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Green Economy: A Tool for Achieving Sustainable Development and Poverty Reduction in Nigeria

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Abstract: This paper tries to examine the importance of green economy as a tool for achieving sustainable development in developing countries like Nigeria. Green economy implies that a substantial part of a country's revenue is earned from the green industry. It is more than mere greening of the economic sectors as it also involves all facets of sustainable development such as improving human welfare. It is therefore concluded that for countries to be economically developed, emphasis must be placed on programmes towards a green economy.

Key words: Green Economy, Poverty reduction, income, Social welfare

1. Introduction

1.1 Concept of Green Economy

Green Economy is defined as one that results in improved human well-being and social equity, while significantly reducing environmental risk and ecological scarcities [1]. On the other hand, green economy implies that a substantial part of the economy is earned from the green industry which entails the production and marketing of floriculture and environmental horticulture crops. It includes greenhouse and field grown flowers and foliage plants, landscape plants, bulbs and turf grass production. The green economy is an economy that pursues growth while also promoting sustainable development through efficient use of resources [2]. It implies an increasing use of agricultural practices that will increase farm productivity and income. A green economy can be thought of as an alternate vision for growth and development; one that can generate growth and improvement in people's lives in ways consistent with sustainable development.

Critically the green economy is more than merely "greening" economic sectors; it is a means of achieving sustainable development imperatives of;

- improving human well-being, securing better healthcare system, education and job security

- increasing social equity; ending persistent poverty and ensuring social, economic and financial inclusion
- reducing environmental risks; addressing climate changes, ocean acidification, the release of hazardous chemicals and pollutants; and

- reducing ecological scarcities, securing access to fresh water, natural resources and improving soil fertility.

1.2 Issues on Green Economy

Generally, developing economies like Nigeria should be concerned that despite its good intentions as a policy instrument for sustainable development and poverty reduction; the "green economy" concept may be misused or taken out of context. There is growing concern about green economy in the country on account of the bourgeoning population with rising poverty and increasing risk of food insecurity and environmental degradation [3]. However, its promotion may give rise to unhelpful or negative developments and these must be avoided. Some of the concerns are

1. One dimensional approach in which the "green economy" is defined or operationalised in a one dimensional manner and promoted in a purely "environmental" manner (without considering fully the development and equity dimensions of sustainable development) and without consideration of the international dimension, especially its negative effects on developing countries. Thus, there is the concern that if the green economy concept gains prominence, while the sustainable development concept recedes, there may be a loss of the use of the holistic sustainable development approach,

2. "One size fits all" approach in which all countries are treated in the same manner. This would lead to failures either for environment, development or both. The levels and stages of development of countries must be fully considered, and the priorities and conditions of developing countries taken into account. Nigeria as a developing country continues to support the view that the principle of common but differentiated responsibility should be respected and operationalised. Thus in considering various principles, policies and targets of green economy, adequate flexibilities and special treatment should be provided for developing countries, such as exemptions, allowance for more lenient

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obligations and the provision of finance, technology and capacity building.
3. Environmental standards constitute another area of risk to green economy concept as developing countries are concerned that the adoption of environmental standards for products may mean that if they are unable to meet the standards, they face the prospect of losing their exports. Unless developing countries are provided with resources and technology for upgrading their environmental technology and standards, they will continue to be penalized. Developing countries need to be fully involved in negotiating and setting international environmental standards and be assisted to comply with them so as to make the green economy concept acceptable.

