

**THE SOUTH AND
SUSTAINABLE DEVELOPMENT
CONUNDRUM**

**FROM STOCKHOLM 1972 TO RIO 1992 TO
JOHANNESBURG 2002 AND BEYOND**

THE SOUTH CENTRE

In August 1995, the South Centre became a permanent intergovernmental organization of developing countries. In pursuing its objectives of promoting South solidarity, South-South cooperation, and coordinated participation by developing countries in international forums, the South Centre has intellectual autonomy. It prepares, publishes and distributes information, strategic analyses and recommendations on international economic, social and political matters of concern to the South.

The South Centre enjoys support and cooperation from the governments of the countries of the South and is in regular working contact with the Non-Aligned Movement and the Group of 77. Its studies and position papers are prepared by drawing on the technical and intellectual capacities existing within South governments and institutions and among individuals of the South. Through working group sessions and wide consultations which involve experts from different parts of the South, and sometimes from the North, common problems of the South are studied and experience and knowledge are shared.

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FOREWORD*

The 2002 Johannesburg World Summit on Sustainable Development (WSSD) is the third global conference on environment-related issues in the last three decades. It is a further, important stage in the process initially charted and launched by the 1972 Stockholm Conference on the Human Environment (UNCHE) and carried forward by the 1992 Rio Conference on Environment and Development (UNCED).

Today, as in the past, the same basic issues that have been central to North-South debates on environment and development over these past three decades are once again stirring passions and controversy. The preparatory process, especially the final meeting of the Preparatory Committee for WSSD, held in Bali in May 2002, as well as the Johannesburg Conference itself were characterized by major disagreements between the North and the South, which ultimately proved impossible to bridge. The developing countries were unhappy, in particular, by what they felt was a negative stand of some developed countries and their reneging on earlier commitments and decisions.

During the preparatory process, as in the case of the 2002 Monterrey U.N. Conference on Financing for Development, the developing countries experienced some difficulty in articulating and defending their views. Nor did the Draft Plan of Implementation for the WSSD allow much scope for their major concerns to be properly reflected, given the need to be sensitive to the views of the major countries of the North and what their respective governments were prepared to consider.

* The initial version of this foreword used in the pre-publication version of the text written prior to the Johannesburg Conference has been slightly modified to take into account the fact that the Conference had taken place.

The Bali confrontation was useful in the sense that it brought to the surface the existing divisions. It alerted the international community of the need to lower its expectations from WSSD and to be prepared for what may prove to be yet another difficult North-South encounter. It also signalled that the stakes are getting higher and that some of the earlier policy achievements may be in question.

It is in this context that the South Centre felt that on the very eve of the Johannesburg Conference it would be useful to publish this volume, offering a brief overview of the underlying themes and controversies dividing the North and the South, in what is genuinely a global systemic problematique, which needs to be dealt with in a holistic manner, and thus involves most of the issues on the multilateral agenda. The use in the title of the word “conundrum” -- a puzzle or problem intricate and difficult of solution -- is meant to convey the complexity and intrinsic difficulty of sustainable development challenges cast in the context of North-South relations. And, indeed, the proceedings and outcomes of the Johannesburg Conference provided a vivid illustration of the intensifying conundrum and the related tensions and conflicts.

One of the aims of this publication is to attempt to explain the essence of the developing countries’ perspective, and correspondingly, to highlight their concerns regarding the manner in which the international sustainable development agenda has been evolving. As such, it should prove useful to the Group of 77 as it confronts the challenge in the post-Johannesburg period. The recognition of these issues is also necessary to any serious attempt to overcome the North-South impasse and work out a sound basis for international cooperation on sustainable development in the future.

The issues, outcomes and formulations -- which span a period of 30 years -- are not well known, including to many of those now engaged in today’s debates and negotiations. This may be due to the intrinsic complexity of the issues of sustainable development, and the usual disciplinary, sectoral, institutional, spatial

and temporal divisions that make it difficult to grasp the whole picture, and the preference to deal with what is considered as manageable and practical. There is also an ideological reluctance to consider the whole, for this ineluctably opens the entire spectrum of issues -- in particular those having to do with the functioning of the world economy -- to questioning and consideration and therefore could be seen as challenging the system and the status quo. Since the relevant approach to the issue of environment, as originally conceived at Stockholm, is grounded on the global systems or holistic perspective, it is not surprising that there exists considerable resistance to its application and preference for dealing with issues and problems without worrying about interrelationships and cause-effect linkages.

In fact, the process launched by the 1972 Stockholm Conference, including its underlying conflicts, is characterized by a marked continuity and interdependence of issues, which this composite volume aims to illustrate. These issues are even more topical today than in the past. They cannot be wished away, and will remain at the core of the environment-development or sustainable development problematique in the years and decades to come. They have the potential to evolve into an important new dimension of the traditionally unequal and asymmetrical relationships existing between the North and the South. They are also central to the North-South relationships which hold the key to global sustainable development outcomes.

The publication begins with some introductory paragraphs written by Gamani Corea, the Chairman of the Board of the South Centre, containing some of his thoughts on "sustainable development". Mr. Corea chaired the so-called Founex Panel of experts in 1971 that produced a report on development and environment, providing a policy and conceptual framework that helped to reduce though not fully overcome the initial reserve of the developing countries vis-à-vis the 1972 Stockholm Conference. He has been closely associated with the related issues and events ever since.

The brief essay by the South Centre that follows is an attempt to highlight the key issues that lie at the very heart of the continuing disagreements between the North and the South, which appeared at first during the preparatory process for the 1972 Stockholm Conference. It is also an attempt to clarify some of the reasons for the underlying feeling of frustration and deception shared by the developing countries, and to suggest possible lines of action in order to avoid a repetition in the post-Johannesburg Conference period of the disappointments with the follow-up action such as occurred in the case of the Stockholm and Rio conferences.

The essay is written in a pointed manner and from a perspective that is commonly shared in the South. It is not meant to review the achievements or advances made over the years; rather it focuses on policy issues. It was inspired by the proceedings of the “Rio+10” Conference held in June 2002 in Rio de Janeiro, organized to mark the tenth anniversary of UNCED and the thirtieth anniversary of UNCHE. The “Rio+10 Conference” took place shortly after the Bali meeting of the Preparatory Committee for WSSD, and in a general mood of concern for the difficulties experienced by the “global partnership for sustainable development”. As the proceedings and relatively disappointing policy as well as action-oriented results of the Johannesburg Conference subsequently demonstrated, such concern was fully justified.

To show the continuity of issues over the last three decades, it was also considered important to reproduce several documents in this publication the contents of which are not widely known today and are not readily accessible in a single volume. These documents state the basic issues clearly, they are topical and of lasting value, and throw significant light also on the situation at the start of the “Johannesburg decade”. They are:

- Report of the 1971 Founex Panel entitled “Development and Environment”.

- Declaration adopted by the 1972 Stockholm Conference on Human Environment.
- Cocoyoc Declaration adopted by the 1974 UNEP/UNCTAD Symposium on Patterns of Resource Use, Environment and Development Strategies.
- “Environment and Development - Towards a Common Strategy of the South in the UNCED Negotiations and Beyond”, 1991 publication by the South Centre, which was produced to assist the Group of 77 in its preparations for the 1992 Rio Conference.

These documents merit careful reading to refresh memory of the environment-development debate and its origins, and to help those who are new to these issues and who often go through a conceptually and intellectually tortuous environment-development exercise before discovering the same “old wheel”. These documents can also serve the developing countries, and their representatives, as a useful reference especially in any effort to elaborate a detailed up-to-date South platform on sustainable development, and in pursuing the elusive North-South “partnership” on sustainable development issues.

SOME RANDOM THOUGHTS ON “SUSTAINABLE DEVELOPMENT”

BY GAMANI COREA

The words “sustainable development” are widely used these days - in the press, at conferences and elsewhere. It is to be the theme of the forthcoming Johannesburg Conference. Yet, it seems to me that there are major ambiguities associated with the phrase. I have tried to set out below some of these that come to my mind at least.

Clearly, the concept attracts universal endorsement since nobody wants “unsustainable development”. Yet, one must ask why the concept of sustainability is linked, almost inseparably these days, with the concept of development alone, i.e. the common goal of the developing countries? It is true that the development process as we have known it puts pressures on the environment and the ecological system. It is also possibly true that if the developing countries, even only the major ones with their large populations, attain the present development levels of the industrialized countries by replicating their living standards and technologies the planet will collapse!

But what does this imply? There are no alternative models they could pursue that could still wipe out the gap in living standards between the two groups of countries. They could, of course, adopt styles of living that are relatively benign from an environmental point of view. But this would translate into one world with contrasting technologies and styles of living -- one for today's developed countries and the other for the developing countries committed to patterns of development and of living that are compatible with sustainability. This would, however, be an unacceptable result from every point of view. The poor would seek to emulate the rich no matter what advice you give them.

What then is the solution? It must surely be a search for technologies and lifestyles that are both sustainable and replicable throughout the world -- subject only to local adjustments and adaptations. This implies that the whole concept of sustainable development is a major challenge to the industrial countries that must show the way to sustainable and replicable technologies and life styles that could be emulated on a global scale. The developing countries themselves must, of course, follow patterns of development that minimise environmental and ecological pressures. They need to be participants of growing importance in the quest for sustainable development. But today it is the developed countries that largely occupy the limited global ecological space that is available whilst the need now is to provide room for others as well. The poor countries cannot be told to largely remain where they are and manage as best they can because "the boat is full". Sustainable development must translate, as said earlier, to sustainable and replicable technologies and patterns of living that are universally relevant. This is the essence of the global challenge presented by the concept.

The observation is often made that the developing countries must be encouraged to minimize the pressures they put on the ecological and environmental carrying capacity of the planet that arise out of both development and underdevelopment against a background of a growing population. This is certainly a valid and necessary task. But its objective cannot largely be to minimize further pressures on the status quo, on the carrying capacity of the planet that has already been largely pre-empted by the historical model of development pursued by the industrially advanced countries. Therefore, a more appropriate theme of the Johannesburg Summit would have been "appropriate and replicable technologies and lifestyles".

THE SOUTH, THE NORTH AND SUSTAINABLE DEVELOPMENT: THE CONTINUITY OF BASIC ISSUES*

SUSTAINABLE DEVELOPMENT POLICY FRAMEWORK CHALLENGED

The 2002 Johannesburg World Summit on Sustainable Development (WSSD) was yet another global encounter in a long series of international summits and conferences in what has been a difficult and, of late, increasingly strained North-South relationship -- which began shortly after the creation of the United Nations more than 50 years ago in the context of the emerging international development agenda. This Summit marked an important juncture in the multilateral process initiated more than 30 years ago to deal with humankind's relationship with the natural environment, a relationship that has the North-South, or centre-periphery relations, at its very core.

The Johannesburg Conference provided an opportunity for a fresh start needed to confront the complex challenges of sustainable development. Yet, the tensions and differences separating developed and developing countries at the final meeting of the Preparatory Committee for WSSD, held in Bali in June 2002, and subsequently at the Johannesburg Conference itself, showed a major and persistent divide between the North and the South on the issues which constitute the very basis of what strategy to adopt and how to implement it.

The unfulfilled commitments related to financial and technology transfers from the North to the South were one of the principal causes of controversy. More importantly, however, the

* A few minor changes were introduced to the original text of this essay which was written before the Johannesburg Conference, and appeared in the pre-publication of this volume distributed at the Conference.

developing countries were worried by the apparent rejection by some key countries in the North of the “common but differentiated responsibilities” principle launched by the 1992 Rio Conference. This is the key policy premise, indeed the pillar on which the “North-South” understanding on environment and sustainable development has been based, the foundations of which were cast at the 1972 Stockholm Conference and further elaborated and strengthened in Rio.

This denial was reminiscent of what happened in the field of trade and development when, as a result of the Uruguay Round, the organizing principle of “special and preferential treatment”, established by UNCTAD I in 1964, was supplanted by the “level playing field” notion. In one stroke, this changed the very character of the trade and development agenda and removed the conceptual and policy foundations underpinning a series of goals and measures of critical importance to developing countries and to their development. The consequences for the South of this fundamental conceptual shift can be witnessed in the World Trade Organization (WTO).

Challenging the notion of differentiated responsibilities in the domain of sustainable development raises difficult policy issues in any attempt to translate the notion of “sustainable development” into reality on a planet where more than two-thirds of humankind live in poverty, subsistence and marginalization. At the same time, a small, economically advanced and affluent minority enjoys lifestyles that are not sustainable if extended on a planetary scale. Its “environmental footprint”, which is global in scope and growing by the day, not only shrinks the space available and forecloses options for the majority wanting to develop and enjoy decent lifestyles, but also places major burdens on the global environment, resulting in worldwide environmental problems that until very recently appeared theoretical and remote. On both of these counts, the issue of planetary equity and distribution is now of central importance.

The developing countries’ explicit unhappiness in Bali, as well as in Johannesburg, may have reflected their mounting frustration

after three decades of negotiations and conferences, with commitments and promises of action which turn illusory and are ignored by the North when they reach the stage of implementation.

They may also be reacting to the increasingly uncompromising tone emanating from the North in the multilateral arena across a whole range of issues, and the related, systematic pressures custom-tailored for individual developing countries to make them “behave”, not to challenge or question the realities and the new order, and to accept and implement prescriptions unilaterally written and pressed from “higher up”.

In the sphere of sustainable development, there is also a sense of irritation on the part of developing countries. They find themselves on the defensive and under mounting pressure and scrutiny by the North -- its governments, its business, its civil society, its media -- and by multilateral institutions often under impulse of the North, regarding environment-related policies. At the same time, except for the domestic pressures of their own increasingly influential civil society groups specializing in given aspects on environmental policy, or of the green political parties, the developed countries themselves are well sheltered, and for all practical purposes are out of multilateral reach and disciplines as regards their own actions and obligations, with the countries of the South, individually or collectively, having no leverage on them at all.

The situation depicted above was to an important degree shaped by the rising tide of neo-liberal globalization that characterized the decade of the 1990s, following the 1992 Rio Conference on Environment and Development.

Originally, the basic framework for approaching the inherently controversial issues of environment and development was worked out in a period when multilateralism was still a declared objective and was operating, albeit in the shadow of bipolar geopolitics and the resulting balance of power and with many deficiencies. It was espoused at a time when the North-South dialogue was functional, when the underlying paradigm of

international cooperation drew its strength from such notions as solidarity, differentiated responsibilities, special and preferential treatment for the countries lagging in their development process, and the need to shape the social, political and economic environment through government and intergovernmental action in order to attain set goals. This was at a time when a hope existed that the democratization of international relations, international system and global governance was in the ascendant.

