

# Connecting Environmental Economics and Policy in Developing Countries

An Interview with Gunnar Köhlin



Co-founder of the University of Gothenburg's Environmental Economics Unit and director of the Environment for Development (EfD) initiative, Gunnar Köhlin talks with *Resources* about how EfD improves policymaking in devel-

oping countries through the use of environmental economics.

**RESOURCES:** How did EfD begin, and what is its purpose?

**GUNNAR KÖHLIN:** At the University of Gothenburg, we started a capacity-building program in environmental economics more than 20 years ago, supported by the Swedish International Development Cooperation Agency. The expectation was that when researchers with Ph.D.s who specialized in environmental economics returned to their native countries, they would not only train the next generation of academics and civil servants but also contribute applied research and policy advice. After some time, we realized that our colleagues instead were lost to university administration and short-term consultancies.

I became intrigued by this problem and spent two years in Ethiopia to see what

could be done to “plug in” our colleagues to various policy processes. I then realized that the highway that RFF, for example, has built from research to policy implementation was filled with potholes in many developing countries. My colleagues at the University of Gothenburg and I identified four distinct gaps that precluded the inclusion of environmental economics analysis in policymaking.

The first was a capacity gap: there just weren't enough academically trained environmental economists at universities and government agencies to carry out such analysis. The second was the resulting analytical gap. The third gap was especially unnerving: even when there was analysis, it was not communicated in the relevant policy contexts—a communication gap. Finally, despite the existence of well-trained environmental economists, important problems to study, and resources from governments and donors, the three were seldom matched—an institutional gap.

The EfD initiative, which we launched in 2007, is designed to meet all four gaps by setting up environmental economics think tanks at academic institutions with graduate programs. Then, it links the researchers to international funding and collaborators while strengthening the interface with the policy processes.

**RESOURCES: What do you see as Efd’s main achievements over the past five years?**

**KÖHLIN:** The results have been amazing. Despite the fact that some of these academic environments initially were very weak, we now have six centers: in Ethiopia, Kenya, Tanzania, South Africa, China, and Costa Rica. In just five years, the centers have produced 120 articles in international peer-reviewed journals, 150 discussion papers, and 40 book chapters. At the same time, our research fellows have been busy teaching thousands of students, and many have been engaged in very important policy processes, such as the revision of the Tanzanian Poverty Reduction Strategy.

**RESOURCES: Efd works in three continents. What is common, and what is unique in the different centers?**

**KÖHLIN:** The actual research questions are surprisingly similar because most of the countries are faced with similar sector policies to evaluate and natural resources to manage. We are now trying to capitalize on this fact by encouraging more collaborative work among the centers.

It also has become evident how different the conditions are in the different centers. The same approach would never have worked for all centers. They all differ in size, staffing, host organization, and policy contacts. From this, we’ve learned that policy impact is not a direct function of number of publications. A good example is the Efd center in Tanzania, which has managed to position itself at the center of a number of policy processes, not through publications but through temporary appointments and government consultancies.

**RESOURCES: Has your involvement with Efd changed how you think about development economics and policy?**

**KÖHLIN:** When we started, we talked a lot about “dissemination” of research results. Many of us saw it as a linear process, in which our economists identified the research question and we then expected policymakers to listen to our findings. That has completely changed. We now emphasize “policy interaction,” where the researchers spend much more time listening to policymakers than prescribing policies. This interaction lies at the heart of the research design. Often the results become truly useful for policy only after a couple of iterations, with a dialogue running over years or even decades.

**RESOURCES: What would you like Efd to accomplish next?**

**KÖHLIN:** We have just developed a strategic plan for the coming five years. The challenge we have identified is to transform Efd from a donor-supported, capacity-building project to an independent, self-sustaining organization. Our vision is to create a “global environmental economics academy” that will attract the best environmental economists working in developing countries. Each research fellow would belong to a center but would not necessarily have to be physically employed there. These centers would be organized in an international consortium, much as they are today—but hopefully with the addition of more researchers and centers. If we get the organization right, we hope to channel much more funding to policy-relevant environmental economics research in developing countries than we see now. ●