
Twenty Years On and Five Years In

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1997 was not only the fifth anniversary of Rio (the Earth Summit) but also the 25th anniversary of the Stockholm Conference on the Human Environment. For those who have been in the environment business all along it could be an excuse both to recall and to recriminate. It is too soon to do that.

However, it is not too soon to reflect on our experience. This article thus attempts to highlight some of the key lessons learned on the way, so as to draw out what I believe we still have to do. As we come towards the millennium I have no doubt that there will be any amount of hand-wringing and environmental doom saying from all the usual commentators. Now may be the last occasion to make a measured assessment before we are into yet more 'globalology' and 'futurology'. We face some real institutional problems and these are the essence of this essay.

In 1972 my then future employer, Barbara Ward, wrote a book with Rene Dubos titled *Only One Earth*.¹ To me she was the prophet of our current agenda. In this she highlighted the tyranny of separating environmental concern from that of human welfare. She also pointed out that environmental decay respects no man made boundaries. She talked, for example, of the greenhouse effect (in rather inaccurate science, it must be added), and foresaw that clean water would be a crunch item, as would the loss of vegetation and biodiversity. She was obsessed with the consequences of urban growth (and indeed subsequently wrote an excellent book on the topic)². At the 1972 conference she had a major hand in helping to resolve the tensions between those who were moved by the pollution agenda in the rich world (the effluence of affluence) as compared with those concerned with underdevelopment in the poor world (the pathos of poverty). Sadly many of those tensions are still with us—a point to which I will return.

What we did achieve at the 1972 event was to start a crusade within the Organization for Economic Co-operation and Development (OECD) to clean up the air, waters, seas, and land within the OECD. Over the 25 years the 'rich' industrialized world has agreed to literally thousands of measures, many of which cross states boundaries, so as to reduce the evident harm we are doing to the

Earth's assimilative capacity. It has to be admitted that human health has been as important a motive in all this as the environment. It was when the US administration could see, for example, health care costs (in terms of cancers) that they did all they could to encourage the 'Dupont Solution' to the ozone hole.³ Now one suspects that the quality of urban air will be cleaned up only when the impact of car exhausts on asthma and respiratory diseases becomes intolerable, no matter how awful the damage to the urban infrastructure becomes.

But, cynicism apart, we do have cleaner rivers, cleaner air to breathe and, on paper at least, a far better armoury against biodiversity loss, marine pollution, and all manner of environmental ills. We also have the so called precautionary principle, the polluters pay principle, and the differentiated but common responsibility concept. Protected areas are now many times greater than they were in 1972 (but all the more needed), and there is even some hope for the whales!

Ten years after Stockholm some of us at the first anniversary meeting (held at the United Nations Environment Programme (UNEP) in Nairobi) realized that there was still a problem when it came to environment and development. For while Barbara Ward had clearly linked environment to human welfare, political and institutional structures had not made the same link. Indeed it was still as if the environment was the reserve of the better off, of nature lovers, and of a few economically illiterate natural scientists. Environment ministers were regarded as second tier in comparison with those in finance, trade, and defence. There was no evident link between economy and the environment in the rhetoric of the time. The result of that dissatisfaction was the creation of the Brundtland Commission (the World Commission on Environment and Development), which once and for all cemented the link between the development (or economic) agenda and that of the environment. It used the term 'sustainable development', borrowed from the first World Conservation Strategy, borrowed in turn from Barbara Ward writing some ten years earlier.

Nowadays many do not like the term as it has been adopted by all manner of folk for all manner of reasons, but we have to admit that the issue of integration was put

on the agenda by the Commission at last.

Perhaps too much now hangs on the term. It is a big topic, and perhaps using the jargon of sustainability does not really help anymore. What the term 'sustainable development' means can be considered as fundamental to resolving long term security issues, organizing the economy, sorting out the basis of governance, and more besides. There are many institutional failures that are implied by the term, but sadly all too few have thought it all through. The term has become almost worthless by containing too much.