The 1992 Rio Conference took place at the moment when this period, which inspired it, had already effectively ended. The 2002 Johannesburg Conference met:

- In a different setting, when most of the above paradigm has changed or is being challenged by the North, relying on its power -- economic, financial, political, military, technological and increasingly knowledge-based -- to control and orient the process according to its perception, views and interests.
- In a context where the notion of “level playing fields” is used to engage all developing countries without distinction in the same supposedly competitive game on the basis of identical rules. This game is lopsided and highly asymmetrical. It is dominated by the heavyweights from the developed North.
- At a time when the developing countries are showered with “do it yourself” prescriptions and sermons about good governance, and are told to learn to “swim” in the turbulent waters of the international economic environment without a lifebelt or even a few drops of oil to calm the waters and make their task easier.
- In a period when globalization, modelled and driven by neo-liberal political and economic fundamentalism, encourages patterns of development, consumption and

lifestyles which widen the breach between the poor and the rich, between those who are in and those who are out, and that put at risk the very foundations of sustainable development, including its social, political and cultural aspects. Indeed, for large numbers of people in the South, the direct or indirect effects of globalization have resulted in marked degradation of their micro-environment -- social, economic, political and physical, rather than helping them to overcome the poverty and marginalization trap, and providing them with the means to develop in a sustainable manner.

- In a context where the role of the state is belittled and sovereignty is denied, but in a very selective way and in practical terms mostly for those, essentially in the South, who do not have the necessary power and ability to maintain and defend their state and their sovereignty. The logical extension of this is the weakening of the role of intergovernmental action in the global sphere. The resulting global political, economic and environmental space is progressively occupied by a tight knit group of actors hailing from the North countries -- their governments, their big business embodied in transnational corporations and financial capital -- which seem free to act in a sovereign manner, in particular in the South -- as well as their media. Increasingly it includes their military and security apparatus, which now effectively straddles the planet supposedly to keep in check the mounting security threats. All are riding on the crest of the S&T innovation and knowledge revolution, which is almost wholly based in and monopolized by these same countries.
- In a situation where market-based approaches and solutions are favoured, and where policies and outcomes are determined by narrow interests vying

with each other in a *quid pro quo* bargaining game. The difficulties arise in the global arena when the players are unequal, at differing levels of development, and often with little or no bargaining power, while the policy and negotiating outcomes are largely determined by the ability to wield and exercise power. This power, which now takes different and interrelated forms, is concentrated in the North. It is projected globally and at will. Indeed, the self-assurance arising out of this dominant and unlimited power has given rise to unilateralism, which challenges and is substituting multilateralism which is inspired by the notions of global public interest, solidarity and equity in search of common goals.

Based on these new political and power realities, the “official” North -- though with some significant differentiation within the group -- has been an increasingly reluctant negotiating partner, and even interlocutor, on some of the key issues of foremost interest to the South and that were embodied in the policy outcomes of UNCED -- its Declaration and the Agenda 21.

Efforts are being made to weaken, challenge and rollback the conceptual/policy framework that has underpinned and informed the actions of the international community on environment and sustainable development, and indeed the three-decades old North-South understanding on this matter, the foundations of which were initially cast at the time of the Stockholm Conference and in a rather different configuration of forces.¹

¹ It is very possible, however, that even the initial Stockholm engagement was not sincere or wholehearted on the part of key countries from the North. Recently, as the 30 years old British Government records were declassified, it became known that a secret group of developed countries (known as the “Brussels group” composed of Belgium, Britain, France, Germany, Italy, the Netherlands and the United States) worked to limit the effectiveness of the Stockholm Conference and hold in check its scope and outcomes. The group was not too worried about making the conference a “success for developing

The events in Bali and in Johannesburg, the nature of negotiations, and the policy thrust by some major countries from the North are a reflection of these new realities that have crystallized during the globalization decade of the 1990s.

The solutions and approaches favoured by the North are therefore fundamentally different. They can be briefly summarized:

- It is best to leave the issues to the market mechanisms and processes to resolve, with some corrective actions at the margin (end of the pipe approach) and by relying on technological advances.
- Developing countries should improve their governance and should pull their act together domestically, including through technical assistance from the North for “capacity building”, and in this process should rely increasingly on the private sector, and particular the transnational corporations from the North who have, or will develop, knowledge and solutions needed to deal with diverse challenges of sustainable development and so should be brought into partnerships with the public authorities to provide their services and know-how.

Leaving sustainable development challenges faced by the developing countries to their own efforts and improved governance and to the market and dynamics of globalization to resolve, and foregoing the central and decisive role for intergovernmental action, in particular of the regulatory kind, seems to be the preferred approach emanating from the major power centres in the North today.

With the South having no effective levers of influence, or bargaining power to press the developed countries and impose conditionalities to influence their individual or collective actions and

countries”. “The filthy rich, how developed nations plotted to undermine global pollution controls”, *New Scientist*, 5 January 2002, p.7.

behaviour, and with the principles of differentiated and historical responsibility denied, it becomes possible for the rich and powerful to state openly that their lifestyles and national interests are sacred and non-negotiable sovereign rights.

The effective policy and operational control by the North of multilateral institutions, and increasingly of the United Nations, has eliminated a potentially influential voice and leading advocate for sustainable development and for common and shared interests of humankind, a role which the U.N. and the U.N. system played with distinction at the Stockholm and Rio Conferences. It has also led to diverting U.N. attention from global and systemic issues, orienting it to specific problems, predominantly in the South.

The bilateral and multilateral development assistance that the North currently dispenses in dribblets to the countries of the South, is progressively loaded with different sorts of conditionalities, including those that concern their political choices and domestic governance. The foreign direct investment (FDI) and other capital flows which the South needs and which the North can both encourage or discourage through multiple instruments, incentives or disincentives; the external debt burden; the trade-related regimes in WTO and the de facto tightly controlled access to Northern markets; the emerging global regime for protection of intellectual property and knowledge; etc., all constitute a powerful array of tools for influencing, controlling and shaping policies and actions of the countries of the South in virtually all domains, including those having to do with sustainable development.

In sum, the overall political and power context, together with the now dominant neo-liberal globalization paradigm favoured by the North and projected worldwide, are not in harmony with some of the basic policy premises contained in the Stockholm-Rio declarations and plans for action. Nor are they responsive to the expectations of the developing countries concerning what role the North -- whom they see as being chiefly responsible for global environmental predicament -- and the international community should play in supporting, directly and indirectly, their actions and

sustainable development objectives in the South. This has led to a widening policy divide on sustainable development between the North and the South.

THE SOUTH-NORTH ENVIRONMENT DIVIDE

Today, thirty years after the 1972 Stockholm Conference and ten years after the 1992 Rio Conference, the developing countries are dissatisfied with the follow-up action and feel that the commitments agreed to by the international community have not been honoured by the North.

There are several principal, interrelated aspects of the growing disappointment of developing countries regarding this unfulfilled bargain.

- *International development agenda.* It was originally agreed that the implementation of the international development agenda was one of the prerequisites for the developing countries both to overcome the poverty-related environmental problems and also to be in a position to follow environmentally-sound patterns of development. The interruption of the North-South dialogue, the removal from the international development agenda of key issues and concerns for the South, and the passing of responsibility for sustainable development entirely onto developing countries while overlooking the challenges and impacts on them of the international economic environment, is perceived by the developing countries as depriving them of the critical support they need in their efforts to embark on a path of sustainable development. Poverty alleviation, as a new slogan of the international community, has been left to the dynamics of the spontaneity of globalization, with the assumption that all “boats will rise” in the process. Marginal interventions on the micro level to alleviate poverty, make little or no difference in the broader context without the necessary structural and macro approaches by the international community to key global economic issues and processes, to make them supportive of development.

- *Additional development assistance.* The key aspect of the North-South understanding on environment and development, and the principal outcome of the Stockholm and Rio Conferences concerned the need for the North to help by paying a share of the price tag of what has to be done by the South to promote sustainable development. This support, which was to come in the form of “additional” financial resources, i.e. “additional” to traditional ODA, has not materialized. Indeed, even the traditional ODA has been on a steady decline, both in terms of quantity and quality while resources for “environment-related” actions, which are lumped together with other flows that go into calculating ODA, amount to a mere trickle in absolute terms, not to mention relative to real needs. They are increasingly loaded with conditionalities and used in pursuit of specific goals or objectives favoured by individual donors from the North.
- *Transfer of technology.* Another major ingredient of the initial North-South consensus on the international environmental and sustainable development agenda had to do with the development and transfer of and access to environmentally sound technologies on terms favourable to the developing countries. Here again, the ascendance of market forces and global commercialization of knowledge and intellectual property, most prominently via WTO-based TRIPS, but also TRIMs and GATS, has effectively negated this early agreement and prevented it being put into practice. Developing countries have found commercial access to such technologies, services and knowledge -- which are mushrooming and multiplying -- costly, making it difficult for most of them to have access to and derive benefit from them. Many new technological achievements are based on the biodiversity and resources and/or traditional knowledge from the South, and are

being patented by the North for commercial uses and are sold to developing countries. Not surprisingly, this new development is perceived as an added inequity by the South. This is resulting in a qualitatively new conflict over natural resources between the North and the South. It is embedded in the same colonial division of labour and extraction of primary resources from the South as in the past, though in more far-reaching and sophisticated forms with multiple impacts, such as loss of free access to biodiversity resources by local farming communities.

- *South priorities.* The long list of developing countries' priorities, identified at the 1972 Stockholm Conference, such as environmental health, desertification, water, human settlements, renewable sources of energy, etc. have received a lot of attention, mostly in meetings, studies and publications. The concrete measures and efforts made by the international community, however, were limited and fell far below needs and expectations. Thus the recent practice of leaving some of these global issues to occasional Northern philanthropists to finance in order to cover up for the lack of intergovernmental action and commitment, has only added to the disenchantment of the developing countries and indeed, irks many in the North as well.
- *Unfulfilled potential of legal instruments.* On such critical issues as conservation of biodiversity and climate change, where the efforts by the international community have resulted in the adoption of legal instruments, developing countries are experiencing increasing disillusionment with the self-serving behaviour of some major countries of the North. At the same time, they have grudging admiration for the legal skills and scientific advice that these same countries are able to muster in order to protect their own national interests, and very often those of specific interest groups or corporate lobbies. As

concerns the climate change, for example, where global climate changes predicted for so long appear to be on the march, the North is already mobilizing its resources and getting ready for possible impacts on its societies and economies, following the slogan “each one for himself”. The brunt of the impacts, including droughts, floods, water cycle and ecosystem changes, is likely once more to be felt mostly by the poor, weak and underdeveloped in the world, especially those that live in close contact with and depend on nature for survival, but also hundreds of millions living in precarious conditions in urban settlements. These poor in particular will have no recourse vis-à-vis those whose actions brought about this climate change. Neither can they expect adequate assistance from the international community, nor from their governments who will in general find it difficult to cope with the consequences of climate change.

In addition to the above considerations, however, the developing countries’ unhappiness has to do with the fact that they themselves have become the main focus and preoccupation of the international sustainable development agenda. Also, in the public mind in the North, and more generally under the impact of the North-based media, they have emerged as the principal culprit and threat to the global environment.

This is due in part to the fact that a number of environmental problems that attract public’s interest and concern happen to be located in developing countries, for example, conservation of wildlife, biodiversity, tropical forests, natural disasters, urban pollution, regional pollution of the kind experienced in South East Asia, environmental diseases, etc. It is also due to the nature of messages continuously diffused to the world public opinion, for example, regarding population already living and projected population growth in the South, which is seen as the key threat both to the global environment and to the position occupied and stake claimed by the already industrialized North.

Poverty, i.e. poverty in the South, and thus by definition *the* South, is increasingly seen as the cause of global environmental degradation. Wealth, or concentration of wealth, as the source of environmental pressures, or indeed as one of the causes of the global poverty, is mostly overlooked. Indeed, wealth is seen more as making it possible for the developed countries to carry out a series of environmental measures, for example, in combating air and water pollution, or in recycling, which in turn casts a positive light in the public mind as concerns the North's doing something to clean the global environment. High publicity given to conservation measures supported in the South, including debt swaps for nature, add to the positive impression.

The emergence of the South as the "global environmental villain" is fostered by the virtual abandonment of the "cause-effect" approach. This does not allow for establishing a linkage between the specific environmental problems which are manifested in the South, and the global causative chain that originates in the international economy and the position of developing countries in the international division of labour, and/or in the actions by the North, including its patterns of production and consumption and its global resource needs. The responsibility is thus squarely placed on the doorstep of the developing countries.

The term "sustainable development", launched by the World Commission on Environment and Development in its report released in 1987, and anointed by the 1992 Rio Summit, was meant to encapsulate the environment-development challenges in a catchy, user-friendly phrase. It was successful. Sustainable development became a global slogan that all could readily endorse and that was sufficiently vague to allow different, often incompatible interpretations. In practice, it did not help much in generating and implementing international policies to assist sustainable development in the South. In helping to focus on the responsibilities of the developing countries, that by definition were "developing" and

engaged in development, it may have had the unwanted effect of deflecting the attention from the already developed North, its role and responsibilities.

Separating what happens in developing countries from what is happening in the North and in the international economy, and overlooking cause-effect relationships and asymmetrical inter-dependence that link the two worlds, did not help the cause of the South, and lies at the very core of the conflict and disagreements with the North experienced today.

The North is already developed. It absolves itself from political responsibility by providing "assistance" to the developing countries to develop in a sustainable manner. This assistance, while useful, is contained in a relatively few projects scattered around the globe, for example, via the Global Environmental Facility (GEF) housed in the World Bank. This assistance while useful is wholly inadequate for the challenges on hand, and indeed to the targets established by UNCED in 1992. It is restricted in scope, and it is difficult to obtain by those in need. However, it allows the North to show that it is doing something tangible and functional multilaterally for sustainable development in the South.

The issue of structural adjustments and reform needed in the advanced countries, both to move within the range of what is sustainable, to support development of the billions of people living in poverty and on the margins of advanced society, and to leave adequate environmental space for them to develop, was obviously not a priority, and was only paid lip service in a situation of global economic difficulties and low growth.

