

## **The Social Dimensions of Markets in a Fair, Green Economy**

Chairman: Peter Utting (*Deputy Director, United Nations Research Institute for Social Development - UNRISD*) - [utting@unrisd.org](mailto:utting@unrisd.org)

### **Panel Abstract :**

This panel debates the social dimensions of market-based solutions that are often intended to achieve environmental protection and social inclusiveness through economic mechanisms (such as REDD+, PES, carbon markets) and voluntary standard setting, and which are currently being promoted within a 'Green Economy' framework. Speakers discuss the tensions inherent in (a) commoditizing diverse values of 'nature'; (b) valuing carbon at different scales; and (c) facilitating the inclusion (or exclusion) of local and indigenous values, and d) voluntary standard-setting. These dimensions are often excluded from market-based efforts to connect green economy, sustainable development and poverty eradication, and are crucial to consider in the lead up to Rio+20.

### **“Introduction: Social Dimensions of Markets”**

Peter Utting (*Deputy Director, UNRISD*) - [utting@unrisd.org](mailto:utting@unrisd.org)

#### **Abstract:**

Market mechanisms such as REDD+, PES and carbon trading will no doubt play a role in any 'Green Economy' transition, but they must also comprehensively address a broader range of social factors such as power relations and participatory governance in the field of business regulation. While nature can become a source of tradable commodities (resources such as timber, water etc., as well as ecosystem services such as carbon sequestration), it is private actors who often have the most capacity to shape and drive market solutions. How might market-based mechanisms associated with green economy best be governed? How might civil society be better involved in regulating markets and business? Drawing on recent UNRISD research, this paper appraises the role of 'civil regulation' in shaping market relations and the environmental and social performance of business actors. It focuses on both activism targeting corporations and a new generation of multi-stakeholder standard-setting initiatives.

### **Short video: ‘Putting a Price on Nature: Can Markets be Green and Social?’**

This short film provides an innovative look at the key findings and debates arising from the UNRISD Conference on 'Green Economy and Sustainable Development: Bringing back the social dimensions', held in Geneva in October 2011. Length 10 minutes.

### **“Ecological Threats, New Promises of Sustainability, and the Evolving Political Economy of Land Use Change and Rural Development in Latin America”**

Laura Rival (*Lecturer, University of Oxford*) - [laura.rival@anthro.ox.ac.uk](mailto:laura.rival@anthro.ox.ac.uk)

#### **Abstract:**

This paper compares three case studies: Bolsa Floresta, a REDD/PES (Reducing Emissions from Deforestation and Forest Degradation/Payment for Ecosystem Services) forest conservation scheme conceptualized, planned and implemented by Fundação Amazonas Sustentável in the state of Amazonas, Brazil; Ecuador's Yasuní Initiative, a unique example of government-led PES aimed at avoiding carbon dioxide emissions by keeping oil in the ground; and Araçuaí Sustentável, a 10-year grassroots project in the state of Minas Gerais, Brazil, which combats social exclusion with the dissemination of agro-ecological practices among poor small-scale farmers to restore soil fertility while increasing and diversifying their production, thus providing viable economic alternatives to out-migration. The three programmes result from the efforts of social actors who have sought to create innovative, sustainability-enhancing institutions in order to achieve environmental and social policy integration. These institutional experiments thus offer a unique opportunity to study how coordinated, cooperative and integrated policy design works in practice.

## **The Potential and Constraints on the Payment for Ecosystem Services Markets on Aboriginal Land in Cape York Peninsula**

Michael Winer (*Cape York Institute Australia*) - [Mike.Winer@cyi.org.au](mailto:Mike.Winer@cyi.org.au)

### **Abstract:**

In the global arena, improving environmental outcomes at the same time as ensuring social equity outcomes for disadvantaged land-holding groups has become increasingly important. This is especially true in regions with pressing environmental problems populated by low-income indigenous land stewards. The ability of Payment for Ecosystem Services (PES) schemes to lift poor people out of poverty and in particular, the potential for PES schemes to improve social and welfare conditions in remote Australian Indigenous communities, is increasingly being recognized. The paper argues that a new approach to environmental management in Cape York is needed incorporating PES market participation by indigenous landowners. This is because the current framework for environmental management in Cape York is failing on two fronts: by delivering suboptimal environmental outcomes; and constraining the economic development aspirations of traditional owners. Current barriers preventing indigenous communities from participating in the Cape York Peninsula in PES markets—including environmental legislative constraints and the existence of weak underlying Aboriginal land and property rights—must be overcome.