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Environmental Justice and the Green Economy

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Sustainable development – The current situation



Sustainable development – The current situation



The Green Economy!



Sustainable development – The current situation



Outline



1. Key concepts

- The green economy
- Environmental justice

2. The tensions and the synergies

- Some strategies for integration of justice with green economy
- Evaluation of green economy strategies with respect to justice and equality

3. Conclusions

Key concepts: The green economy



No consensus on a single definition, but key principles include:

- Internalizing negative environmental externalities
- De-coupling economic growth from resource use and environmental degradation
- Acting within the Earth's carrying capacity
- Adoption of new measures of progress, prosperity and well-being
- Systems-based and holistic, integrating 3 spheres of SD
- Strengthening resilience and reducing vulnerability
- Ensuring fairness and equity and addressing unjust disparities

(CEILAP study, 2011)

Key concepts: The green economy



UNEP, *Towards a Green Economy:*

«One that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities ...A green economy can be thought of as one that is low carbon, resource efficient and socially inclusive .»

- The green economy does not replace SD, but « achieving sustainability rests almost entirely on getting the economy right »

Key concepts: The green economy



What are the tools and strategies of the green economy?

- Creation of specific enabling conditions, including national regulations, policies, subsidies and incentives, international markets, legal infrastructure, and trade and aid protocols
 - Eg. Policies that force internalization of environmental costs and make polluters/resource users pay for environmental damages (eg. taxes, fees)
 - Eg. Elimination of perverse subsidies (\$400 billion / year in fossil fuel subsidies globally)
 - Eg. Property rights regimes (eg. emissions trading)

Key concepts: The green economy



What are the tools and strategies of the green economy

- Designing new ways to measure progress and economic growth (eg. decoupling of GDP from resource consumption)
- Public investments in sustainable infrastructure (eg. public transport) and natural capital
- Investments in R&D for green technology
- Policies to facilitate creation of, and transition to, green jobs
- Increased resource productivity
- Green procurement policies

Key concepts: The green economy



Developing country perspective: Is the green economy another pretext for green protectionism that will hinder economic development and exacerbate inequality?

Some Indigenous peoples and social justice movements have fought against land displacement brought on by REDD+ provisions and are alarmed that the approach might be expanded in a way that creates greater displacement and disenfranchisement.

Will green economy policies exacerbate existing inequalities faced by the world's poor and disenfranchised communities?

Key concepts: Environmental Justice



Environmental justice:

“The fair treatment and meaningful involvement of all people regardless of race, color, sex, national origin, or income with respect to the development, implementation and enforcement of environmental laws, regulations, and policies.” (US EPA)

Research has shown:

-Income levels are correlated with environmental burdens

Eg. Less affluent populations have greater exposure to environmental disadvantages (Braubach & Fairburn, 2010; Miranda et al., 2011) and health risks due to environmental factors (Pearce et al., 2011; Benmarhnia, 2012)



Key concepts: Environmental Justice



Research has shown:

- Groups that already face inequality are more vulnerable to environmental harms

Examples:

- Indigenous communities and climate change (Furgal & Jacinthe Seguin, 2006; Turner & Clifton, 2009)
- Women and climate change (Haigh, 2010; Duddy, 2008)
- Racialized minorities, women and children in natural disasters (Neumayer, 2007; Hannan, 2002; Ahmed, 2006; Anderson, 2009; Butterbaugh, 2005).
- Children and toxics, smog (Miranda et al, 2011)
- Seniors and heat (Fouillet, 2007).

Key concepts: Environmental Justice



Three dimensions of justice (Schlosberg, 2007)
(Agyeman, 2003):

- **Distributional** (unequal distribution of impacts and responsibilities)
- **Participation and procedures** (inclusions and exclusions in environmental decision-making)
- **Recognition** (devaluation of some people and place identities)

Key concepts: Environmental Justice



Can the green economy be advanced in a way that promotes environmental justice?

Distributional:

- reduces disproportionate burden of environmental impacts
- reduces poverty and income inequality

Participation and procedures:

- Representation of disenfranchised and vulnerable communities and populations (indigenous groups, children, seniors, racialized minorities, women, disabled people, etc.) in public policy processes and decision-making

Recognition:

- respect and take into account the voices and perspectives of these groups

Key concepts: Environmental Justice



Should the green economy be advanced in a way that promotes environmental justice?