This fundamental imbalance in approach and the de facto double standards that are applied are resented by the developing countries. This is manifested in particular in WTO, where the North is leading the crusade to put -- in theory -- laudable concerns of environment and trade on the negotiating agenda. The North appears as champion of the environment, while the developing countries that resist appear as environmental rogues. However,

diplomatic veneer and posturing removed, one can easily understand the South's resistance given the situation in WTO and the highly unequal relationship of forces between the North and the South in this organization.

The developing countries perceive the initiative to put trade and environment on the negotiating agenda of WTO as a self-serving move by the North, a tool of convenience to be used for protectionist purposes when needed. At the same time, trade-environment links will be used to promote specific environmental goals in the South, often at extra cost for the developing countries, and in this manner also help gain credit for North governments as champion of environmental causes with Northern NGOs, environmental movements and public opinion. More broadly, developing countries fear that such an agenda item in the context of complex and interrelated negotiations and bargaining in the framework of WTO, could be used by the North as an additional device to keep them off balance and on the defensive.

It is for the same underlying reasons that the developing countries are not necessarily enthused with the notion of "global environmental governance". Their experience leads them to believe that this in practice could turn into further consolidation of governance of the South by the North via multilateral institutions, which the latter tries to control and use for its own ends. The proposed World Environment Organization sounds much like the World Trade Organization, a place where the weaker nations have to tread carefully, while the strong countries can mobilize an array of instruments and resources to defend themselves and promote their own interests. For, as far as the developing countries are concerned, the real challenge is how to subject the North to global environmental governance, and indeed to global economic governance. In both of these closely interrelated domains, the North has been careful and successful in remaining safely outside any sort of reach of the South, while maintaining the control of structures, decision- and policy-making.

In sum, the divide separating the South and the North concerning sustainable development runs quite deep when it comes to underlying issues that have traditionally separated the two groups of countries. In some ways, the fracture is deeper than in earlier times, the foundations for consensus and mutual understanding cast at Stockholm having been significantly eroded by the sweeping geopolitical changes, neo-liberal globalization evolving in the 1990s, and indeed the shifts in the political ideology with conservative thinking assuming the central role. The developing countries consider various agreements, processes and institutional arrangements emerging from negotiations with the North as being essentially unfair to the South, in particular at the implementation stage, and inequitable in the context of the global quest for sustainable development. Indeed, as in the case of climate change, they see the functioning of various arrangements as attempts to codify the excessive use and appropriation of global resources by the North.

If the above diagnosis is broadly correct, this situation needs to be changed urgently. A major effort is called for to re-establish the political foundations and mutual trust between the South and the North for achieving consensus and for undertaking necessary and effective actions for sustainable development worldwide. For this to happen, and to change the current political situation, the South will need to make a major and determined effort to mobilize and utilize its own collective power and potential, and to assume political initiative, something that it has not done lately, including in the preparatory process for the 2002 Johannesburg Conference. This remains as a challenge for the post-Johannesburg period and beyond.

THE SOUTH AND SUSTAINABLE DEVELOPMENT IN THE POST-JOHANNESBURG PERIOD

The sustainable development agenda is of very special importance for the international community as it embarks on its 21st century journey. This is not only because of the intrinsic relevance of the

issues of the humankind's relationship with the Planet Earth, but also because it has made it possible and necessary to consider the fundamental questions concerning the contemporary world system from a global perspective. This vantage point, inherent to the United Nations Charter and embodied in the work and outcomes of the Stockholm and Rio conferences, needs to be maintained at all costs.

The position of the North is predicated on the basis of the lowest common denominator, at this point in time amounting to what is acceptable to the most important country, commonly referred to as G-1 because of its dominance. Its position, in turn, is determined by the preferences of the coalition that is in power, its political and world outlook, and the interests that it represents. The essence of the position and outlook of the political forces currently at the helm was summed up in a recent article published in a major global newspaper (*International Herald Tribune*, 30 July 2002) concerning the domestic situation in this country.

The article speaks of "a failure of the instruments of democracy, which have been weakened by three decades of market fundamentalism, privatization ideology and resentment of government". It notes a "growing tyranny of money over politics" which has inter alia led to "reversal of a generation of progress on environmentalism". The article speaks of the "disdain for the public realm that is common to all market fundamentalists" which "undermines the social contract". It says further that "even in foreign policy, where unilateralism and the repudiation of partnerships might suggest a muscular governmental policy, there is a tendency to treat the international sector as a Hobbesian 'state of nature', anarchic and disorderly, where 'force and fraud are cardinal virtues'". The article speaks further of the belittlement of efforts in the U.N. system to develop a new global contract, and of enhancing "global anarchy" and "global disorder" "in the name of preserving national sovereignty". It notes the view that "we possess a private liberty that allows us to work and prosper individually, not together or in conformity with a social contract. In the international realm, we seem to believe that our claim to national sovereignty allows us to

operate unilaterally, not together or in conformity with a global contract”.

Seeking agreement on policy with a negotiating partner who shares this kind of outlook may be a risky proposition and could weaken the basic principles and objectives of the Stockholm + Rio framework, which are of enduring value and represent the aspirations of the humankind and of the international community. Whether the Johannesburg Conference outcomes reaffirmed or weakened these is a matter of debate. It is certain, however, that the developed countries showed little enthusiasm for many of the key principles and would have been quite pleased to have them forgotten.

This is a reflection of the public mood and of the prevailing political outlook in the official North today, which is, in general, less open and receptive than in the past to notions of common and public good, global solidarity and responsibility, considering these values now at best as being romantic and unrealistic, and certainly out of date. Indeed, one can easily make the case that the sustainable development agenda, has been negatively affected by the political and ideological domestic shifts that have occurred in the North. The South is also perceived as posing multiple threats -- security, terrorism, competition, environment, population, immigration, etc. - - that need to be contained. It is resented as a permanent nuisance claiming what it is not entitled to and seeking reparations for past or current injustices that either never occurred or are part and parcel of the normal state of affairs.

If the above assessment of the mood of the dominant political forces and actors in the North is broadly correct, then no amount of negotiation or persuasion at an international conference, such as the Johannesburg Conference, was likely to alter in a fundamental manner the present state of affairs or result in major breakthroughs in a domain, which in its very essence requires a public-spirited and integrated approach, in solidarity with the present as well as future generations and the Planet Earth. The same key

issues thus remain outstanding and to be dealt with in the period following Johannesburg.

The very fact that the Johannesburg Summit took place is an achievement. In part because such Summits provide rare opportunities for a global “get-together”, a forum and a platform for different views to be aired and heard, and for policy differences to be outlined. The United Nations Summits and world conferences are de facto the only opportunity for the democratic process to take place at the global level, and should be made use of to the maximum. The fact that increasingly these international events are ending in stalemate or register little progress; that no genuine negotiations take place there; that their success is judged by whether one or a handful of heads of state from the North have attended; or indeed that the implementation process following such Summits is very anaemic in the U.N. (in particular when compared to the dynamics of the post-Doha process in WTO where the Northern interests provide a powerful propellant), is not the fault of the U.N.. Nor should it be used as an argument not to hold such allegedly wasteful and unproductive gatherings in the future. Rather, it is primarily a reflection of the current global situation, and in particular the asymmetrical situation existing between the North and the South and the eroding role of the U.N. in the international arena. In view of this, the real challenge is how to make such Summits more functional and useful.

In this, the critical gap is that of the post-Summit period of implementation. This applies to Johannesburg with particular relevance. Indeed, the post-Johannesburg phase holds the key to success of the Conference. The challenge in this crucial period is not to allow the usual inertia to take over, as was experienced on previous occasions, with the loss of the overall policy vision that global Summits generate, getting absorbed in detail or sectoral concerns, and without effective means to secure the follow up. This is first and foremost a challenge and task for the South as a collectivity.

Given the state of its organization and preparation, the South may not be able to mount enough of the persuasive or bargaining power needed to change the existing state of affairs. However, the fact remains that the South accounts for close to four-fifths of the humankind, has a very solid case, and has a great scope for initiative that remains to be properly utilized.

In confronting the challenges of the post-Johannesburg phase, it is important to recognize that the issues at stake are deeply political, economic and distributional on the world scale, and thus in their very nature highly controversial. They also concern the very essence of human society and economy, of the global system and order, and ultimately of its moral and ethical underpinnings, and raise questions that were aptly summed up some thirty years ago in the question “What development?” both in the North and in the South. These matters cannot be dealt with with successfully much success in traditional give and take negotiations, especially when partners of widely different power are involved and where the powerful and dominant party strives to maintain the status quo. Nor are they normally part and parcel of technical negotiations, unless these are related clearly to the broader architecture and structure on which the system rests.

There will be no “environment”, or “sustainable development”, without development in the South, though one could always envisage a science fiction scenario for global sustainable development with billions of the South’s population disappearing through hunger, disease, natural calamities, or indeed social and armed conflicts, including wars, and freeing environmental space for those remaining behind. Likewise, there will be no “environment” or “sustainable development”, without important structural and attitudinal changes in the advanced North towards sustainable life styles, patterns of production and consumption, or without significant changes in the world economy and world system which the North dominates and manages with its own interests in mind .

A society, national or global, with the minority living inside and well behind the ramparts of its fortresses, and the majority in

poverty, deprivation and marginalization on the outside, is not politically and socially sustainable. It is also deeply flawed in the moral and ethical sense.

The challenge and the struggle are of a long-term nature. It is thus for developing countries to elaborate a strategy and vision of their own and begin to work on its implementation. Waiting for or pleading with the North has not proved very beneficial or rewarding so far, nor is it likely to be so in the future. It should be substituted by a pro-active and self-assertive stand, based first and foremost on one's own efforts and capabilities. Sustainable development issues are today of central importance for developing countries.

In this context, several lines of action come readily to mind and merit being taken into consideration by the South.

- *Elaborating and promoting a South platform on sustainable development.* The countries of the South cannot act successfully in the international arena without having elaborated and refined their collective platform on sustainable development, and without advocating and systematically articulating the broad case for sustainable development. They need to take and maintain a policy initiative, rather than to keep reacting to the North's proposals and incurring the blame for being "negative" when they object. An up-to-date platform of the South on sustainable development thus needs to be worked out urgently following the Johannesburg Summit, taking into account its lessons and outcomes. It should be based also on a careful study and assessment of the last thirty years of experience, with a particular reference to the impacts of WTO on sustainable development goals. It should be based on the conceptual and policy achievements already attained. In this exercise, the priorities and concerns of different groups of countries, and the evolving problems they experience, need fully to be taken into account. Such a platform will need to be continuously refined and

updated. While having a platform is a necessary condition, it is not a sufficient condition, and will need to be accompanied by appropriate support mechanisms, including institutional and negotiating ones -- global, regional and national -- to promote and to put it into practice. This entails commitment of necessary human and financial resources at all levels, to match at least in part the massive resources deployed by the North in this policy domain.

- *Turning inwards.* National and collective self-reliance within the South on sustainable development issues has a great potential, which remains unexplored and is hardly utilized. In many developing countries, given aspects of sustainable development are matters of life and death for many of their people, mostly the poor. This group at risk probably represents a large segment of the total population living in the South. Experience, approaches and solutions dealing with such problems can be shared or developed jointly by countries with similar levels of development and similar problems. Scientific and technological advances and knowledge in a number of fields exist in the South, or can be readily developed, especially by pooling together such resources and expertise. South-South cooperation has a major leveraging and multiplier potential. Once it acquires a take-off momentum, it could give rise to a virtuous circle and open new vistas within the South itself, superseding the excessive orientation and dependence on the North.
- *Reducing tensions and building bridges with the North.* The North is very diverse. Some developed countries, for example, are close to the position of developing countries on a number of major issues. Moreover, the struggle for sustainable development in the North, and for changes in its posture towards the South, needs to

be carried on domestically first and foremost by its own social and political forces. Building dialogue and alliances with these political forces and groups is an important path for action by the South, especially in the handful of major countries where internal political processes and changes have global repercussions. This, importantly, includes broadening the vision of civil society in the North and making it grasp more fully the sustainable development challenges faced by the South. All too often, these groups approach issues from a very narrow environmentalist point of view, in a militant manner, causing conflict with the developing countries on goals where views are similar or identical. Institutionalized opportunities for regular encounters and policy dialogue between the South and the civil society from the North could be very beneficial in the above context.

- *Focusing on global public goods.* Promoting global public goals and goods has come of age, in spite of major political resistance that continues. The developing countries should take the collective lead, by drawing on the principles and recommendations agreed to as early as the 1972 Stockholm Conference, but kept in the deep freeze since. Sustainable development objectives are ideally suitable to initiate some form of international taxation, and thus generate automatic sources of financing for given, internationally agreed purposes. This is especially so as simply appealing to sentiments of the public and governments in the North for the needed financing has not proven very productive over the last three decades. Likewise, specific priority objectives or programmes that require technological and scientific advances, for example, as regards such questions as renewable energies, food security or health, could be used to launch international public domain R&D programmes, with results and applications widely available to all. Advancing on global public

goods in the domain of sustainable development could also play a useful function in reversing the setbacks that neo-liberal globalization has caused regarding a number of key objectives on the broader international development agenda, for example, issues concerning the international intellectual property regime.

- *Remembering TNCs.* A major, yet as far as international governance is concerned, invisible factor in the global sustainable development drama, is that appertaining to the transnational corporations. This blind spot is the consequence of the forced disappearance, under the pressure of the North, of this issue from the U.N. agenda more than one decade ago. It is essential that the TNCs should again be focused upon in the intergovernmental forum of the U.N. in general, and because of their role in sustainable development and their worldwide impacts, for example, in those domains that are closely dependent on scientific and technological advances. The developing countries should make it one of their major objectives to place the issue of TNCs firmly back on the U.N. agenda, including with respect to sustainable development and globalization in general, thus making these entities accountable and liable for their actions and impact, and subject to multilateral disciplines in specific domains. The developing countries should press the case for superimposing civic, community and global public welfare over Northern corporate welfare, which has emerged as one of the major driving forces and objectives of the ongoing globalization process, and also with major implications for sustainable development.
- *Bringing back the U.N. to centre stage.* During recent times the United Nations has been subjected by the North to a discipline of “strict neutrality” between the conflicting

parties in negotiations, although a similar requirement is not suggested for WTO and the multilateral financial institutions, where the organizations in questions are felt by the South to tilt in the direction of the North's wishes and interests. In the case of sustainable development this has weakened the thrust of the U.N., exposed it excessively to influences of North and made it tread carefully in trying to play the role of an "honest broker" in what is a highly conflictive matter. In a lopsided negotiating and power situation, this means a serious loss for the international community. For the U.N. used to be a principal advocate and leader in favour of key objectives and common interests (derived neither as lowest common denominator, nor as a sum of particular interests) in the domain of sustainable development, well demonstrated at both the Stockholm and Rio Conferences. It has also weakened the South, which used earlier to draw on U.N. support and ideas. Although the resulting gap is being partly filled by the civil society, it does not have the authority or central role in the intergovernmental process as does the U.N. The developing countries, constituting an overwhelming majority of U.N. membership, should take it upon themselves to enable the U.N. to exercise its rightful role that it played with success in earlier periods in the context of sustainable development.

