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Competing priorities: trade-offs between “green” and other topics

Marcus Jenal and Dr Shawn Cunningham

Different development programmes have different priorities and goals. Some promote economic development, competitiveness and growth. Some promote green economic development. Some focus on poverty reduction and the inclusiveness of growth. Again others' objectives are to promote women economic empowerment. Yet others look at how to reduce vulnerability and increase the resilience of the economy or that of individual households to disasters and climate change. And finally, there are some that somehow try to include many or all of these objectives at the same time. The Sustainable Development Goals (SDG) define a host of development priorities, and it is challenging to include all of these into a single development effort. With our understanding of the economy as a complex evolutionary system that is embedded in the culture and history of a context (see *Green Economic Development as an evolutionary process*), we can begin to understand that it is extremely demanding to include all these different aims in our development efforts. Even before we consider complexity, we can easily see that there

might be trade-offs, especially given the generally short time horizon of development programmes. Is there a trade-off between growth and inclusiveness? Or between growth and women economic empowerment, at least in the short run or over a project's lifetime? Is there a sequence that we should prefer, e.g. growth over inclusiveness or women economic empowerment over green? What is more important, green development and sustainability or inclusiveness? Do they easily go together? These are all important questions without clear answers. But designing development programmes to promote even one of the aims such as green economic development is challenging. The more dimensions we add to our objective, the more demanding the endeavour will be – unless we find clear synergies between some of these aims.

We recognise that we do not have the answers to all the above questions. However, there are a number of points we can make based on our understanding of the economy and how change happens in society and the economy.



- Systems are open and interconnected. Markets are embedded in society. The culture and institutions of a society strongly influence how their market actors behave and which technologies and business plans will be successful in that market. We can say that the socio-economic system has certain dispositions. We need to try to understand these dispositions within a society in order to design our interventions. In some societies, strengthening the position of women in the economy might be more widely acceptable than in others. The population of one region might be more open to business ideas that reduce the impact of the economy on the local and global environment than others. Understanding these dispositions allows us to start with aspects of development that give us a higher chance to get traction, and we can then add in other objectives later on.
- At the same time, we cannot look at different improvements in an overly reductionist way and try to achieve them in isolation from each other. We cannot first get the economy growing and then look at aspects such as green or inclusiveness. Neither can we first find a better way to include the poor in the market and then strengthen the competitiveness of that market. The one depends on and influences the options we have for the other. Complex systems are path dependent and what we do first influences our options of what we can do later. We need to be vigilant and keep our ears and eyes open to understand how our intervention in one area, e.g. green development, influences another, such as overall competitiveness. We need to make sure that changes are consistent with our aims and values and that our interventions do not lead to unintended negative consequences for some.

- Societies and markets are not homogenous. There is always the potential to find pockets within a given market or region where some things work better than in other areas. For example, there might be companies in a territory that realised the potential of increasing women's access to decision-making positions, which could even have happened without anybody making a conscious decision to do so. There might be other companies who understand that using green technologies can boost their overall competitiveness, for example through reducing energy consumption and wastage. If we find these pioneers, we can understand how they overcome the boundaries that other actors struggle with and amplify this type of behaviour. It is important not just to look at the average company but also at the outliers. An example of such pioneers are firms who adopt green technologies because they recognise that these technologies give them a competitive advantage by reducing cost and/or wastage.

There is no easy solution to the question addressed in this article. However, by improving our understanding of how change in markets and economies happens, we can become better at designing interventions that lead to positive change in line with our development objectives (see *Green economic development as an evolutionary process*).