- The green economy is not the primary tool of environmental justice – BUT...
- we can be SMART about how we design green economic tools – we have CHOICE – we can select and design instruments that are neutral or favour environmental justice goals, or we can be WILLFULLY BLIND and forge ahead with strategies that will further entrench and deepen existing inequalities
- I think the facts are compelling for the SMART approach

Key concepts: Environmental Justice



- 1 billion children live in poverty (1 in 2 children in the world)
- Almost half the world — over three billion people — live on less than \$2.50 a day
- At least 80% of humanity lives on less than \$10 a day
- 1.3 billion people lack access to electricity
- 2.7 billion people rely on traditional biomass for cooking
- 884 million lack access to safe water
- 925 million are undernourished

Source: www.globalissues.org; McKinsey Global Institute, 2011

Key concepts: Environmental Justice



Income equality gap is growing at the international level

- An analysis of long-term trends shows the distance between the richest and poorest countries was:
 - 3 to 1 in 1820
 - 11 to 1 in 1913
 - 35 to 1 in 1950
 - 44 to 1 in 1973
 - 72 to 1 in 1992

Source: www.globalissues.org

Key concepts: Environmental Justice



...and at the national level

Rabinowitz, 2012 (Israeli case study)

- Individuals in the top income decile responsible for per capita GHG emissions 25 times higher than those of individuals in bottom decile (« carbon inequality » up to 4 times the monetized consumer inequality)

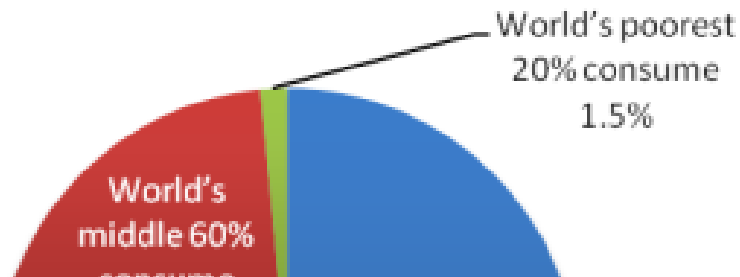
Mackenzie et al., 2008 (Canadian study)

- The size of Canadian households' ecological footprint grows systematically according to their income

Key concepts: Environmental Justice



Share of world's private consumption, 2005



Up to three billion more middle-class consumers will emerge in the next 20 years (McKinsey, 2011)

Source: World Bank Development Indicators 2008

Key concepts: Environmental Justice



Should the green economy be advanced in a way that promotes environmental justice?

We will head into a humanity crisis if we do not

- Eg. food price increases in 2007 and 2008 provoked protests and riots in 48 countries (McKinsey, 2011)

The green economy cannot succeed without cohesiveness, engagement at the community level, and support from the disenfranchised



Tensions and Synergies



Two key questions:

What strategies exist to help the green economy be mobilized in a way that does not detract from the goals of environmental justice, and ideally, promotes them?

Which green economy strategies are most amenable to advancing environmental justice goals?

Tensions and Synergies

Integration Strategies



- 1) ***The right definition:*** Define the green economy in a way that safeguards environmental justice goals: «*An inclusive economy that generates prosperity without surpassing the Earth's carrying capacity and that preserves human dignity and ensures equitable access to resources and wealth.*»
- 2) ***Human rights:*** Pursue a robust set of basic environmental human rights for all concurrent with green economy strategies.

Tensions and Synergies Integration Strategies



3) *Vulnerability assessments*

- The poorest and most vulnerable people on the planet have the least means of coping with and adapting to environmental harms.
- Conduct thorough vulnerability assessments (akin to environmental assessments) to better understand who is impacted by which environmental harms and benefits.



Tensions and Synergies Integration Strategies



4) *Identify data gaps*

We cannot manage what we do not measure.

What are we measuring? What are we not measuring?

Not measuring allows us to keep our blinders on and blunder forward in alleged ignorance



Tensions and Synergies Integration Strategies



5) *Redefine progress and wealth*

- initiatives such as the *Gross National Happiness Index*, the *Genuine Progress Indicator* and the *National Accounts of Well-Being* challenge the dominance of the *Gross National Product* as the key measure of wealth and progress



Tensions and Synergies

Integration Strategies



6) *Enable full, meaningful participation of all communities in decision-making*

Who is at the parliamentary and legislative table?

Who are on international delegations and trade missions?

Who is at the boardroom table?

Who are shareholders?



Tensions and Synergies

Integration Strategies



7) *Conduct systematic analyses of existing and future regulatory, policy and funding initiatives for impacts on poor and other disadvantaged groups*

- What are the distributional impacts of pricing measures?
- Who benefits from tax cuts?
- Who benefits from spending initiatives?