- *Spotlighting the North.* It is high time to look Northwards again, as was the case in the wake of the Stockholm Conference, even though this may be seen by the countries concerned as an interference in what they consider to be their sacred and sovereign rights, and acquired privileges. For it is in the North that ultimately the key changes need to take place and decisions need to be made at the present historic juncture for sustainable development. This is not something to be left to its own discretion and means,

whether of individual countries or regional groupings, however valuable the goals may be, for example, the one of decoupling economic growth from environmental degradation and use of resources. Sustainable development offers an ideal platform, and justification for the developing countries to take such initiative, to ask fundamental questions and link what happens in the North with what happens in the South, and thus to begin the slow process of reversing the political and substantive setbacks that have occurred since the 1990s when the worldwide sweep of neo-liberal ideologies and globalization was initiated.

The above lines of action may appear as unrealistic given the present policy context, and the pressures and difficult situations experienced by individual developing countries. In a sense such initiatives could and should have already taken place during the preparations for Johannesburg. For, there is nothing inherently unrealistic or impossible in setting them up as collective objectives of the South and pressing on, aware that what is involved are long-term engagements and sustained political struggle.

Perhaps, an important initial step in this direction might be for the South to organize a meeting much like the seminal Founex Seminar and the Cocoyoc Symposium, which initiated the conceptual revolution and the intellectual and political journey that the international community is engaged in today. The purpose of such a meeting would be to review the issues as they present themselves at the start of the 21st century, more than thirty years after the first attempt, and to work out an updated conceptual and policy framework to serve as the foundation for action in the coming period. The conceptual, terminological and political tangle continues, and in a number of ways is now more complex than in the early period. A hard look is therefore required before delineating a road map for the near future. Intellectual markers and guidance are essential for effective action by the countries of the South.

In tandem with this policy and conceptual exercise, an assessment of how to make the implementation process effective in the post-Johannesburg period will need to be undertaken by the South. In this context and in view of different strategies required for different groups of countries, a proposal was made at the Rio+10 Conference, which met in Rio de Janeiro in June 2002 to mark the 30th and 10th anniversaries of the Stockholm and Rio Conference, to group various outcomes and recommendations contained in a global coordinated strategy for a sustainable world into three broad groupings, namely, those involving the advanced countries of the North, those involving the countries of the South, and those involving the North and the South. This suggestion merits close attention. Among other things, it would facilitate the implementation of the basic principle of “common but differentiated responsibilities”, the setting up of specific objectives and targets, and would make it possible to prescribe the rules of the game that are “biased” in favour of the weaker players. Indeed, of the global commons and environment, as a means to overcome the systemic, power and historical biases, which continue to hobble the global sustainable development agenda.

In ten years until the next international Summit on sustainable development, and even more so in thirty years from today, which is the same time-span that separated the Stockholm and Johannesburg Conferences, major changes are likely on the world scene. Waiting passively or resignedly for these changes to happen, or leaving the initiative to shape the future to those forces and a handful of actors from the North, who claim the right to do so on the basis of their superior power, success or wisdom, or indeed self-proclaimed mission on the Planet Earth, is no longer a politically and historically acceptable stance on the part of the developing countries and their governments.

The desired changes will not happen without a major effort and political struggle. It is within the collective power of the South to wage this struggle and to champion these changes. The sustainable development issues have an inherent political potential to mobilize, to question the status quo and to help change the world for the

better, including along the lines desired by and beneficial to the South and its development. Sustainable development can help initiate a global quest and ultimately peoples' movement and global alliance for "another globalization". The events of and the outcomes of the 2002 Johannesburg Conference will undoubtedly contribute to this objective, with the South drawing the necessary lessons and conclusions from what transpired there.

ANNEXES

I

**THE FOUNEX REPORT ON DEVELOPMENT
AND ENVIRONMENT**

1971

CHAPTER ONE

OVERALL PERSPECTIVE

1.1. The current concern with the Human Environment has arisen at a time when the energies and efforts of the developing countries are being increasingly devoted to the goal of development. Indeed, the compelling urgency of the development objective has been widely recognized in the last two decades by the international community and has more recently been endorsed in the proposals set out by the United Nations for the Second Development Decade.

1.2. To a large extent, the current concern with environmental issues has emerged out of the problems experienced by the industrially advanced countries. These problems are themselves very largely the outcome of a high level of economic development. The creation of large productive capacities in industry and agriculture, the growth of complex systems of transportation and communication, the evolution of massive urban conglomerations, have all been accompanied in one way or another by damage and disruption to the human environment. Such disruptions have indeed attained such major proportions that in many communities they already constitute serious hazards to human health and well-being. In some ways, in fact, the dangers extend beyond national boundaries and threaten the world as a whole.

1.3. The developing countries are not, of course, unconcerned with these problems. They have an obvious and a vital stake in them to the extent of their impact on the global environment and on their economic relations with the developed countries. They have also an interest in them to the extent that they are problems that tend to accompany the process of development and are in fact already beginning to emerge, with increasing severity, in their own societies. The developing countries would clearly wish to avoid, as far as is

feasible, the mistakes and distortions that have characterized the patterns of development of the industrialized societies.

1.4. However, the major environmental problems of developing countries are essentially of a different kind. They are predominantly problems that reflect the poverty and very lack of development of their societies. They are problems, in other words, of both rural and urban poverty. In both the towns and in the countryside, not merely the “quality of life”, but life itself is endangered by poor water, housing, sanitation and nutrition, by sickness and disease and by natural disasters. These are problems, no less than those of industrial pollution, that clamour for attention in the context of the concern with human environment. They are problems which affect the greater mass of mankind.

1.5. It is evident that, in large measure, the kind of environmental problems that are of importance in developing countries are those that can be overcome by the process of development itself. In advanced countries, it is appropriate to view development as a cause of environmental problems. Badly planned and unregulated development can have a similar result in developing countries as well. But, for the greater part, developing countries must view the relationship between development and environment in a different perspective. In their context, development becomes essentially a cure for their major environmental problems. For these reasons, concern for environment must not and need not detract from the commitment of the world community -- developing and more industrialized nations alike -- to the overriding task of development of the developing regions of the world. Indeed it underscores the need not only for a maximum commitment to the goals and targets of the Second Development Decade, but also for their redefinition in order to attack that dire poverty which is the most important aspect of the problems which afflict the environment of the majority of mankind.

1.6. Whilst the concern with human environment in developing countries can only reinforce the commitment to development, it

should serve, however, to provide new dimensions to the development concept itself. In the past, there has been a tendency to equate the development goal with the more narrowly conceived objective of economic growth as measured by the rise in gross national product. It is usually recognized today that high rates of economic growth, necessary and essential as they are, do not by themselves guarantee the easing of urgent social and human problems. Indeed in many countries high growth rates have been accompanied by increasing unemployment, rising disparities in incomes both between groups and between regions, and the deterioration of social and cultural conditions. A new emphasis is thus being placed on the attainment of social and cultural goals as part of the development process. The recognition of environmental issues in developing countries is an aspect of this widening of the development concept. It is part of a more integrated or unified approach to the development objective.

1.7. The incorporation of environmental issues and goals in the sense discussed here in the concept of development, raises - as does the incorporation of other social goals - important issues for planning and policy making. To the extent that these objectives support or reinforce economic growth - and it can be shown that some of them do - their place in the pattern of priorities would be more readily established. But where conflicts are involved, particularly in the short or medium run, more difficult choices would have to be made regarding the "trade off" between these and the narrower growth objectives. These choices can only be made by the countries themselves in the light of their own situations and development strategies and cannot be determined by any rules established *a priori*. Subsequent sections of this report attempt to identify and elaborate upon the specific environmental problems faced by developing countries and the ways in which these could be categorized as aids to planning. But the importance of distinguishing between measures or programmes that are conducive to growth, or at any rate not in conflict with it, and those that may involve some sacrifice in growth objectives is clear enough. It is similarly important to distinguish between measures or programmes whose claims on financial

resources are likely to be relatively modest from those which are likely to prove more costly. The employment creating potential of environmental programmes is yet another aspect that is of relevance to the planning process.

1.8. Whilst the environmental problems of developing countries are in large measure those that have arisen from the lack of development, it is also true that problems arising out of the process of development are also in evidence in these countries to an extent that depends on their relative levels of development. Indeed as the process of development gets under way the latter type of problem is likely to assume increasing importance. The processes of agricultural growth and transformation, for example, will involve the construction of reservoirs and irrigation systems, the clearing of forests, the use of fertilizers and pesticides and the establishment of new communities. These processes will certainly have environmental implications. Similarly, industrialization will result in the release of pollutants and react on the environment in a number of ways. Again, the growth of the entire economic infrastructure of transport and communications will have consequences for the ecological system. Urbanization is already a pressing problem for many developing countries and some of their cities are experiencing problems common to those of the industrialized countries. In addition, with the urgent need for the rural areas to sustain a growing population, the problems of rural environment assume a new significance.

1.9. The problems are already severe enough in developing countries. But in the absence of resolute action, they will tend to attain formidable dimensions in the decades ahead. The very growth of population, when not accompanied by adequate economic development, brings out the prospect of rising unemployment, further impoverishing the countryside and swelling the drift to the towns and creating human problems of the deepest intensity. They can only aggravate the serious social and political tensions that even now prevail in these societies. There can indeed be little doubt about the urgent need for corrective action.

1.10. These issues are elaborated upon in succeeding chapters of this report. To the extent that some of the advanced environmental consequences of the process of development could be avoided by better planning and regulation, the developing countries have an opportunity to profit from the experience of the advanced countries. The importance of establishing adequate safeguards and standards in project planning and preparation is thus underlined. These standards must necessarily be those that are appropriate to the specific conditions of these countries and be capable of being observed within the resources available to them. All this reflects the vital importance of data and of research. It also raises the question of the instruments by which environmental policies could be implemented, particularly in situations where decisions are undertaken by private investors, whether domestic or foreign, in the context of market forces.

1.11. Environmental issues may come to exercise a growing influence on international economic relations. They are not only a formidable competitor for developed countries' resources (which in some instances might have been channelled towards development assistance), but they are also a factor which, to an ever increasing degree, could influence the pattern of world trade, the international distribution of industry, the competitive position of different groups of countries, their comparative costs of production, etc. Environmental actions by developed countries may have a profound and manifold impact on the growth and external economic relations of developing countries.

1.12. Some environmental actions by developed countries (restrictions on the importation and use of certain commodities, imposition of environmental regulations, standards and other non-tariff barriers on imports as well as increased production costs reflected in higher export prices) are likely to have a negative effect on developing countries' export possibilities and their terms of trade. Recycling of raw materials may also tend to diminish the volume of primary commodities consumed and imported into developed countries.

1.13. In some fields, environmental issues open up new possibilities for developing countries. The structural changes in production and trade, as well as the geographical relocation of productive enterprises which might be necessitated by environmental considerations, should provide new opportunities for meeting some of the developmental needs of the developing nations. This relates first of all to the relationship between natural and synthetic products and the reopening of certain markets to exports of natural products. In some cases, developing countries might have a possibility of increasing the inflow of foreign capital and of creating new industries. If such opportunities are to be fully realized, they will require new and concerted measures on the part of developed and developing countries in the fields of international trade and investment, as well as in the control of private foreign enterprises.

1.14. The desire to retrieve some of the past damage to the environment and to minimize the environmental cost of future development will, in most cases, represent a new claim on productive resources and an additional element in the cost of production. Some of this burden may be reduced in the future as science and technology itself responds to the needs of environmental management. Still, one of the major questions which would arise from the increased concern with the preservation of the environment is how the higher cost of future development would be shared as between developed and developing nations. There are misgivings in the developing countries that, given their peripheral role in the international economy, arising not only from their present low economic capacity and bargaining power but also from a declining relative share in world trade and the increasing gap in per capita income, they might not be able to take full advantage of the fresh opportunities that may arise from environmental control, while at the same time they might have to bear part of the extra burden which such control would entail. The increased cost burden arising from greater attention to environmental problems should be accompanied by a greater willingness to provide additional assistance and induce a greater effort to reduce the inefficient allocation of

productive resources arising from indiscriminate protection of agriculture and industry in both developed and developing countries. It certainly should not provide fresh argument for even greater protection.

1.15. The focusing of attention on environmental issues has therefore implications that go beyond national policies in developing countries. The international aspects of the present environmental concern are discussed in a subsequent chapter. But we would like to stress here that the extent to which developing countries pursue a style of development that is more responsive to social and environmental goals must be determined by the resources available to them. Clearly there is scope for a better allocation of the presently available resources, but the results that could be obtained within their present resource constraints must necessarily be limited. If the concern for human environment reinforces the commitment to development, it must also reinforce the commitment to international aid. It should provide a stimulus for augmenting the flow of resources from the advanced to the developing countries. Unless appropriate economic action is taken, there are a number of ways in which the developing countries could suffer rather than profit from the new emphasis on environment. The latter could have implications for aid, trade and the transfer of technology. The developing countries are vitally concerned that these implications should be positive and beneficial rather than negative and harmful.

CHAPTER TWO

ENVIRONMENTAL ISSUES IN THE DEVELOPMENT PROCESS

2.1. The preceding chapter has indicated that the environmental problems of developing countries fall broadly into two categories - the problems arising out of poverty or the inadequacy of development itself, and the problems that arise out of the very process of development. The problems in the first category are reflected in the poor social and economic conditions that prevail in both the rural and urban areas. For most developing countries these are, by far, the problems of greatest importance. But as the process of development gets under way the problems in the second category also begin to emerge and to gain in significance.

2.2. The environmental policies of developing countries must naturally be concerned with both categories of problems. But, as the preceding chapter has indicated, the remedial approaches to the first set of problems are closely interwoven with policies for overall development. These policies should, of course, embrace wider dimensions than the growth of gross national product alone, and must include some of the major environmental problems that arise in the context of urban and rural poverty. As already mentioned, problems of poor water supplies, inadequate sewerage, sickness, nutritional deficiency, and bad housing need to be dealt with in the process of planning and policy making. Goals and objectives in these fields should be incorporated into development plans as much as targets for the growth of output.

