green economy policies do not operate in isolation, but rather within national sustainable development and poverty reduction strategies and priorities, with clear links to budgetary processes, indicators and measurement frameworks of human well being. Policy coherence also implies a clear translation of the three dimensions of sustainability – economic, social and environmental.
- Participants noted that while there are various experiences with corporate social responsibility, in voluntary or mandatory forms (for example in India), it was important to go beyond current CSR practices and rethink fundamentals of how corporations operate within broader sustainable development goals.
- Countries are gaining experience with programmes deliberately seeking to provide social protection through wage-income for vulnerable communities. The Mahatma Gandhi National Rural Employment Guarantee Act, India (MGNREGA) is one example of programmes providing direct income transfers for guaranteed days of work through public works programmes including in activities related to environmental conservation.

Identified key actors and policies that contribute to social inclusion and poverty reduction

- Interventions to make green economy approaches inclusive and poverty-oriented require action at all levels - international, policy and grassroots with adequate coordination and synergies.
- Many participants noted that mindsets of policy and decision makers are generally driven by indicators of gross domestic product (GDP) or foreign direct investment (FDI), not necessarily how these affect poverty and inclusion. Green economy approaches demand a consideration of other forms of measuring well-being.
- Public, private, and community partnership can lead to success, as in the case of eco-tourism in Trinidad and Tobago, with derived benefits to agriculture and transport and supported by payments for ecosystem services by the government.
- Financing initiatives targeting youth, women and vulnerable groups have proven effective in many cases. However, more important is to ensure the sustainability of financing institutions.
- Interventions must be informed by a triple bottom line: create a decent job; produce goods and services meeting basic needs; help to protect or regenerate the environment, while being profitable.

Opportunities for Knowledge Sharing and Learning

- It was pointed out that the time for “piloting” projects and initiatives is over. There is a good sense of understand what works and what does not work to inform action on poverty and social inclusion.
- There was some common view around a path of learning and achieving change from “do no harm” to “status quo”, then synergies within the current economic framework, and finally a move towards a transformation of economic structures to address issues of what a “good life” is.

4. Key Take Home Points/Recommendation

- Addressing social inclusion through green economy requires a systemic change and redefinition of wealth and well-being. Stakeholders need to be engaged in a dialogue in order to ensure this new vision is transformed into strategies and actions, based on national priorities and possibilities.
- Local initiatives can make the case for a socially inclusive green economy, and the lessons learned from these efforts can be shared with policymakers. Creating synergies between community-led initiatives and government, as well as private sector, civil societies and financial institutions, builds linkages for learning and scaling up good practices.

- Experiences from countries show how the empowerment of women, notably through education, rights to land ownership and access to finance, are crucial for creating an inclusive green economies. Capacity building is required at the institutional and individual level. Thus, governments need to be supported with tools to overcome their implementation challenges. To help them address knowledge gaps, targeted training and awareness raising including with private sector representatives, should be offered. Individual citizens must also acquire skills to help them create sustainable livelihoods.
- Green economy policies need to be linked to national poverty reduction priorities and strategies with adequate costing and budgeting and indicators that allow them to measure progress.

5. References

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