Tensions and Synergies

Evaluation of specific green economy tools



Environmentally effective strategies



- The world's poor and communities that are subject to inequality are often the most vulnerable to environmental harms
- So to the extent that green economy measures help safeguard the environment, this may be particularly beneficial for these groups
- *Are some environmental harms more unjustly distributed?*

Tensions and Synergies

Evaluation of specific green economy tools



Investments in public transportation



- Lower income and minority groups often more reliant upon public transportation
- But care taken at the details level to avoid situation such as that in Manhattan, where 5 of 6 public transit bus depots are located in racialized, low-income communities, leading to disproportionately high levels of respiratory illness, heart disease, child-asthma and cancer rates (Alternatives for Community and Environment, 2010)

Tensions and Synergies

Evaluation of specific green economy tools



Payments for Ecosystem Services



- Households, often farmers, are paid for provision of ecological services (used extensively in Latin America)
- Recent empirical data suggests PES systems can be effective in reducing poverty and generating conservation outcomes (eg. Pagiola et al., 2010)
- Caution re fact that often only available to landowners, and small landowners may have more difficulty participating as compared to larger landowners

Tensions and Synergies

Evaluation of specific green economy tools



Price corrections (i.e. carbon tax, fees for traffic congestion)



- As a rule, they are regressive
- But they are a key part of transforming economy
- Good news is that they can be made fair *if instrument is designed to take equity goals into account*
- Must examine not only impacts of cost increases, but also how revenue is used and whether it is fairly redistributed

Tensions and Synergies

Evaluation of specific green economy tools



British Columbia's carbon tax:

- As of July 2012, it is \$30 per ton
- Revenue neutral – revenue recycled back in corporate and personal tax cuts, a low income tax credit, and a few other measures

The carbon tax (alone) is regressive:

- In 2010, households in the bottom 10% pay 1.3% of their income in carbon tax, whereas the top 10% pay only 0.3%

Low income tax credit insufficient:

- Originally 33% of revenue, now only 12%
- The top 10% of income earners receive more benefits than they pay

SOURCE: Marc Lee, Canadian Centre for Policy Alternatives, Fair and Effective Carbon Pricing – Lessons from B.C. 2011

Tensions and Synergies

Evaluation of specific green economy tools



Carbon taxes paid in British Columbia in 2010

	All households	Lowest quintile	Middle quintile	Highest quintile
<i>Average dollars per household</i>				
Carbon taxes paid (direct and indirect) (\$)	202	144	185	245
Low-income credit (\$)	46	106	42	19
Personal income tax cuts (\$)	57	12	49	88
Corporate income tax cuts (\$)	128	16	41	265
Net carbon tax (\$)	-28	15	54	-212

Derived from M. Lee, Fair and Effective Carbon Pricing: Lessons from B.C., 2011

Tensions and Synergies

Evaluation of specific green economy tools



London's Congestion Fee

- Introduced in 2003
- Fee is £10/day between 7am and 6pm (failure to pay results in a penalty of £60-£180)
 - Exemptions for buses, emergency vehicles, bicycles and alternative fuel vehicles
- Traffic in the 'zone' was 8-21% lower in 2006 than in 2002
- Passengers entering the "zone" by bus increased by 37%
 - In the 2006/2007 year, the charge generated £123 million



Tensions and Synergies

Evaluation of specific green economy tools



Increased resource efficiency



- Rising resource prices and resource scarcity hit the poor disproportionately hard
- Especially in communities that depend on resources for heat, cooking, building or for livelihood (forests, fishing, tourism)
- Caution re the « rebound effect », or Jevons' Paradox (*do we reinvest gains in increased consumption or can we ensure the gains are distributed equitably?*)

Tensions and Synergies

Evaluation of specific green economy tools



Reduction of environmentally harmful subsidies



- Subsidies have distributional impacts: “A subsidy is like a cake of limited size, and if one person enjoys a larger slice, other persons have to make do with smaller slices” (Myers, 1998)
- Reducing environmentally harmful subsidies can help equity goals if accompanied by appropriate job transition policies (eg. retraining, unemployment insurance)
- Should examine where resources saved are directed

Tensions and Synergies

Evaluation of specific green economy tools



Property rights regimes

- Ownership / use rights
- Examples including emissions trading systems, tradable fishing quotas
- How property rights are assigned can have major distributional implications
- May deprive poor of access to common resources essential for survival (see Ugandan REDD+ controversy)
- *Must be very attentive to who is securing property rights and benefits*

Tensions and Synergies

Evaluation of specific green economy tools



Investments in biofuels



- source of renewable energy
- concerns it may divert food away from the human food chain, leading to food shortages and price rises (one study links biofuel incentives with 70% increase in food prices globally, Mitchell, 2008)
- pressure for land may lead to increasingly marginal and fragile land being degraded
- poor farmers face challenges as participation entails a significant amount of investment and they face structural constraints including poor infrastructure (physical and market related), expensive inputs, and poor access to technology and finance.

Conclusions



Green economy strategies that largely ignore equitable goals « business as usual »



An inclusive, equitable green economy supported by environmental human rights

« The green economy needs some trusted gatekeepers »
(Jim Thomas, 2012)



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