4. The treatment of subsidies is also another area of concern. Many developing countries are concerned that some developed countries have been providing their companies with major subsidies for the research and development (R&D) of environmentally sound technologies. This puts developing countries at a disadvantage, especially since they lack the financial resources to match the developed countries' subsidies. Given this unfair imbalance in subsidies, the developing countries and their firms would be in an even worse competitive situation if they have to lower their tariffs on environmental products.
Overall, there is a major concern that the "green economy" may be used as new conditionality on developing countries for aids, loans and debt relief. This may pressurize affected developing countries to take on one dimensional environmental measures rather than sustainable development policies that take economic and social development and equity goals into account [4].
There is also the believe that the "green economy" concept has the potential to drive sustainable development, but that in order for it to be meaningful and relevant to developing economies that are faced with the challenge of overcoming poverty, the concept must be guided by and enshrined with a number of principles. In Nigeria, most of the principles are contained in the Agricultural Transformation Agenda of the present federal government. The programme targets to achieve a food secure Nigeria through the agricultural sector that will increase farmers' income. It aims to generate jobs along the agricultural value chain and transform Nigeria into a leading player in global food markets to grow wealth for millions of farmers[5].

2. Major Findings on Green Economy

It has been observed that developing countries like Nigeria are well positioned in the transition to a green economy given their low carbon profile and natural resources endowment. Nigeria is basically characterized by low levels of carbon emissions and relatively low investments in polluting technologies. The over dependence on crude oil has resulted to ecosystem degradation particularly the pollution and destruction of farmlands and aquatic lives in the Niger-Delta region of Nigeria resulting to climate change and impoverishment. Nigeria's transition to a green economy is critical to improving the populace well-being, reducing poverty level, effective utilization and preservation of resources for both present and future generations and creating employment for the teeming number of school leavers. Some major findings on green economy are discussed below;

1 A Green economy is central to poverty reduction;

Persistent poverty is the most visible form of social inequality, related as it is to unequal access to education, healthcare, credit availability, income opportunity and secure property rights. The rising agricultural growth (income) reduces poverty level in Nigeria[6]. From 1986-90, Nigeria had an improved agricultural growth (6.7% per annum) and poverty reduced from 43% in 1985 to 34% in 1989. On the other hand, a decline in annual average agricultural growth (2.4% per annum) from 1990-1996 was accompanied by increased poverty from 34% to 65.6% in 1996.A key feature of green economy is that it seeks to provide diverse opportunities for economic development and poverty alleviation without liquidating or eroding a country's natural assets. This is particularly necessary in developing countries like Nigeria where ecosystem goods and services are a large component of the livelihoods of many rural communities and these ecosystems and their services provide a safety net against natural disasters and economic shocks [7]. Also, greening agriculture in developing countries with emphasis on small-holders can reduce poverty while investing in the natural capital on which the poor depend. Greening small farm sector through promotion and dissemination of sustainable practices could be the most effective for food security, reduce rural poverty, increase carbon sequestration and access growing international markets for green products. It has been demonstrated empirically that even small increases in farm yields contribute directly to reducing poverty based on data from Africa and Asia[8]
2 A Green economy creates job and enhances social welfare: Rising agricultural income can expand the market not only for light consumer goods (radios, bicycles, kitchen utensils etc) but also for manufactured agricultural implements, machineries and inputs [9]. Countries moving towards a green economy are already seeing significant employment creation with existing policies, and the potential could be expanded with further investments into green sectors. Policies targeting small and medium size enterprises (SMEs) hold particular promise, as they account for a large share of employment and employment growth in many countries. In green investment scenarios, agriculture, buildings, forestry and transport sectors would see job growth in the short, medium and long term. [10] estimated that over the next decade, global employment in agriculture could increase by much as 4%.
3 A Green Economy Promotes Enhanced Resource and Energy Efficiency: There is abundant evidence that the global economy still has untapped opportunities in the agricultural sector to produce wealth using less material and energy resources. Greening the manufacturing sector implies extending the useful life of manufactured goods by means of greater emphasis on redesign, remanufacturing and recycling which constitute the core of closed-loop manufacturing. Recycling supports the use of by-products of the production process while also providing alternatives for substitution of inputs in manufacturing. Recycling of materials such as aluminium, for instance, requires only 5% of the energy for primary production. An important and underexploited, near-term opportunity is recycling high temperature waste heat from processes such as coke ovens, blast furnaces, electric furnaces and cement kilns, especially for electric power generation using combined heat and power (CHP). At a broader level, the development of eco- industrial parks

provides a basis for the effective implementation of closed-loop manufacturing at a higher level. All the industries under the manufacturing sector have significant potential for energy efficiency improvements although in varying degree and with varying investment requirements. There are indications that green investments in energy efficiency could reduce industrial energy consumption and make it cheaper.