In the International Institute for Environment and Development (IIED), my institute, we interpret the term as meaning a trade-off between the social, environmental, and economic imperatives so as to result in the optimal long-term, or intergenerational, outcome for net welfare. All of this has to be achieved by the stakeholders in any given situation. Trade-offs imply winners and losers, give and take. The essential point is that any process to achieve equitable trades has to start at the local level in society, because natural endowments and cultures differ place by place. As endowments differ, so too will the nature of the trade-offs. There is no point in trying to fix, for example, the emission levels for one person living alone on a river in the Northwest Territories at the same level as those who live on the Rhine. Nor is there much point in defining solutions for the average Norwegian and expecting them to apply to the average Namibian.

One problem with the term has been that politicians have tended to leap to the highest level, the international, to find solutions before all the necessary thinking has happened at the local level. Subsidiarity, or decentralization, is fundamental to the process.

After Brundtland we went through, in the period from 1987 to about 1990, the most amazing environmental beauty contest. There was the UK's 'Mrs T', who turned from being the iron lady into a green 'copper' variety, there was Mitterrand and Bush and Kohl, and you name them—all had to be seen to care for the state of the earth. All this political enthusiasm led to the Earth Summit. Those of us in the so-called environment movement were not about to protest.

This was the triumph of the Norwegian prime minister; she made the issues of environment and development politically mainline at least in the OECD (with a little help from her friends in the non-governmental organization (NGO) movement). Indeed the effect of 'Our Common Future' was much wider, as countries as far apart economically as Costa Rica and Brazil, Thailand, and India began to talk openly about the loss of natural resources and the threat to human welfare.

So when all arrived in 1992 in Rio there was some hope

that the world would be seeing some real changes. There was excitement in the process; Maurice Strong in his unique way had engineered a remarkable document in Agenda 21 and had raised the hopes that a considerable sum would be put on the table to finance it (\$US175 billion for each of ten years was one such figure). Then there was the considerable achievement of negotiating the climate and biodiversity conventions (albeit in loose texts) and the accord on forests.

By then all manner of new actors had come on to the scene—the business community (or at least some of the largest multinationals), the local authorities, the development NGOs, many more scientists, and even some economists! Rio was more than a three ringed circus; it was a multi-ringed circus engaged in drawing up texts, conventions, declarations, speeches, and yet more words—the process of change, so one is led to believe!

But there were some real deficiencies in all this wordsmithing. The Canadian broadcaster David Susuki suggests we need a great 'conversation' before we can arrive at any real commitment to fundamental change and in some important respects we are talking of major shifts in the way we trade, redistribute wealth, and even consume. Perhaps so, but for me it was as if the international set had all put themselves (myself included) into a sort of wash mode where words replaced the soap. There was any amount of froth and foam. Everything and everyone was jumbled together into the lather, but then we all became spun dry. And, by and large, we are all still spun dry. When all was over there seemed to be little else other than words and yet more international agreements that went far ahead of countries' abilities to apply them.

At a local and at a national level, where sustainable development happens there were few targets and fewer commitments. This is the explanation for why it has taken literally months to agree so little at this fifth anniversary session of the Commission on Sustainable Development (CSD), why there is an apparent deadlock again between the so-called G7 and the OECD. The NGOs are back to saying 'governments should', 'industry should', 'everybody should but me!', and the governments are saying 'I will if you will first'.

Now we have reached the point at which most accept (albeit with reluctance) that the future has to involve a trade-off between the environment, the economy, and the social or cultural considerations. But who knows how to make the trade-offs locally, how to build supportive national frameworks, to iron out disputes regionally, and finally to act on a global scale? Where we have gone wrong is in confusing global problems with world-wide problems and in thinking we can have sustainable development without incurring any personal costs. Global prob-