2.3. The present Report does not attempt to elaborate upon the environmental issues of the kind referred to above, nor upon the manner in which they should be dealt with in the planning process. They are so much a part of social and economic conditions in developing countries that their treatment is but one aspect of the whole approach to social and economic development. Each country

needs to identify the complementarities and conflicts that characterize the relationship between social and economic goals in the circumstances specific to itself, and to determine its own priorities concerning the allocation of resources. The present Report seeks to do no more than draw pointed attention to the compelling urgency of the environmental problems that arise out of poverty, to the need for a new awareness of the importance of remedial measures, and above all, to the need for reinforcing the commitment, both nationally and internationally, to the development objective itself. It is to be hoped that the emphasis that is now being given to a more unified approach to development will result in a better recognition and treatment of the environmental problems that arise out of mass poverty.

2.4. The rest of the present chapter and, to a large extent, the succeeding chapter as well is mainly devoted to the second category of environmental problems that was mentioned earlier -- problems that arise out of the process of development itself. These problems though possibly of lesser importance in the early stages of development, are clearly likely to gain in significance as the process of development gathers momentum. As mentioned before, the transformation of agriculture, the development of industry, the creation of networks of transportation and communication, and the growth of towns, are all integral parts of the development process. They must, therefore, form part of the major goals of development policy and planning. But it needs to be recognized that the process of development and change in each of these sectors can be accompanied by adverse side effects which could in many cases be avoided, or at least mitigated, by sound planning and policy. The experience of the developed countries has shown that these side effects could, if ignored, attain formidable dimensions and cause damage and disruption on a wide scale. The developing countries have an opportunity to avoid some of the mistakes or distortions that have characterized the development process in the past. By paying attention to these dangers they can, perhaps, attain a more satisfactory pattern of development than that achieved by the advanced countries.

2.5. The present chapter attempts, in a broad way, to identify some of the negative side effects that can arise out of the process of development in several sectors of the economy. The succeeding chapter discusses the ways in which these problems might be dealt with through better policies and planning methods. The main issue is how the benefits of development in each sector could be obtained with minimum adverse side effects. In presenting a selected catalogue of environmental consequences which can be, and have been, experienced in various sectors of the economy, our intention is not to describe a long list of adverse repercussions so as to imply inaction, since every action may effect environment in some manner: our intention is merely to bring together some of the available knowledge on this subject so that the developing countries can draw their own conclusions in the context of their development policies. We would also like to point out that the existing knowledge on this subject is fairly thin and sketchy and a lot more research work is needed to identify the nature and dimensions of environmental problems in various sectors of the economy.

2.6. The discussion that follows attempts to identify and describe some of the environmental side effects that have been known to accompany, in varying degrees, the process of development in agriculture, industry, transport and human settlement. These side effects take several forms and may be grouped into a number of categories. These are:

1. *Resource deterioration*: the deterioration, for example, of mineral, soil or forest resources;
2. *Biological pollution*: the pollution represented by agents of human disease, and by animal and plant pests;
3. *Chemical pollution*: arising out of air pollutants, industrial effluents, pesticides, metals, and detergent components and similar agents;
4. *Physical disruption*: as reflected, for example, by thermal pollution, silting and noise; and

5. *Social disruption*: of which congestion and loss of a sense of community are examples.

These side effects manifest themselves in varying degrees depending on the sectors concerned, the particular geographical regions involved, and the stages of development attained by different countries. The first two categories are commonly experienced by most developing countries as are also silting and perhaps social disruption, whilst urban air pollution is becoming a problem of increasing importance in the larger cities of certain developing countries.

2.7. Although these side effects are likely to manifest themselves in the process of development, they need to be assessed within a framework which helps to establish their relative importance. A basic consideration would be the way in which a development activity relates to the carrying capacity of a country's natural, and even social, system. Such issues as the speed at which environmental degeneration is taking place, the degree of its severity, the area that it covers, whether the environmental impact is reversible or irreversible, and at what cost and over what period of time are all of relevance in this connexion. The scale and pattern of a country's production and consumption structure are also of relevance in assessing the impact of environmental side effects. The use and disposal of materials and their environmental implications are, for example, influenced by the level of technology since this is relevant to the nature of inputs and outputs in the production process. Similarly, consumption patterns are of importance. In societies where the levels of non-discretionary expenditure -- i.e. expenditures on basic necessities -- are high, the process of consumption exerts adverse environmental effects of a lower order of magnitude. On the other hand, higher levels of discretionary consumption, particularly of more sophisticated manufacturing goods, generally produce a greater environmental impact. The social structure of a society, and its pattern of income and wealth distribution, are thus factors which are also of relevance.

2.8. Within a framework appropriate to its situation, a country may ascertain the nature of its environmental problems, and examine alternative forms of action in dealing with environmental policies. Environmental side effects which are encountered in the development of various sectors should receive selective treatment. They should first be evaluated in terms of the development priorities which guide the planning considerations of any country. Those side effects which directly frustrate the development objective should be given the most immediate attention for remedial action. Those of peripheral concern will inevitably receive less emphasis.

AGRICULTURE

2.9. The process of agricultural development often involves the transformation of low productivity systems of agriculture into systems where productivity is relatively high. In the course of this transformation, cultivation practices on existing lands are improved, the infra- structure of facilities and services for agricultural production is expanded, and new lands brought under cultivation through extensive systems of irrigation and river basin development. These changes are crucial to the development process itself. But they may also generate environmental side effects of varying degrees of importance. Some of the more common of these side effects are described here.

Traditional Agriculture

2.10. Environmental side effects may manifest themselves even within the framework of traditional systems of agriculture under the pressure of rapid population growth. These systems have often persisted for centuries, sometimes successfully cultivating the same lands without irreversible damage. But a new situation may be

created by the rapid growth of population that is now taking place. This may impose pressures that were perhaps not experienced before and which could give rise to environmental problems.

2.11. Traditional agriculture in many tropical regions is characterized, particularly under stress of expansion, by a range of environmental hazards. These include leaching - notably the rapid leaching of nutrients and degradation of planted farmland following the removal of a forest; rapid soil depletion resulting from permanent cultivation which the relative infertility of the soil cannot support without the addition of nutrients; soil erosion through variable and heavy rainfalls and prolonged droughts or flash floods; and indiscriminate loss of forest resources through slash-and-burn techniques. Although much of this kind of environmental deterioration can be corrected if unlimited funds are available, some is so costly to correct as to be effectively irreversible. The fragility of tropical ecosystems may cause environmental deterioration to proceed rapidly and their recovery to be slow. In one instance, the establishment of an agricultural colony failed when deforestation resulted in the hardening of lateritic fields within five years; restoration on the other hand will take decades. In another case, previously ungrazed savanna was destroyed by over-grazing in two to three years, and will probably be lost to production for a very long period. There are opportunities for preventing some of these environmental hazards through proper planning and anticipatory action. For instance, under-employed labour that frequently abounds in rural areas may be mobilized in terracing mountain sides and in reforestation programmes. Many of Africa's current marginal lands, for example, have all the necessary elements for successful reclamation through new management techniques.

Modern Agriculture

2.12. The environmental hazards in the case of modern agriculture arise mainly from the chemical control of weeds and pests and from irrigation works. Fertilizers, on the other hand, would not appear at

present to pose a threat even at prospective level of their use in the developing countries. The side effects of insecticides and pesticides need to be watched fairly carefully. Their toxicity to fish and birds, as well as their persistence and mobility, make them a hazard beyond their target area. Irrigation projects, unless matched by drainage facilities, can result in salinization and water-logging. In one country modern canal irrigation serviced forty million acres in 1949, of which five million acres suffered from salinization and water-logging by 1959. However, much of this land has since been reclaimed through appropriate management. Even the welcome emergence of the high yielding varieties of wheat, rice, maize and other cereals can sometimes give rise to certain negative side effects, both because these varieties require larger quantities of chemicals such as pesticides and also since they replace hardy native species which, by natural selection, are often better suited to the adversities of local conditions and are valuable for interbreeding. Again, constant tillage which is facilitated by mechanisation can also damage the soil structure. Let us reiterate that modern agriculture would be impossible without the use of chemical fertilizers and pesticides, high yielding varieties of seeds and irrigation works, and a degree of mechanisation, but it is important that their side effects should also be taken into account in planning the use of these inputs to expand agricultural production.

RIVER BASIN DEVELOPMENT

2.13. River basin development projects are instruments of major importance for economic and social development, and are often an essential part of the development programmes. However, many of the environmental problems which are commonly discussed have arisen in connexion with the construction of these projects. This underlines the need for careful study and analysis in the design of large dams or dam sites, so that their negative side effects can be minimized through proper planning. Some of the environmental

problems which are generally associated with river basin development projects include the spawning of waterborne diseases, the filling of reservoirs with sedimentation, the drying-up of downstream fisheries, the spread of salinization and water-logging in associated irrigation projects, the inundation of valuable agricultural and forestry land, the displacement of population and the loss of mineral resources, wild life areas or valuable historical sites. The emergence of most of these adverse effects is generally gradual. Some of them can be readily corrected but others are practically irreversible because the capital investment is very large and fixed. Some of the consequences can be on a very large scale and may even be such as to frustrate the purpose of the development project or plan. However, many of them can be anticipated by preliminary analysis. For these reasons, environmental aspects of such projects clearly merit high priority for analysis but it must be borne in mind that many of the associated environmental costs may have to be assumed in the pursuit of benefits offered by the project, or that remedial action could be taken to minimize these costs. It is often wrongly assumed that in the past all adverse side effects have come as surprises.

INDUSTRY

2.14. Pollution emanating from industrial development represents more of a potential than an actual threat at this time in many developing countries. However, there are a number of isolated instances of industrial pollution even in these countries. The developing countries have an advantage in so far as they can learn from the experience of the developed nations. By taking sensible decisions on the location of industries and their waste disposal, and by instituting social controls under which the private sector must function, they can avoid some of the worst environmental problems that have arisen in connexion with industrial pollution. Developing countries should give careful consideration to the question of

location of industries and formulate concrete guidelines in the context of their own national situation, which would prevent the rise of major environmental problems. It would also be useful to identify cases where labour-intensive technologies may produce less environmental disruption. This seems to us a high priority area for research.

TRANSPORT

2.15. A basic choice in the field of transport is between systems that provide mass transportation and the owner-operated vehicle. In the United States, and increasingly in Western Europe and Japan, the choice of the motor vehicle as the primary means of personal transportation is now resulting in critical environmental consequences: air pollution with damage to people, vegetation and landscape, increased accidents; pressure on urban space, and distorted configuration of human settlements. Here there is a clear area of choice. In the transport policies adopted by the developing countries some of these environmental problems can be avoided by providing means of mass transportation and by thereby reducing the need for owner-operated vehicles. This is, in any case, dictated by their own level of development and the need to reduce visible disparities among various income groups. Mass transit facilities represent the obvious alternative in urban areas to the kind of environmental problems that have arisen already as a result of emphasis on owner-operated motor vehicles in more developed societies.

HUMAN SETTLEMENTS

Rural Areas

2.16. The development process will have its inevitable impact on human settlements. The predominant part of the population in most developing countries still live in the rural areas. Often, these

communities suffer from an inadequacy of services of one kind or another . Problems of health, nutrition, potable water supplies, and drainage are often severely felt in rural areas no less than in the towns. An inadequate infrastructure of agricultural and credit services is also a familiar feature of the rural scene, contributing to the persistence of low levels of production and hence of incomes.

The stress of rapid population growth can, in certain situations, aggravate these problems and impose further strains on rural resources.

2.17. In such situations, there is often a drift of population to the towns which causes a further worsening of urban conditions. A preoccupation with growing urban problems could, in turn, result in a further neglect of rural areas. Modern social, cultural, and economic activities capable of attracting educated youth may not exist in the rural areas and this could itself be a contributory factor to growing urban concentration and unemployment. Moreover, the process of rural-urban interaction can result in the disruption of traditional systems of social security such as that of the extended family, without the provision of suitable substitutes.

2.18. It is important that the planning process take account of these problems. With the rapid growth of population, developing countries are likely to face an increasingly urgent problem of employment creation. It is, however, unlikely that the expansion of economic activities in the urban areas alone through industrialization and related developments will suffice to provide employment opportunities for the full increase in the work force. A substantial part of the increment to population and to the work force will need to remain in the countryside, and it is therefore vital not only that employment opportunities be created in rural areas, but that the whole structure of social and economic services in these areas be developed. This places a new emphasis on rural environment and on planning and policy-making in this field. It would indeed be unfortunate if the new environmental concern over the effects of development on urban areas should result in an excessive concentration of resources on urban expenditures at the cost of environmental improvements in the rural sector.

Urban Areas

2.19. As mentioned before, in the urban areas of the developing world, environmental quality is virtually synonymous with social welfare. Urbanization within a country can, of course, be accompanied by increased economic and social welfare, and urban concentration of dynamic enterprises can serve a valuable function as “development poles”, generating growth throughout wider regions. However, the carrying capacity of any city submitted to rapid population growth is eventually over-extended, and the economies of size are displaced by the dis-economies of inadequate infrastructure. Disease, water supply shortages, lack of sewage treatment, congestion and deteriorating housing are all manifestations of environmental stress. The more developed urban areas are now confronted with chemical contamination of air and water and the hazards of social disorganization.

2.20. The major cities of the developing world experienced a fourfold increase in their populations between 1920 and 1960. Today, in many developing countries, the influx of population is straining the existing capacity of cities. Their failure is symptomatic of imbalance in the development process, which could produce total breakdown in some instances in the coming decade. Each city has its own carrying capacity, which changes over time. This depends on the level and combination of population, economic and human resources, and infrastructure, which are in turn in constant evolution. But once that carrying capacity is exceeded, degradation proceeds very quickly. There is, however, a high possibility of reversibility in this trend, which is not the case with natural systems. Governments actions can reverse the city's deterioration, if sufficient resources can be mobilized.

2.21. The urban renewal projects in the industrialized countries are one line of attack. Often, however, such projects merely displace the slum population to new slums while more well-to-do people move into the renewed areas. Another line of attack is urban dispersal,

contingent upon planned allocation of new growth poles in conjunction with newly established industries and new urban settlements. Such planning is already under way in many developing countries. Less capital-intensive renewal schemes, especially ones drawing upon, abundant labour, should be accorded a very high priority. Solid waste collection could also be resolved through mobilizing popular participation. In implementing municipal sewerage systems, methods emphasizing the use of labour could be selected. Rather than relying on large inputs of technology or capital, multiple aerated lagoons which are stocked with fish, or spray irrigation to enhance soil conditioning, could be used.

