CANARI **POLICY BRIEF** No.14

Supporting Green Economy Pathways in the Caribbean through Action Learning

2013

Green Economy

Summary

Growing financial, climate and social challenges have sparked discussions on new economic pathways for the Caribbean. This policy brief describes how a recently-launched programme of action learning is contributing to these discussions. Emerging out of a regional "dialogue" on green economy, the Caribbean Green Economy Action Learning Group (GE ALG) aims to help governments and other stakeholders progress towards a Caribbean vision of a resilient and sustainable "green" economy. The GE ALG's approach is multidisciplinary, emphasising the deeply intertwined relationship between the social, environmental and economic dimensions of development. As an independent Caribbean-driven initiative, it can link with and complement official governmental and intergovernmental processes. The members of the GE ALG have been selected both for their range of expertise and skills and for their ability to be change agents due to their positions, responsibilities and networks. By deriving learning from concrete actions, the research process itself contributes to change.

Exploring Caribbean development directions through a green lens

The last several years have been rough for Caribbean economies. Their reliance on natural resource-dependent export sectors such as tourism and agriculture make them perpetually vulnerable to global economic shifts and environmental hazards like hurricanes and, over the longer term, climate change. There is evidence of the breaching of some ecological limits due to over-exploitation of resources such as fisheries. Worldwide economic volatility and deepening recession have greatly increased vulnerability. Poverty rates, inequality and attendant social instability are all rising, threatening the progress of previous decades. Caribbean governments and other development actors, facing diminishing revenues, are struggling to respond.

Having known adversity throughout history, Caribbean people have learned to use it to innovate and explore new directions. Given the strong linkages between natural resources and the region's history, political economy and culture, it is not surprising that some of the discussions on new economic pathways are drawing on or framed around "green economy" ideas and concepts. For example, Barbados recently completed a national green economy scoping study, and many of its recommendations are being taken up by Government. The Caribbean Community (CARICOM) in collaboration with UNEP is about to launch a regional initiative to support green economy processes in Member States. And a civil society-led multi-stakeholder regional exchange begun in 2010 has recently moved from dialogue to action learning. This policy brief describes the latter – the Caribbean Green Economy Action Learning Group (GE ALG), which is exploring how green economy transitions can help achieve social as well as economic and environmental objectives.

Confronting the *inclusive* green economy challenge

Green economy has become a development buzzword, one that has different meanings to different audiences. For many, it is about the potential of low-carbon infrastructure, renewable energy, climate mitigation and adaptation, and eco-products to re-stimulate flagging economies. But this "green growth" scenario – essentially expanding the environmental goods and services sector of the economy for its job-creation and income-earning potentials – has not been universally embraced. A lively international debate is going on between those who see green economy as a powerful mechanism for stimulating growth in the current economy and those who want a whole new economy, balancing the social, environmental and economic aspects of development.

One outcome has been a shift in the rhetoric of international development agencies, with the word "inclusive" now tucked neatly into the phrases "green economy" or "green growth". But there is little evidence-based knowledge on how to achieve the inclusive green economy vision, and most of the guidance being offered is focused on the growth side of the equation, apparently with the expectation that social benefits are sure to follow. International actors such as the Global Green Growth Institute, PriceWaterhouseCoopers and McKinsey and Company are developing analytical frameworks to screen for lowest-cost greenhouse gas abatement technologies and ways to attract international climate finance. While these issues are important, they can provide only partial answers to the fundamental development challenges that Caribbean countries are facing, and do not offer much of what is needed for developing a national green economy strategy. By building its research agenda on Caribbean development visions, the GE ALG aims to generate knowledge on how green economy pathways can integrate, balance and achieve social, environmental and economic objectives.

Moving from dialogue to action learning

The GE ALG emerged out of a Caribbean green economy "dialogue", one of several national and regional dialogues implemented by local organisations under the banner of the global Green Economy Coalition. The Caribbean dialogue was organised by CANARI in collaboration with the International Institute for Environment and Development (IIED) and several Caribbean partners. The dialogue brought together a diverse range of stakeholders, including economists, politicians, civil servants, environmentalists, social development actors, sectoral planners and community, private sector and labour leaders. These perspectives came together at a workshop in early 2011, which resulted in a draft "position paper" laying out a vision of a "green and resilient economy" and some opportunities for moving in that direction. The dialogue also noted the need for "a strong research and information base, for understanding the underlying causes of problems and developing effective and efficient solutions".