lems such as climate change require international solutions. World-wide problems such as deforestation need many local solutions. It is only when all have a codified good practice, for example, to allow for international trade consistent with domestic policy, that we need to have a global agreement. To seek that as the first step is bound to result in nothing more than a codification of the lowest common denominator. Good international agreements—when there is a need to reduce individual states' sovereign powers in favour of a global common good—do not come cheap. It has to be recognized that if something is being done wrong then someone will have to give up the right to do it in future. Those giving up rights will have to see benefits too if we are to avoid conflict. If they cannot, then some form of compensation for foregone rights must follow. Without this, do not wait too long to see global agreements ignored locally. A clear case in point concerns forest lands. How on earth do Europeans or North Americans expect a poor country to give up using their forests for the sake of biodiversity if they have no other source of revenue to pay off their debts, if prices of primary commodities continue to fall and if there is no other land available for their growing populations?

So the first step is to do something serious about local and national capacity building so that the necessary trade-offs can be addressed and the alternatives worked out. We all talk about this need, but how many do it? This is not only a post-Rio failure but one that goes all the way back to Stockholm. As Edward Jaycox of the World Bank suggested in 1993, the capacity-building efforts of the aid fraternity, in Africa at least, have been nothing short of lamentable.⁴ And there are other failures. We know we cannot allow the current wealth gap to grow ever wider and still expect countries to cope with sustainable much less any other kind of development. We need some form of global redistribution of wealth but we don't know how to do it. Freeing trade may help, but it is no answer for those who live outside the market economy (remember, there are over a billion who live in absolute poverty). Increasing aid flows may help, but that leads to dependency and corruption and the export of inappropriate solutions. The problems of the South are not the only ones either. We realize we are up against it with respect to climate change too (or at least we admit it would be foolish just to wait and see if there is change in the offing), yet we dare not really trim back on energy consumption. To do that we know that we will have to address issues of consumption in some sectors and much else besides. Politicians cannot deliver on the issue because electorates won't let them.

We have all come up against institutional roadblocks that stop us moving forward. And so as to appear to be

busy we are all indulging in a mass of 'displacement activities', strategies that remain on the shelf, books that are hardly read, papers that are obscure and academic, indicators that are not used, framework agreements that remain without the protocols, charters and conference reports, resolutions, you name it we have got it—but words do not replace deeds, I am afraid.

So what are the institutional failures that have to be addressed? There are two significant or big failures:

- a method or methods to redistribute wealth on an international scale—addressing poverty;
- a method to look after market failures now that we have constructed an international free trade regime—addressing environment and social issues.

These enormous challenges come down to an extensive series of discreet items, such as :

- methods in the donor governments whereby 'rates of return' and 'efficiency' can be replaced by notions of 'strategic investment' and 'capacity building';
- a set of forums whereby the so called stakeholder groups can come together to sort out 'best bets' rather than sitting across from each other saying 'should', as presently happens;
- a means by which we develop 'civil society' (as a part of the development triad—that is, government, the market, and the rest) so as to result in accountable and transparent and legal governance and a respect for human rights;
- institutions that make it their business to inform us all of environmental trends and risks and solutions (a working UNEP);
- countervailing institutions and rules for those now operating in favour of the market in the World Trade Organization (WTO).

None of these are new and there are many others that space does not allow for. But the essential feature is to give up on hiding behind the term of sustainable development and to begin to get some of the current dispute clearly on the agenda.

For example, no one is quite ready, it seems, to give up on the 0.7 per cent gross national product (GNP) target for development aid. This has become the 'totem' of redistribution. Of course some can walk tall on this one (such as the Scandinavian states), but are we really being quite honest about the target in the first place. Can you imagine how awful it would be if the USA spent 0.7 per cent of its GNP on aid? What would it be used for? To re-create the USA around the world, one suspects, much

as everyone else's aid does now. The reality is that all tie aid, all have horror stories about dams and roads and failed projects. But here is the bind. A real set of progressive reforms have occurred these last few years in the quality of aid flows and as this has happened so the procedures to which the aid operators have to conform have become more onerous. Yet at the same time, in the name of efficiency, so the staffing to do the job has gone down. We cannot have it all ways. Aid is in crisis because the professionals are exhausted and demoralized, and yet in those areas where it works the need for professionalism is all too clear. Bilateral government assistance and the multilateral aid it finances are no route to global equity alone.

