



BRING ON THE DISMAL SCIENTISTS

The Economist magazine calls its main subject matter the 'dismal science'. Dismal or not, economics is at the heart of REDD+. Yet, how many of us in this field have a working knowledge of the topic? Economic literacy is not often near the top of competency requirements in vacancy notices for REDD-related jobs. Should this worry us? A review of articles in a recent issue of the journal ["Review of Environmental Economics and Policy"](#) (REEP) indicates that it should.

Rose and Lubowski look at how the economic models that have been used to predict the extent and impact of REDD+ have changed over the years, from rosy, idealized assumptions after Bali through the gathering gloom of the global financial crisis and the more complex analyses of today, which take account of experiences in the real world.

One of their key messages is that early estimates of the potential of REDD+, based on opportunity costs of changing land use, were simplistic and misleading. Many of these early projections were based on aggregating the results of opportunity cost studies at specific sites. But such studies cannot be extrapolated directly to the regional and global context of REDD+, where macroeconomic factors, capacity and legislative and political barriers come into play. Opportunity costs can indicate the relative potential for REDD+ through different methods or in different locations, but cannot be used as the sole basis for calculating costs or benefits on a national scale.

Furthermore, Rose and Lubowski note that earlier models assumed that a global REDD+ mechanism would emerge under near-perfect conditions – with all countries able to start implementing comprehensive national REDD+ programmes at the same time. In reality, as we know, different countries will be ready at different times, and the methodologies for different activities may not all be ready at once. These imperfect conditions will affect the cost of REDD+ implementation, particularly for those countries that start early.

The authors highlight one key proviso to their conclusions – very few economic models for REDD+ have taken account of the potential for reduced degradation, focusing almost exclusively on land-use change and avoided deforestation. In some countries in this region, such as Cambodia and Viet Nam, where reducing emissions from forest degradation is envisaged as a major part of national REDD+ strategy, all models to date are therefore of very limited use.

Emerging from this analysis is a familiar message – a lot of our discussions on REDD+ are framed by simplistic assumptions which were made several years ago. Given credibility through repetition, it has become very difficult to shift these assumptions, and in this case it requires a certain level of economic literacy to penetrate the arguments. The papers in REEP are not an easy read, but are worth the effort and (like most economists we know) not quite as dismal as you might think.

Go-REDD+ is an e-mail listserv managed by the UN-REDD Programme team in Asia-Pacific, based in Bangkok. The main objective of Go-REDD+ is to distribute information, synopses of research results and activities related to REDD+ in Asia-Pacific, to assist countries in their REDD+ readiness efforts. Old messages will be archived on the [Regional Activities pages](#) of the UN-REDD Programme website. [Discussion forum](#) on Go-REDD+ is available through UN-REDD Programme's online [knowledge sharing platform](#). The Go-REDD+ team welcomes feedback, suggestions or inquiries to goredd.th@undp.org.