2.22. It is widely recognized that deviant social behaviour emerges from a loss of community and social organization. Many developing societies display a high degree of social organization and a considerable sense of community, even in urban settings, as a result of the transplantation of traditional social structures in the process of rural-urban interaction. Where traditional social systems - with broad citizen participation - are conducive to integration as well as change, urban planning should make room for such traditional patterns.

CHAPTER THREE

SOME CONSIDERATIONS FOR ENVIRONMENTAL POLICY FORMULATION

3.1. We discussed in the last chapter some of the major environmental issues which may arise in the process of development. We turn now to a number of considerations which are relevant in formulating environmental policies in the developing countries. In describing these, we wish to make it quite clear that no general guidelines or specific formulas can be prescribed at this uncertain stage of our knowledge regarding the interaction of environmental and developmental policies. Each country must find its own solutions in the light of its own problems and within the framework of its own political, social and cultural values. The formulation of environmental goals, as indeed the formulation of economic and social policies in general, falls entirely and exclusively within the sovereign competence of the developing countries.

3.2. It is important that environmental policies are integrated with development planning and regarded as a part of the overall framework of economic and social planning. As we have stressed so often before, environmental concern is only another dimension of the problem of development in the developing countries and cannot be viewed separately from their development effort. The objective should be to regard environmental improvement as one of the multiple goals in a development plan. The developing countries have certain inherent advantages in integrating environmental and developmental policies. Most of them are already committed to planning so that imposition or acceptance of social controls is nothing new for them. They are also making a fresh start in many fields and can anticipate the environmental effects and provide for them in their current planning. The overriding constraint in the developing countries is, of course, the limitation of resources which poses fairly sharp choices between various objectives of planning.

Since environmental improvement can be regarded only as one of the multiple objectives of planning, its priority in relation to other objectives should be determined by each society in the light of its own urgent economic and social problems and its own stage of development. Basically, this is a question of alternative uses of resources within the framework of comprehensive economic and social planning.

3.3. As we have already pointed out, the integration of environmental concern with development planning would require a broader definition of development goals than a mere increase in gross national product. The redefinition of development objectives must include greater stress on income distribution and employment, more attention to social services and welfare-oriented public goods, and greater provision for political participation. There should also be a quantification of social goals in development plans so that actual progress can be measured against these goals. Besides quantitative targets in the fields of income growth and employment, similar targets should also be spelt out for income distribution, public health, nutritional standards, housing and other welfare-oriented public goods. In other words, the quality of life in a poor society should be defined in terms of a selective attack on the problems of mass poverty, and development plans should attempt to quantify the improvement that is being sought in eliminating the worst forms of malnutrition, squalor, disease and ignorance.

3.4. One of the ways to quantify social goals in development plans would be to establish the concept of minimum environmental standards. Each developing country can define for itself the minimum environmental standards that it is seeking in various fields and sectors such as public health, nutrition, water supply, etc. The formulation of these environmental standards can facilitate redirection of the efforts and energies of these societies towards certain concrete goals. Environmental indicators can then be devised to measure the progress of the society towards the norms it has established for itself. It should be stressed that environmental standards cannot be fixed for all time to come and must necessarily

change over time as development proceeds. Again, it is quite possible that the resources of many of these societies may not be sufficient to achieve even the very minimum environmental standards in the short run. However, the advantage of establishing these standards is that they can serve as a focus for national effort. The concept of minimum - or threshold - environmental standards would also help in disaggregating the target of GNP growth. Many developing countries are increasingly turning from a preoccupation with “how much to produce and how fast” to “what is produced and how it is distributed”. The formulation of quantitative social goals and minimum environmental standards merely gives a concrete expression to this growing concern.

3.5. The integration of environmental concern in development planning would require national action by developing countries on a fairly broad front. Some of the major policy areas will include location of industries, land use policy, urban-rural interaction and community development, and sectoral policies as described in the last chapter. Greater attention is also needed for physical planning of facilities so that individual development projects and programmes get integrated into the overall physical environment. There is some possibility that surplus labour in the developing countries could be mobilized in the cause of environmental improvement, especially through projects of community development in the rural areas, since such projects may be found particularly attractive by the community and since they may require a larger labour input. These possibilities should be carefully explored through further research and study, especially as many developing countries are currently faced with the prospect of growing unemployment and under-employment and they have not been very successful so far in mobilizing their surplus labour to promote economic development.

3.6. From the macro-level of redefinition of development goals, establishment of minimum environmental standards and formulation of environmental policies on an aggregative and sectoral basis, the developing countries need also turn to the micro-level of devising appropriate techniques for including the environmental factor in the

appraisal of development projects. It is necessary to find techniques for quantifying the impact of development projects on environment, both favourable and unfavourable, so that the society can choose these projects with a fuller knowledge of their social costs and benefits. All too often the social costs of various projects have been ignored in the initial appraisal, especially when development proceeded under a regime of free enterprise, so that the society's awareness of many of the environmental disruptions resulting from these projects came at too late a stage, when the construction had already been completed. It is important that the social costs should be ascertained before undertaking development projects, so that the society can carefully choose whether these costs are still worthwhile in view of the other economic and social benefits of the project, whether some of these costs could and should be minimized in the design of the project, and whether some of the costs could and should be postponed through adoption of alternative technology.

3.7. The basic idea of social cost calculus is to make individual enterprises and units responsible to society at large. The society suffers when the individual unit does not assume all the costs which it generates. For an individual enterprise, environment is a free good which can be used and contaminated at will in the pursuit of high and quick profits or planned production quotas. For the society as a whole, environment is a part of its real wealth and cannot be treated as a free resource. This is why the traditional cost-benefit analysis is inadequate unless it is broadened to reflect social costs and benefits. While an individual can afford to ignore these costs, the society as a whole cannot, and it has every right to insist that these costs be carefully calculated and deliberate decisions made as to who pays these costs and how much.

3.8. Some of the factors which may have to be considered in making allocation decisions are the following:

1. The quantity and quality of known and required natural resources, and the possible effects and probable date of their exhaustion;

2. The availability or possible development of alternative technologies, including their relative costs;
3. The suitability of alternative sites;
4. The existing level of air and water pollution;
5. The opportunities for waste disposal and for the recycling of raw materials;
6. The environmental impact of the project, speed of degeneration, degree of severity, possibilities of reversibility and costs of various alternatives.

This is not a comprehensive list of the questions to be raised in the case of each development project but only illustrative of some of the concerns which should be formulated into specific questions whenever a development project is being appraised.

3.9. There is a considerable debate at present how specific guidelines should be formulated for project appraisal, taking into account environmental considerations in each sector and field. We have learnt that some work on guidelines is already under way in certain international financial institutions. While we recognize the need for specific guidelines for project appraisal, we must enter a note of caution here. In the present state of our knowledge, there is need for extreme care in devising specific guidelines so that they do not become bottlenecks in the implementation of development projects, or raise such issues of detail as are irrelevant in the current state of development in many of the developing countries. In any case, it is for the developing countries to formulate such guidelines in the light of their own experience and requirements. We suggest, therefore, that the developing countries should take an initiative in this regard and also discuss this issue at the level of the United Nations regional economic commissions, regional banks and other relevant international agencies. No rigid guidelines should be laid down by multilateral or bilateral donors at this stage unless there has been an opportunity for adequate consultations with the developing countries through various appropriate forums.

3.10. In order that social costs and benefits be properly calculated and reflected in the allocation of scarce resources, developing countries will have to consider the framework of social controls that they need to establish over economic decision making, particularly in the private sector. There is a wide variety of social controls which can be considered in this context. There are indirect controls relying on the imposition of disincentives, such as taxes, effluent charges, etc. and on giving incentives through fiscal subsidies for environmental improvement. There are direct controls which range from outright prohibition, statutory regulation or the curtailment of production of toxic materials, to administrative measures taken to control location of industrial production or of human settlements. No general guidelines can be laid down as to the effectiveness of direct or indirect controls in various developing countries, since this will depend on a wide variety of factors, including their political systems, their social and cultural values and the economic strategy being pursued by them. Each society must find its own balance between the range of direct and indirect controls available in this field. Since a large proportion of total investment in developing countries is generally under public control, directly or indirectly, and since these countries are already using a number of administrative controls as well as fiscal incentives to regulate private activity, it should be easier for them to find a judicious balance between various forms of social controls for environmental improvement. We suggest that more study and research should be undertaken on the effectiveness of direct and indirect social controls over environment, so that a range of specific policies is available to the developing countries from which they can choose in accordance with their own requirements and preferences.

3.11. In order to formulate environmental policies, the developing countries require a lot more information and knowledge than they currently possess. We suggest therefore that one of the first priorities should be to broaden their knowledge and information in the environmental field. It would be useful if the developing countries undertake a survey of their present state of environment and the major hazards to which they are exposed. They should also

undertake studies and research to define the kind of environmental problems that are likely to arise in the process of development over the course of the next two to three decades. It would also be helpful to compile all existing legislation regarding environmental control, including the regulations dealing with urban zoning, location of industries, protection of natural resources, and so on. This accumulation of information and knowledge should enable the developing countries to get a clearer perspective of their environmental problems and of the corrective action that they may require at different stages of development. Since public participation in any such efforts is vital, efforts should also be made to build the environmental concern into education curricula, and to disseminate it to the general public through media of mass information. We would like to stress once again the need for a good deal of careful research and study in this field, and the importance of avoiding hasty guidelines and action.

3.12. Once the developing countries have integrated the environmental concern in their framework of development planning, and undertaken studies of specific policy action required at the national level, concrete institutional arrangements would be needed to implement policies of environmental control. It is premature at this stage to spell out in great detail what institutional arrangements may be required under different conditions, nor can we say anything definite at present about the kind of special legislation that may have to be devised. A number of institutional arrangements have been suggested for the consideration of the developed countries including establishment of separate ministries or departments dealing with environmental control; setting-up of environmental standards and indicators and their monitoring by special institutions; proposals for establishing environment, technology and location assessment boards and for environmental quality management services; specific legislation to establish norms for the maintenance of clean air and clean water; new liability legislation regulating compensation for environmental disruption; enunciation of common or collective property rights with regard to such free and hitherto unprotected resources as air, water, soil, etc. Many of these institutional

arrangements have greater relevance to the problems of the developed countries than to the developing societies though the latter can study the experience of the developed countries with the implementation of these proposals with some profit. As we have repeatedly stressed, the problems of environmental disruption are still a relatively small part of the development concern of the developing countries and it may be premature for many of them to divert their administrative energies to the establishment of new institutions or machinery; they can just as well try to integrate their environmental concern within the framework of existing machinery for planning and development. In any case, the developing countries will have to undertake their own experimentation and improvisations in devising their institutional arrangements for environmental control in the light of their own specific needs and requirements as these emerge in the course of development.

3.13. It has been our aim in this chapter to provide an overall framework within which the developing countries can consider their own specific national action for environmental control. As we said in the beginning, no general guidelines or specific prescriptions are possible, or indeed desirable, at this stage. The basis of national action is so much rooted in the varied conditions in each country that all we could do was to draw attention to certain overall considerations rather than to prescribe any specific policies. we recommend that further work should be done by the developing countries themselves on the range of national action which would suit their individual requirements, and that this be discussed at the level of regional commissions meetings and at the Stockholm Conference.

CHAPTER FOUR

IMPLICATIONS FOR INTERNATIONAL ECONOMIC RELATIONS

4.1. We have discussed in the earlier part of our Report the changing nature of environmental issues in the development process and environmental policies relevant to different stages of development. While we believe that continued development is the only answer to many of the environmental problems of the developing countries, we also believe that these countries cannot afford either to neglect the environmental problems or to treat environment as a free resource as the presently developed countries too often did in their initial stages of economic progress. The character of these problems, of course, is quite different in the developing countries and the priority to be given to them in resource allocations is a critical issue, but what is important is that the long-term costs of environmental problems are fully understood and reflected in the current planning policies of the developing world.

4.2. Even if the developing countries were to regard the present environmental concern of the developed countries to be an irrelevant irritant, they can hardly remain indifferent to, or be unaffected by it. Inevitably, the environmental concern will cast its shadow on all international economic relations. One can perceive these international implications only a little dimly at this stage: much more thought and research work is needed before the outlines become any clearer. But it is important to anticipate the adverse implications for international economic relations on the one hand and the great opportunities which may open up on the other, and then to suggest policy measures and institutional arrangements which could reduce the former and maximize the latter. There is, in fact, no other choice if a confrontation between the developed and developing countries is to be avoided.

4.3. There are growing fears in the developing world that the current environmental concern in the developed countries will affect them adversely in the fields of trade, aid and transfer of technology. Some of these fears may be no more than the inherent fears of the weak in any confrontation with the stronger members of the international community. But it is important that they be articulated clearly, analysed objectively and provided for in any international arrangements which are made.

4.4. There is a fear that the insistence of the developed countries on rigorous environmental standards of products exchanged in international trade may well give rise to a “neo-protectionism”. Many of the developed countries will be loth to see their production and employment suffer if their export prices rise as environmental standards are enforced; they may try to argue that imports from the developing countries based on less rigorous environmental standards should either be taxed or banned. The import-competing sectors and organized lobbies are likely to join in this outcry. Agricultural products may be the first to suffer. Some industrial products, notably chemicals, may fare no better. And from specifics, the argument can quickly go on to a general level. Why be liberal in admitting the products of the developing countries if they are the outgrowth of a “sweated environment”? The humanitarian concern for environment can far too easily become a selfish argument for greater protectionism. The developing countries still confront the argument of “sweated labour”: the argument of “sweated environment” will be equally fallacious but even harder to beat.