Nor is channelling resources to the United Nations. For a start we have two UNs. There is the group which uses the initials and then there is the other group who use words in their title such as 'world' and 'international'. The Bretton Woods institutions seem to have all the power and the UN all the democracy. It is really not very clever. And because of all the democracy, it seems at times as if the UN is not reformable. We shall see. But the signs are not too good, to judge from the recent pronouncements.⁵ We need to work progressively towards one UN for the next millennium, financed in part by some form of automaticity—an airline tax, a climate tax, some way by which we all pay into an institution we trust and respect to execute a redistribution of wealth on an international scale.

And we have to be very careful to ensure that such international 'welfare' payments are not doing what the market should be doing. In the UK there is an advertisement for Heineken beer that suggests it reaches parts the others do not reach. So it should be with aid. It should address poverty and market failures—it should not be a hidden export credit guarantee service. Furthermore it needs to be administered in ways that reinforce the issues of decentralization or subsidiarity.⁶ This will mean endowing new mechanisms for aid disbursement, such as community banks, local trust funds, and local enterprise funds. It will mean relying on local expertise and partners. All of this will be possible only if the treasuries of the North rethink their rules for investing in our common future.

IIED have these past three years been looking at the paper industry as an example of what needs to happen for sustainability. Let me start out by saying that the sector is not doing too badly in respect of energy efficiency, forestry practices, clean technology, and much more besides. But, at the end of the day, to do forestry really well costs money over and above those who 'mine' the forests. What is the company that does it well to do when the

next just rips the resource to pieces? We have the beginnings of a solution in certification and we could have some very stringent eco labels soon. But how long will it be before the WTO says that such standards are not allowed at a national level as they are, in effect, process and production methods used to restrict trade, and thus are out of court under the General Agreement on Tariffs and Trade (GATT)? Many in the industry can see the awful truth, I believe. Global competition will force them to adopt the standards of the worst free rider in the long run. They will need help in formulating a solution if there is to be any prospect of a better future. At present there is no organization to which they can turn, with the weak exception of UNEP. We need to bring the institutional map up to date to match the free-trade reforms we now have. This was a topic that Rio studiously avoided—we can not duck it any more. A failure to address market failures will simply serve all those who want to see a return to protectionism and all that is chauvinistic. If the internationalist minded among us fail to address the issue then we will deserve the right wing world we shall get.

I do believe that there are enough within the commercial world who think it time to sit down with 'civil society' to discuss the options. As it is now, all that is 'multinational' is perceived to be wicked by those in the NGO world. Can we really go on relying on such convenient scapegoats?

Thus, in conclusion, the time has come for us to move away from the lazy generalizations about what is wrong and who is to blame. We now face some very difficult choices if we are to overcome absolute poverty, protect the biosphere and the atmosphere, and live without conflict in an ever more crowded world. We need to rethink our institutions, national and international, in line with the new era we are in. The cold war is over; globalization is with us. Making sure that wealth does not become ever more polarized and the plight of the poor ever more wretched will require great political leadership and cooperation among all. The present institutional framework is not conducive to either.

Notes and References

1. Barbara Ward and Rene Dubos (1972), *Only One Earth* (Harmondsworth: Penguin Books).
2. Barbara Ward (1976), *The Home of Man* (New York: W.W. Norton and Co.).
3. Personal communication from Dr Scott Barrett at the London Business School.
4. Edward Jaycox (1993), *Capacity Building: The Missing Link in Africa* (Washington, DC: World Bank).
5. United Nations (1997), *Renewing the United Nations: A Programme for Reform* (New York: United Nations), July.
6. For a fuller development of this thesis, see Richard Sandbrook (1997), *UNGASS Has Run out of Steam* (London: Royal Institute for International Affairs).