Over the months following the workshop, CANARI and its partners shared the results of the dialogue widely, through participation in national and sectoral consultations, high level conferences and discussions. But CANARI considered it even more important to generate the knowledge needed to move towards the vision it was promoting.

The approach being taken is one of "action learning", which CANARI has employed effectively in other aspects of its work. Action learning involves structured engagement of change agents in a cycle of research, planning and action in "real" situations, in order to simultaneously assist in practical problem-solving and effecting change; expand knowledge and understanding; and enhance the competencies of the actors involved. Groups address complex problems by bringing together diverse disciplines and experiences, asking reflective and "out of the box" questions, testing new approaches, reflecting on results and lessons, and developing new questions and approaches before finally analysing lessons and recommendations (see Figure 1). Action learning can produce real change through the research itself, and is ideally suited to multi-dimensional challenges that require pooling of knowledge.

Starting with a core group of interested experts, the GE ALG membership has expanded to include around 20 people from throughout the region, with expertise ranging from macroeconomics to urban planning, tourism, agriculture, rural development, gender and climate change. All members are in positions to implement or influence change, and many are already engaged in work that can provide material for action learning.

Ideally, the GE ALG members would have convened early as a group to develop a research agenda.

Figure 1. GE ALG operational strategy. Source: CANARI
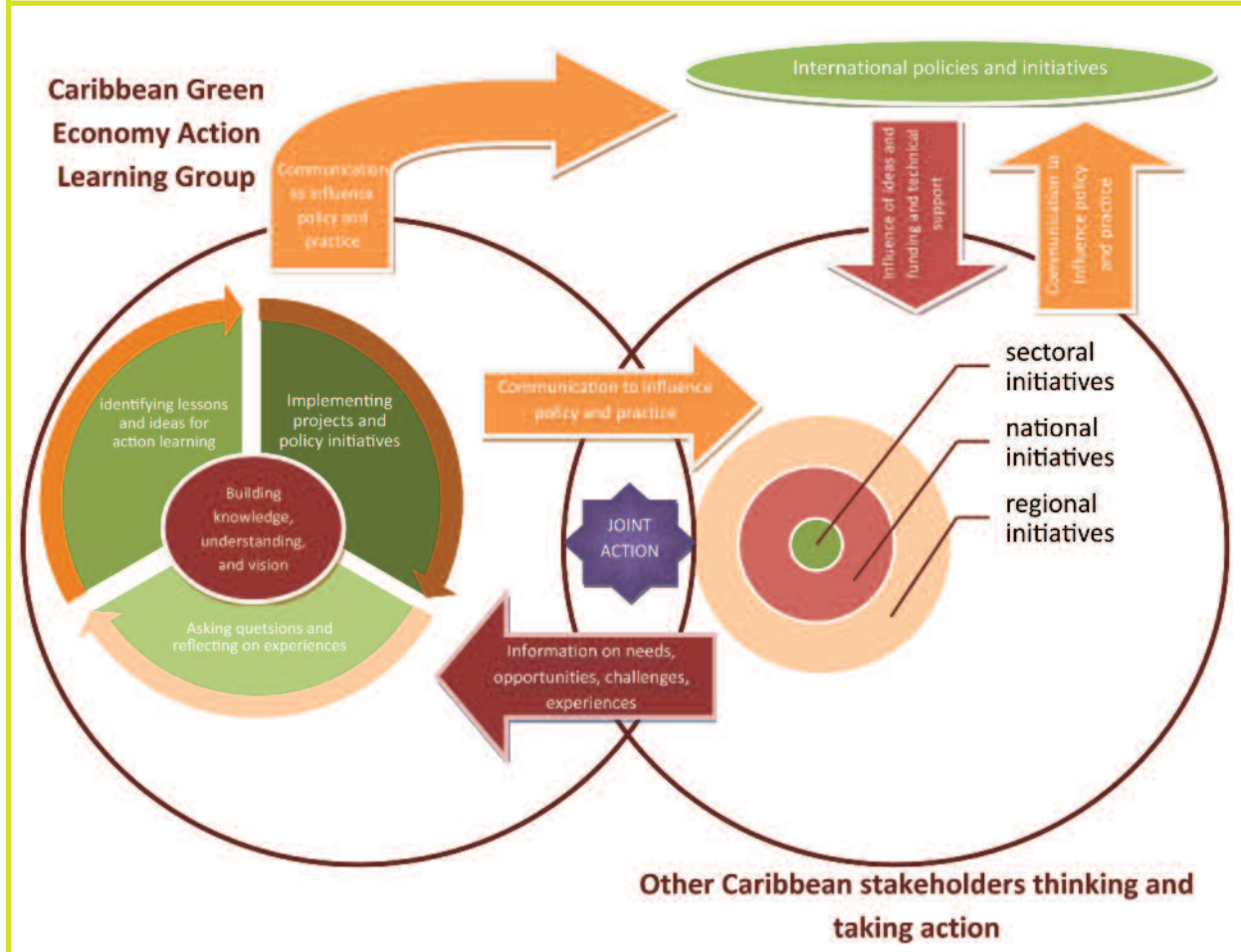
However, with only a shoestring budget, it has been necessary to take an incremental approach. A draft research agenda that identifies the most pressing knowledge gaps has been developed through interviews and electronic consultations with members. Its main research themes include:

- the structure and character of the economy: how to shift it towards green and inclusive pathways?

- the potential benefits of a green economy: where are the opportunities to contribute to poverty reduction, employment and social inclusion?

- steering the transition: how to build capacity for leadership and institutions for intersectoral collaboration?

- measuring progress: what sustainable development targets and indicators and alternatives to GDP are most relevant and feasible for the region?

- social policy: how should social protection be addressed in a green economy?

- energy: how can national and sectoral energy strategies be more sustainable and resilient?

- local economies: what should be the place of small, medium and micro-enterprises (SMMEs) and informal economic activity in a green economy, and how can their role be strengthened?

- trade implications: how can green transitions reduce trade dependency and create new export markets?

From action learning to effecting change: priorities and opportunities

Current and past experiences will provide the learning material for exploring these research themes. A few priorities stand out for immediate attention, given their potential to set the foundation for green economy

transitions and to effect concrete change through action learning. These include:

1. Designing inclusive green economy planning platforms. In the Caribbean, most of the interest in green economy is focused in and on governments. But inclusive green economy visioning and planning must involve a much wider range of stakeholders, uniting, perhaps for the first time, the arenas of social development, sustainable development and economic policy-making. While Caribbean experience in inclusive policy processes is limited, there are a few interesting initiatives to learn from. Barbados and Grenada have long-standing multi-stakeholder institutions providing policy advice on economic development (the Barbados Social Partnership) and sustainable development (the Grenada National Sustainable Development Council) that have achieved reasonably good results. There appears to be scope for bringing green economy policy issues into both these platforms and monitoring the impact on the sectors involved. Through its membership, the GE ALG can see that the learning is shared and can facilitate cross-country capacity support.

2. Applying 'triple bottom line' principles to public and private investment. Almost by definition, green economies generate a balanced and sustainable flow of environmental, social and economic benefits to investors, society and the environment. But the Caribbean has almost no practical experience with 'triple bottom line' (TBL) approaches to investment decision-making, and governments and businesses need guidelines as well as incentives to adopt such measures. The GE ALG can help develop, test and demonstrate TBL methods that are efficient and cost effective. There is potential to collaborate with Saint Lucia's national investment promotion company, which is developing TBL investment assessment tools. In Trinidad and Tobago, an initiative to integrate ecosystem service costs and benefits into national planning frameworks offers scope for learning. And partners such as IIED can facilitate international exchange of methods and experience.

3. Catalysing and supporting sustainable SMMEs. Small, medium and micro enterprises employ most of the region's workforce: farmers, fisherfolk, hucksters, small hoteliers, taxi drivers, craftspeople and many others. Many SMMEs generate social and environmental co-benefits, and virtually all have the potential to do so. But they are getting far less attention then high tech sectors like solar and wind energy, which offer fewer opportunities for poor and untrained workers and less scope for local TBL multiplier effects. The region has some experience in supporting sustainable SMMEs, which the GE ALG can draw on to learn how to strengthen these sectors while incentivizing individual enterprises to adopt green and inclusive practices.

All the above work will also address the wider enabling environment, and the need to strengthen the rights, institutions and incentives for inclusive and resilient economies. This contrasts with the technology- and project-focused approach that has characterised green economy initiatives in many other countries, approaches that often have external interests at the core of their rationales.

In an increasingly crowded global landscape of major international and governmental initiatives, this innovative indigenous approach may be unique. It offers valuable opportunities to learn by doing and mechanisms for sharing that learning with those most likely to use it, as well as regionally and globally. Yet even by drawing on material already offered by its membership and wider network of partners, the GE ALG will be challenged to carry out its ambitious agenda with the limited resources available to it. Leveraging support for the process is thus its first priority.