4.5. In analysing these fears regarding trade disruption, we have to make several distinctions. First, there may be some exports of the developing countries (e.g. lead, high sulphur fuel) which are increasingly displaced by the development of a non-pollutive technology. The recycling of raw materials may also reduce the demand for some primary exports from the developing countries. This is merely the outcome of technological advancement and all that we can suggest is that there should be an anticipatory study of such export threats, development of an early warning system and

measures to enable the seriously affected countries to restructure their investment, production and exports. Second, as has already happened in the case of some products on sanitary grounds, there is the possibility of a rise in non-tariff barriers against those exports of the developing countries which carry some environmental hazards. Dairy products, fish, meat, fruits and vegetables are among the likely products where the developed countries may enforce very high environmental standards. Already the import of fruits and vegetables carrying traces of DDT has been banned in certain European countries. Insofar as the standards enforced in the developed countries are primarily meant to prevent health hazards and some international agreement is reached on maximum acceptable standards, it should not be interpreted as a discriminatory move against the exports of the developing countries. But in the meantime action should be taken to cushion the disruptive effects of such measures on the trade of the developing countries through a system of prior consultation and warnings by the developed countries of environmental actions contemplated by them. In certain cases, the possibility of channelling additional aid toward adapting export industries in developing countries to the new requirements in developed countries or towards a diversification of their exports should also be studied. The real danger is if the environmental standards enforced by the developed countries are unrealistic and unilateral and are arbitrarily invoked by them to keep some of the exports of the developing countries out of their own markets. Finally, the major danger that both developing and developed countries have to guard against is that the argument for better environment may be turned into an argument for greater protection by vested interests. When the concern spreads from the quality of a product to the environment in which such a product was produced, the alarm bells should ring all over the world, for it would be the beginning of the worst form of protectionism.

4.6. As a first step, it appears necessary to draw advance attention to the implications of environmental concerns for the continued growth of international trade. Appropriate procedures for prior notification, consultation and co-ordination will be needed to avoid

adverse effects for world trade arising from national measures designed to promote pollution control. Conflicts of trade interests arising in this area should be resolved through existing and evolving arrangements and procedures. In this connexion, the existing GATT framework - under which most of the industrialized countries have assumed specific rights and obligations - should be further used to mitigate such problems, so as to reduce the fears of the developing countries that a desire for a better environment may lead to an increase in protectionism.

4.7. It is important that the dimensions of this problem should be carefully defined and more concrete information accumulated so as to serve as the basis of international action. We therefore recommend that a number of specific studies be undertaken to analyse the implications of the current environmental concern for trade disruption. First, a comprehensive study should be made, possibly by UNCTAD, of the major threats that may arise to the exports of the developing countries, the character and severity of such threats, and the corrective action that may be possible. Second, FAO should continue its present useful work on food standards considerations, including contamination, and should seek to establish agreed environmental standards and guidelines for the export of foodstuffs. Third, GATT should undertake to monitor the rise of non-tariff barriers on grounds of environmental concern and bring out pointedly any such trends in its Annual Reports.

4.8. There is also a fear in the developing countries that excessive preoccupation with environmental problems will lead to a diminution of aid resources from the developed countries. Since there is an increasing concern in the developed countries about the deteriorating quality of life, and more attention is likely to be given to their own problems of slums, pockets of poverty and poor public services, it is argued that this may divert resources from foreign assistance to domestic needs. In a more exaggerated form, the fear is that the concern for environment may become a priority unto itself in the developed countries, like space exploration in the 1960s, and take away resources badly needed for other purposes.

Since there has been a progressive weakening of the will in a part of the developed world for giving foreign assistance to the developing countries, anxiety on this score is not entirely unfounded.

4.9. Aid priorities and project appraisal may also, it is feared, be distorted by an excessive tendency by the developed countries to apply their own environmental standards unthinkingly to the developing countries. To the extent that aid priorities are influenced by, and are an extension of, the current concerns in the developed countries, it is inevitable that they will respond to the growing environmental concern. Aid donors may well believe that projects meant for environmental improvement should claim a fairly high priority in the developing countries while the latter may give these projects a lower priority in the context of their own competing needs. Again, development projects may be held up for their presumed impact on environment if extensive guidelines for project appraisal are developed by the donors, as seems to have happened in the case of some recent hydro-electric projects. These projects may also become more expensive if much higher environmental standards are insisted upon than are appropriate to the developing countries at their present stage of development. By their very nature, environmental diseconomies are very difficult to measure or quantify and there can be greatly different judgements on the time period over which they may occur and the priority that should be attached to their elimination or reduction in the current design of a project. There is a fear as such that there may be serious distortions in the allocation of aid funds to various projects and even greater delays in the processing of projects in view of the growing environmental concern in the developed countries and its unthinking extension to the context of the developing countries. It is imperative, therefore, that multilateral and bilateral donors do not rush into the preparation of detailed guidelines for project appraisal from an environmental viewpoint without adequate consultation with the developing countries and without providing adequate safeguards against arbitrary guidelines and undue project delays. We realize that the question of a shift of aid from a project basis to a programme basis is already under debate and raises many issues beyond the purview

of our discussion, but the danger which we point out above should add one further consideration in favour of such a shift. It seems to us desirable that environmental considerations be discussed between donor and recipients on their own merits and the danger must be avoided that discussion of environmental aspects of projects may delay and reduce the flow of aid.

4.10. Besides the flow and direction of aid, the kind of technology that is transferred from the developed to the developing world may be seriously affected. It is quite likely that future technological developments in the developed world will be influenced by their current preoccupation with non-pollutive technology. To the extent that these developments are shaped by the environmental problems faced by the advanced countries and do not take into account the conditions in the developing countries, technology which is transferred from the developed to the developing regions may become even more inappropriate than it often is at present. It is also obvious that some of this non-pollutive technology would be quite costly for the developing countries. No definite estimates are at present available as to how costly the non-pollutive technology may be (vague estimates ranging between five and twenty per cent are often mentioned). We propose that further research be undertaken in this area, preferably under the auspices of the United Nations Advisory Committee for Science and Technology. If such equipment is significantly more expensive than the present technology, its export to developing countries under tied credits will further reduce the real content of foreign assistance.

4.11. All these are legitimate fears. But they should not be exaggerated. In any case, the best strategy for the developing countries is to articulate them fully and to seek opportunities to turn the environmental concern in the developed countries to their own advantage or at least neutralize its adverse implications.

4.12. There is, first of all, a prospect that the global concern for environment may reawaken the concern for elimination of poverty all over the globe. An emerging understanding of the indivisibility of

the earth's natural systems on the part of the rich nations could help strengthen the vision of a human family, and even encourage an increase in aid to poor nations' efforts to improve and protect their part of the global household. There is at least a chance that the legislatures in the developed world may be more, not less, forthcoming in their allocations for foreign assistance as they face up to the problem of deteriorating quality of life at home in the midst of obvious affluence. This opportunity must be seized. For this, the environmental problem has to be placed in its proper perspective both in the developed and the developing countries. It should be treated as a problem of the most efficient synthesis of developmental and environmental concerns at different stages of social transitions. Furthermore, it must be emphasized in all international forums, including the Stockholm Conference, that it is for the developed countries to reassure the developing world that their growing environmental concern will not hurt the continued development of the developing world nor would it be used to reduce resource transfers or to distort aid priorities or to adopt more protectionist policies or to insist on unrealistic environmental standards in the appraisal of development projects.

4.13. The environmental concern can also be utilized for greater support for projects and programmes in the social sectors. Traditionally, the aid-giving agencies have tended to frown upon such projects and programmes for their presumed low rate of return, at least in the short run. But investment in human resources is now catching the imagination of the donors. Programmes in education, nutrition, public health, water supply and other social services are beginning to be regarded favourably. Here is another opportunity that can be grasped. The developing countries can use the growing concern for social services in the developed world to escape from the tyranny of financial rates of return in traditional project appraisal, to seek broader international support for their social programmes in conformity with their own national priorities, and to obtain a greater amount of local currency financing for these programmes and projects.

4.14. There may well be other opportunities. If there is a growing concern about the pollutive effects of synthetics industries, the present rate of substitution for natural resources of the developing countries may at least tend to slow down. If there is a concern about the depletion of natural resources, opportunities may open up for re-examination of prices negotiated under long-term commodity agreements and renegotiation of concessions for minerals and oil. If there is a technology based on recycling of raw materials, it could also help the developing countries by opening up opportunities for savings in resource use of waste materials, and more efficient management of their own development. If there is a universal concern for global environmental problems, additional financial resources may become available from the developed world to combat these problems at an earlier stage in the developing countries. Special attention could also be given to seeking out other possibilities of achieving complementarity between the Second Development Decade strategies and efforts in the field of human environment. The main strategy should be to seize these and other similar opportunities, to enlarge their scope and to build upon them the edifice of more beneficial international economic relations. Attitudes of isolationism and indifference will hardly help in a world drawn increasingly closer; the developing countries must articulate their own interests and insist on international arrangements to protect these interests in the changing pattern of trade, aid and technology.

4.15. In this context, there are two major issues that we considered at some length: the opportunity for relocating industries with pollutive implications in the developing countries and the possibility of setting up a Special Fund for financing the implications of the environmental concern of the developing world. Our deliberations on these two issues follow.

4.16. The enforcement of higher environmental standards in the developed countries is likely to raise the cost of production of several "pollutive" industries such as petroleum and chemical industries, metal extracting and processing industries, paper and pulp industries. Such a development opens up an opportunity for the

developing countries to move into some of these industries if their natural resource endowments, including relatively less used environmental resources, create a comparative advantage in these fields. Such efforts should not, however, lead to a discarding of environmental standards adopted by the developing countries. Unfortunately, this whole subject bristles with controversies. There are those who argue vigorously that there should be no export of pollutive industries from the developed to the developing world. There are others who believe, just as strongly, that the opportunity for a better geographical distribution of industries must be seized immediately irrespective of any environmental costs. The elements of a sensible policy probably lie somewhere in the middle of these two extreme viewpoints. Firstly, industries which may be regarded as pollutive in some advanced countries because of their more limited environmental carrying capacity may well not be pollutive, or much less so, in the context of the developing countries with much less environmental pollution at present. Secondly, environmental standards and costs are likely to be quite different from the developed to the developing world, so that the developing countries may still possess comparative advantage in some of these industries despite the adoption of certain environmental controls in conformity with their own requirements. Thirdly, there is no reason why the developing countries should permit foreign investment, which comes to their countries into pollutive industries, to escape more stringent environmental standards back home if it results in a high rate of remittance of profits and even a lower net transfer of resources. In any arrangement that is made, it must be ensured that a) foreign investment is on favourable terms and conditions, b) it adds to the net transfer of resources, and c) it conforms to the environmental standards that the recipient country wishes to impose in the light of its own stage of development and its own cultural and social objectives. So long as these safeguards are provided, there is no reason why the developing countries should not increasingly specialize in certain industrial fields, both for home market production and export purposes, which are going to become more costly for the developed world because of their growing concern with environmental standards.

4.17. We have also discussed the question of who pays for the higher costs arising out of the environmental concern and how the burden is to be shared between the developed and the developing world. Looking at the problem strictly from the point of view of the developing countries, it is quite clear that additional funds will be required to subsidize research for environmental problems for the developing countries, to compensate for major dislocations in the exports of the developing countries, to cover major increases in the cost of development projects owing to higher environmental standards and finance restructuring of investment, production or export patterns necessitated by the environmental concern of the developed countries. There was some discussion on how these additional funds should be provided. A proposal was made that a Special Fund should be set up specifically for this purpose. It was, however, felt that the consideration of a Special Fund was premature at this stage and the additional funds could as well be channelled through the existing international machinery so long as they could be clearly earmarked for the above-stated objectives and clearly recognized as being additional. While the precise mechanism for the channelling of additional funds could not be discussed by us in any comprehensive manner, it was generally agreed that additional resource flows in one form or another will be needed.

4.18. Finally, there is a need for co-ordinating various international activities in the field of environment as well as for diffusing knowledge among developing countries of the nature and scope of these activities. Adequate institutional arrangements should be ensured for this purpose.

4.19. The subjects discussed in this chapter are closely related to the Strategy for the Second Development Decade as adopted by the United Nations. It is suggested that the considerations set out here should be taken into account during the review and appraisal of that strategy.

CHAPTER FIVE

IMPLICATIONS FOR POLICY ACTION

5.1. Our effort in this Report has been to draw attention to the interrelationship between development and environment and to provide an overall framework within which environmental policies can be formulated. We have hesitated to make many specific proposals both because we did not have the full information or the time to consider them and because we believe that these proposals can only be formulated by the developing countries themselves in the light of further research and study. In the present chapter, we are grouping together some of our recommendations which have implications for policy action, with a view to focus attention on a few selected areas of policy. The list is neither complete nor exhaustive: it is only an invitation to further work and thought.

5.2. We have stated our recommendations in a summary fashion below, since elaboration of all of them is available in the relevant chapters. For the sake of convenience, relevant paragraph numbers have been mentioned against each one of them.

Development Strategy

1. The projected review and appraisal of International Development Strategy for the Second Development Decade should aim at integrating the environmental concern within the framework of development policies. (Cf. § 4.19.)
2. The developing countries should include environmental improvement as one of the multiple goals in a development plan and define its priority and dimensions in the light of their own cultural and social values and their own stage of economic development. (Cf. § 3.2.)

3. The development objectives should be redefined to include greater stress on income distribution and employment, more attention to social services and welfare-oriented public goods, and greater provision for political participation. There should also be a greater quantification of social goals. (Cf. § 3.3.)
4. Each developing country should define for itself the minimum environmental standards that it is seeking in various fields and sectors, such as public health, nutrition, water supply, etc., and measure its progress towards these “norms” by developing environmental indicators. (Cf. § 3.4.)
5. In order to incorporate the environmental concern in development planning, greater attention should be devoted to the policy areas concerning location of industries, land use policy, physical planning and community development. (Cf. § 3.5.)
6. The developing countries should attempt to mobilize surplus labour for projects of environmental improvement. (Cf. § 3.5.)

Project Appraisal

7. The developing countries should formulate specific guidelines for project appraisal, taking into account environmental considerations. The social costs and benefits of projects, including their favourable and unfavourable impact on environment, should be fully reflected in these guidelines. (Cf. § 3.9.)
8. The developing countries should take the initiative to discuss formulation of such guidelines at the level of the regional economic commissions, regional banks and other relevant international agencies. (Cf. § 3.9.)
9. It would be undesirable that rigid guidelines for project appraisal from an environmental viewpoint be laid down by multilateral or bilateral donors at this stage without adequate

consultations with the developing countries through various appropriate forums. (Cf. § 3.9.)

Research and Study

10. The developing countries should initiate surveys of the present state of their environment and the major hazards to which it is exposed. (Cf. § 3.11.)
11. It would be useful to compile all existing legislation regarding environmental control, including the regulations dealing with urban zoning, location of industries, protection of natural resources, and so on. (Cf. § 3.11.)

Implications for Policy Action

12. Research should be concentrated into matters of urgent environmental concern, such as soil conservation, land management, rural-urban interaction patterns, location and physical planning of new urban centres, and other such environmental issues in each sector as are of immediate relevance to the conditions of individual countries. (Cf. Chapter 2.)

