

DIE/PEGNet Workshop: Green and Social

Effects of environmental-oriented policies
on poverty

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Outline

1. Key Messages
2. Common aspects and differences of the papers
3. General remark on the understanding of poverty/development
4. Questions for further discussion



1. Key Messages

Caetano/Thurlow: The paper shows that current renewable energy plans and the proposed carbon tax level are not enough to allow South Africa to reach its emissions reduction target of 42% by 2025. Both of these mitigation actions are found to have a less ‘devastating’ impact on the economy than was previously thought.

Brandi: The paper shows that certification projects can create substantial socioeconomic benefits for smallholders. Higher income due to higher yields and increased knowledge about palm oil production are advantages that make certification projects valuable. Large-scale environmental benefits focusing on deforestation and greenhouse gas emissions are found to be difficult to achieve. Only small-scale environmental benefits such as reduced usage of agrochemicals seem realistic.



2. Common aspects and differences of the papers

- Policy Instruments
 - Market-based (carbon tax)
 - Regulative (standards)
- Environmental issues vs. sustainability issues
- Level of impact
 - Macro development
 - Household/Individual level



3. General remark on the understanding of poverty/development

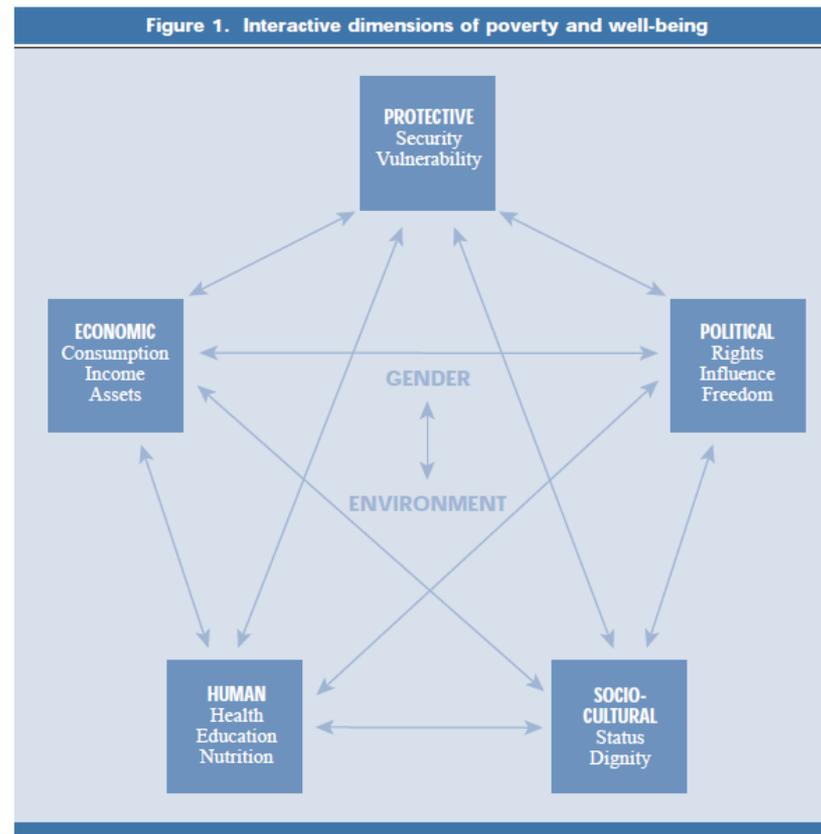
- Socio-economic impact focuses on income and an increase in productivity (Brandi) respectively on GDP growth, income distribution and employment rate (Caetano/Thurlow)



What about other dimensions of poverty?



3. General remark on the understanding of poverty/development



Source: OECD DAC Guidelines
Poverty Reduction 2001



4. Questions for further discussion

@Caetano and Thurlow:

Argument: If South Africa is to meet the challenge of decreasing emissions as well as decreasing inequality a higher carbon tax should be introduced along with a revenue recycling mechanism that would result in increased welfare.

Question: In the paper the importance of the revenue recycling mechanism is emphasized. How can such a mechanism be further included in the model, while addressing the multiple dimensions of poverty?

Argument: Current renewable energy plans and the proposed carbon tax level are not enough to allow South Africa to reach its emissions reduction target of 42% by 2025.

Question: Other than a switch to renewable energy (production of energy), carbon emission reductions can be reached by higher energy efficiency (consumption of energy). How could energy efficiency and technology improvements be addressed in the model? Would this be relevant for households living in poverty?



4. Questions for further discussion

@Brandi:

Argument: In the paper it is claimed that certification projects can create substantial socioeconomic benefits for smallholders.

Question: Socioeconomic benefits are limited to monetary benefits, mainly higher income due to higher yields. What about other dimensions of poverty? Were questions on health, education, participation generally included in the questionnaire/ the research?

Argument: The effectiveness of sustainability standards depends on a variety of factors, some of which go beyond the standards themselves. Factors include how ambitious and strict the standards are formulated, proper implementation, whether the goals pursued are supported by a favorable economic and institutional environment.

Question: What role do smallholder farmers / people living in poverty play in shaping the institutional environment?



Thank you for your attention!