3. Enabling Conditions

The green economy is believed to be a panacea to sustainable development, reduced environmental risks and ecological scarcities, social equity, poverty reduction and better livelihood [11]. Nigeria as a country must ensure the existence of specific enabling conditions. These enabling conditions are imperative for achieving sustainable development in a green economy. They are as follows;

1. A well designed regulatory framework can define rights and create incentives that drive green economic activity as well as remove barriers to green investments. The regulatory framework can regulate the most harmful forms of unsustainable behaviour, either by creating minimum standards or prohibiting certain activities entirely. Moreover, an adequate regulatory framework reduces regulatory and business risks, and increases the confidence of investors and markets. It is often better for businesses to work with clear and effectively enforced standards, and not have to deal with uncertainty or face unfair competition from non-compliance.

2. Subsidies that have public good characteristics or positive externalities can be a powerful enabler for a transition to a green economy. Green subsidies such as price support measures, tax incentives, direct grants and loan support, may be used for a number of reasons such as

- to act quickly in order to avoid locking in unsustainable assets and systems, or of losing valuable natural capital that people depend on for their livelihoods

- to ensure the realization of green infrastructure and technologies, especially those with substantial non-financial benefits or financial benefits that are difficult for private actors to capture; and

- to foster green infant industries, as part of a strategy to build comparative advantage and drive long term employment and growth

3. The capacity to seize green economic opportunities and implement supporting policies varies from one country to another. A shift towards a green economy could require the strengthening of government capacity to analyze challenges, identify opportunities, prioritize interventions, mobilize resources, implement policies and evaluate progress. To sustain the momentum of a green economy transformation, governments need to be able to measure the progress being achieved. This would require the capacity to develop indicators, collect data, analyze and interpret result for guiding policy development.

Training and skill enhancement programs are needed to prepare the workforce for a green economy transition. A shift to a green economy by definition entails some degree of economic restructuring and measures may be required to ensure a just transition for affected workers.

4. Taxes and market-based instruments can be an efficient means of stimulating investment. Significant price distortion exists that can discourage green investment or contribute to the failure to scale up such investments. In a number of economic sectors, such as transportation, negative externalities such as pollution, health impacts or loss of productivity, are typically not reflected in costs, thereby reducing the incentive to shift to more sustainable goods and services. A solution to this problem is to incorporate the cost of the externality in the price of a good or service via a corrective tax, charge or levy or in some cases by using other market based instruments such as trade able permit schemes. Taxes often provide clear incentives to reduce emissions, use natural resources more efficiently and stimulate innovation[12]. Environmentally related taxes can be broadly broken down into two categories; “polluter pays” focused on charging producers or consumers at the point that they are responsible for the creation of a pollutant, and “user pays” which focuses on charging for the extraction or use of natural resources[13].

5. Creation of agricultural areas in urban and rural areas is a major strategy in improving agricultural productivity and standards. Since the land use act of 1978 vested ownership of lands in urban and rural areas on state and local governments respectively, the two tiers of government should be mandated to create agricultural areas. This will create sustainable jobs for poverty reduction.

4. Conclusion

From the above, we conclude that moving towards a green economy has the potential to achieve development that will meet the needs of the present without compromising the ability of future generations to meet their own needs. The Agricultural Transformation Agenda of the Nigerian government through the Growth Enhancement Scheme is aimed at removing Nigeria from an oil economy which is exploitative to a sustainable green economy.

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