Institutional Requirements

13. There is need for more study and research on the effectiveness of various forms of direct and indirect controls over environment so that a range of specific policies is available to the developing countries from which they can choose in accordance with their requirements and preferences. (Cf. § 3.10.)
14. The developing countries should make appropriate institutional arrangements for the implementation and monitoring of environmental policies, including establishment of any new institutions or legislation for this purpose. (Cf. § 3.12.)

Information and Education

15. Some thought should be given to building the growing environmental concern into education curricula. (Cf. § 3.11.)
16. Public opinion should be informed of environmental problems and policies through programmes of mass information. (Cf. § 3.11.)

Trade and Aid

17. A comprehensive study should be made, possibly by the UNCTAD, of the major threats that may arise to the exports of the developing countries, from the environmental concern of the developed countries, the character and severity of such threats, and the corrective action that may be possible. (Cf. § 4.7.)
18. The FAO should continue its present useful work on food standards considerations, including contamination, and seek to establish agreed environmental standards and guidelines for the export of foodstuffs. (Cf. § 4.7.)
19. The GATT should undertake to monitor the rise of non-tariff barriers on grounds of environmental concern and bring out pointedly any such trends in its Annual Reports. (Cf. § 4.7.)
20. The developing countries should explore the possibilities of increased specialization in certain industrial fields, both for home market production and export purposes, which are going to become more costly for the developed world because of their growing concern with environmental standards. Such efforts should not, however, lead to an indiscriminate export of pollution by developed countries or to a discarding of environmental standards adopted by the developing countries. (Cf. § 4.16.)

21. The aid agencies should consider greater support for projects in the social sectors, both by providing larger assistance, and through the provision of local currency financing and programme lending. (Cf. § 4.13.)

International Action

22. The developed countries should ensure that their growing environmental concern will not hurt the continued development of the developing countries, or result in a reduction of resource transfers, or distortion of aid priorities, or adoption of more protectionist policies, or insistence on unrealistic environmental standards in the appraisal of development projects. (Cf. § 4.12.)
23. Additional aid funds will be required to subsidize research on environmental problems for the developing countries, to compensate for major dislocations in the exports of the developing countries, to cover major increases in the cost of development projects owing to higher environmental standards, and to finance restructuring of investment, production or export patterns necessitated by the environmental concern of the developed countries. A suitable mechanism for the channelling of these funds should be devised. (Cf. § 4.17.)
24. Research should be undertaken on how costly the non-pollutive technology is likely to be in various sectors and fields, preferably under the auspices of the United Nations Advisory Committee for Science and Technology. (Cf. § 4.10.)
25. Adequate institutional arrangements should be made for co-ordinating various international activities in the field of environment as well as for diffusing knowledge among developing countries of the nature and scope of these activities. (Cf. § 4.18.)

II

Declaration of the United Nations Conference on the Human Environment

1972

Declaration of the United Nations Conference on the Human Environment

The United Nations Conference on the Human Environment, having met at Stockholm from 5 to 16 June 1972, having considered the need for a common outlook and for common principles to inspire and guide the peoples of the world in the preservation and enhancement of the human environment, proclaims that:

Man is both creator and moulder of his environment, which gives him physical sustenance and affords him the opportunity for intellectual, moral, social and spiritual growth. In the long and tortuous evolution of the human race on this planet a stage has been reached when, through the rapid acceleration of science and technology, man has acquired the power to transform his environment in countless ways and on an unprecedented scale. Both aspects of man's environment, the natural and the manmade, are essential to his well-being and to the enjoyment of basic human rights – even the right to life itself.

The protection and improvement of the human environment is a major issue which affects the well-being of peoples and economic development throughout the world; it is the urgent desire of the peoples of the whole world and the duty of all Governments.

Man has constantly to sum up experience and go on discovering, inventing, creating and advancing. In our time, man's capability to transform his surroundings, if used wisely, can bring to all peoples the benefits of development and the opportunity to enhance the quality of life. Wrongly or heedlessly applied, the same power can do incalculable harm to human beings and the human environment. We see around us growing evidence of man-made harm in many regions of the earth: dangerous levels of pollution in water, air, earth and living beings; major and undesirable disturbances to the ecological balance of the biosphere; destruction and depletion

of irreplaceable resources; and gross deficiencies, harmful to the physical, mental and social health of man, in the man-made environment, particularly in the living and working environment.

In the developing countries most of the environmental problems are caused by under-development. Millions continue to live far below the minimum levels required for a decent human existence, deprived of adequate food and clothing, shelter and education, health and sanitation. Therefore, the developing countries must direct their efforts to development, bearing in mind their priorities and the need to safeguard and improve the environment. For the same purpose, the industrialized countries should make efforts to reduce the gap between themselves and the developing countries. In the industrialized countries, environmental problems are generally related to industrialization and technological development.

The natural growth of population continuously presents problems for the preservation of the environment, and adequate policies and measures should be adopted, as appropriate, to face these problems. Of all things in the world, people are the most precious. It is the people that propel social progress, create social wealth, develop science and technology and, through their hard work, continuously transform the human environment. Along with social progress and the advance of production, science and technology, the capability of man to improve the environment increases with each passing day.

A point has been reached in history when we must shape our actions throughout the world with a more prudent care for their environmental consequences. Through ignorance or indifference we can do massive and irreversible harm to the earthly environment on which our life and well-being depend. Conversely, through fuller knowledge and wiser action, we can achieve for ourselves and our posterity a better life in an environment more in keeping with human needs and hopes. There are broad vistas for the enhancement of environmental quality and the creation of a good life. What is needed

is an enthusiastic but calm state of mind and intense but orderly work. For the purpose of attaining freedom in the world of nature, man must use knowledge to build, in collaboration with nature, a better environment. To defend and improve the human environment for present and future generations has become an imperative goal for mankind - a goal to be pursued together with, and in harmony with, the established and fundamental goals of peace and of world-wide economic and social development.

To achieve this environmental goal will demand the acceptance of responsibility by citizens and communities and by enterprises and institutions at every level, all sharing equitably in common efforts. Individuals in all walks of life as well as organizations in many fields, by their values and the sum of their actions, will shape the world environment of the future. Local and national governments will bear the greatest burden for large-scale environmental policy and action within their jurisdictions. International co-operation is also needed in order to raise resources to support the developing countries in carrying out their responsibilities in this field. A growing class of environmental problems, because they are regional or global in extent or because they affect the common international realm, will require extensive co-operation among nations and action by international organizations in the common interest. The Conference calls upon Governments and peoples to exert common efforts for the preservation and improvement of the human environment for the benefit of all the people and for their posterity.

PRINCIPLES

The United Nations Conference on the Human Environment states the common conviction that:

PRINCIPLE 1

Man has the fundamental right to freedom, equality and adequate conditions of life, in an environment of a quality that permits a life of dignity and well-being, and he bears a solemn responsibility to protect and improve the environment for present and future generations. In this respect, policies promoting or perpetuating *apartheid*, racial segregation, discrimination, colonial and other forms of oppression and foreign domination stand condemned and must be eliminated.

PRINCIPLE 2

The natural resources of the earth, including the air, water, land, flora and fauna and especially representative samples of natural ecosystems, must be safeguarded for the benefit of present and future generations through careful planning or management, as appropriate.

PRINCIPLE 3

The capacity of the earth to produce vital renewable resources must be maintained and, wherever practicable, restored.

PRINCIPLE 4

Man has special responsibility to safeguard and wisely manage the heritage of wildlife and its habitat which are now gravely imperilled by a combination of adverse factors. Nature conservation, including wildlife, must therefore receive importance in planning for economic development.

PRINCIPLE 5

The non-renewable resources of the earth must be employed in such a way as to guard against the danger of their future exhaustion and to ensure that benefits from such employment are shared by all mankind.

PRINCIPLE 6

The discharge of toxic substances or of other substances and the release of heat, in such quantities or concentrations as to exceed the capacity of the environment to render them harmless, must be halted in order to ensure that serious or irreversible damage is not inflicted upon ecosystems. The just struggle of the peoples of all countries against pollution should be supported.

PRINCIPLE 7

States shall take all possible steps to prevent pollution of the seas by substances that are liable to create hazards to human health, to harm living resources and marine life; to damage amenities or to interfere with other legitimate uses of the sea.

PRINCIPLE 8

Economic and social development is essential for ensuring a favourable living and working environment for man and for

creating conditions on earth that are necessary for the improvement of the quality of life.

PRINCIPLE 9

Environmental deficiencies generated by the conditions of under-development and natural disasters pose grave problems and can best be remedied by accelerated development through the transfer of substantial quantities of financial and technological assistance as a supplement to the domestic effort of the developing countries and such timely assistance as may be required.

PRINCIPLE 10

For the developing countries, stability of prices and adequate earnings for primary commodities and raw materials are essential to environmental management since economic factors as well as ecological processes must be taken into account.

PRINCIPLE 11

The environmental policies of all States should enhance and not adversely affect the present or future development potential of developing countries, nor should they hamper the attainment of better living conditions for all, and appropriate steps should be taken by States and international organizations with a view to reaching agreement on meeting the possible national and international economic consequences resulting from the application of environmental measures.

PRINCIPLE 12

Resources should be made available to preserve and improve the environment, taking into account the circumstances and particular requirements of developing countries and costs which may emanate from their incorporating environmental safeguards into their development planning and the need for making available to them,

upon their request, additional international technical and financial assistance for this purpose.

PRINCIPLE 13

In order to achieve a more rational management of resources and thus to improve the environment, States should adopt an integrated and coordinated approach to their development planning so as to ensure that development is compatible with the need to protect and improve the human environment for the benefit of their population.

PRINCIPLE 14

Rational planning constitutes an essential tool for reconciling any conflict between the needs of development and the need to protect and improve the environment.

PRINCIPLE 15

Planning must be applied to human settlements and urbanization with a view to avoiding adverse effects on the environment and obtaining maximum social, economic and environmental benefits for all. In this respect, projects which are designed for colonialist and racist domination must be abandoned.

PRINCIPLE 16

Demographic policies which are without prejudice to basic human rights and which are deemed appropriate by Governments concerned should be applied in those regions where the rate of population growth or excessive population concentrations are likely to have adverse effects on the environment or development, or where low population density may prevent improvement of the human environment and impede development.

PRINCIPLE 17

Appropriate national institutions must be entrusted with the task of planning, managing or controlling the environmental resources of States with the view of enhancing environmental quality.

PRINCIPLE 18

Science and technology, as part of their contribution to economic and social development, must be applied to the identification, avoidance and control of environmental risks and the solution of environmental problems and for the common good of mankind.

PRINCIPLE 19

Education in environmental matters, for the younger generation as well as adults, giving due consideration to the underprivileged, is essential in order to broaden the basis for an enlightened opinion and responsible conduct by individuals, enterprises and communities in protecting and improving environment in its full human dimensions. It is also essential that mass media of communication avoid contributing to the deterioration of the environment, but, on the contrary, disseminate information of an educational nature, on the need to protect and improve the environment in order to enable man to develop in every respect.

PRINCIPLE 20

Scientific research and development in the context of environmental problems, both national and multinational, must be promoted in all countries, especially the developing countries. In this connexion, the free flow of up-to-date scientific information and transfer of experience must be supported and assisted, to facilitate the solution of environmental problems; environmental technologies should be made available to developing countries on terms which would

encourage their wide dissemination without constituting an economic burden on the developing countries.

PRINCIPLE 21

States have, in accordance with the Charter of the United Nations and the principles of international law, the sovereign right to exploit their own resources pursuant to their own environmental policies, and the responsibility to ensure that activities within their jurisdiction or control do not cause damage to the environment of other States or of areas beyond the limits of national jurisdiction.

PRINCIPLE 22

States shall co-operate to develop further the international law regarding liability and compensation for the victims of pollution and other environmental damage caused by activities within the jurisdiction or control of such States to areas beyond their jurisdiction.

PRINCIPLE 23

Without prejudice to such criteria as may be agreed upon by the international community, or to standards which will have to be determined nationally, it will be essential in all cases to consider the systems of values prevailing in each country, and the extent of the applicability of standards which are valid for the most advanced countries but which may be inappropriate and of unwarranted social cost for the developing countries.

PRINCIPLE 24

International matters concerning the protection and improvement of the environment should be handled in a co-operative spirit by all countries, big or small, on an equal footing. Co-operation through multilateral or bilateral arrangements or other appropriate means is

essential to effectively control, prevent, reduce and eliminate adverse environmental effects resulting from activities conducted in all spheres, in such a way that due account is taken of the sovereignty and interests of all States.

PRINCIPLE 25

States shall ensure that international organizations play a co-ordinated, efficient and dynamic role for the protection and improvement of the environment.

PRINCIPLE 26

Man and his environment must be spared the effects of nuclear weapons and all other means of mass destruction. States must strive to reach prompt agreement, in the relevant international organs, on the elimination and complete destruction of such weapons.

III

THE COCOYOC DECLARATION

1974

THE COCOYOC DECLARATION

Thirty years have passed since the signing of the United Nations Charter launched the effort to establish a new international order. Today, that order has reached a critical turning point. Its hopes of creating a better life for the whole human family have been largely frustrated. It has proved impossible to meet the “inner limit” of satisfying fundamental human needs. On the contrary, more people are hungry, sick, shelterless and illiterate today than when the United Nations was first set up.

At the same time, new and unforeseen concerns have begun to darken the international prospects. Environmental degradation and the rising pressure on resources raise the question whether the “outer limits” of the planet’s physical integrity may not be at risk.

And to these preoccupations must be added the realization that the next 30 years will bring a doubling of world population. Another world on top of this, equal in numbers, demands and hopes.

But these critical pressures give no reason to despair of the human enterprise, provided we undertake the necessary changes. The first point to be underlined is that the failure of world society to provide “a safe and happy life” for all is not caused by any present lack of physical resources. The problem today is not primarily one of absolute physical shortage but of economic and social maldistribution and misuse; mankind’s predicament is rooted primarily in economic and social structures and behaviour within and between countries.

Much of the world has not yet emerged from the historical consequences of almost five centuries of colonial control which concentrated economic power so overwhelmingly in the hands of a small group of nations. To this day, at least three quartets of the world's income, investment, services and almost all of the world's research are in the hands of one quarter of its people.

The solution of these problems cannot be left to the automatic operation of market mechanisms. The traditional market makes resources available to those who can buy them rather than those who need them, it stimulates artificial demands and builds waste into the production process, and even under-utilizes resources. In the international system the powerful nations have secured the poor countries' raw materials at low prices - for example, the price of petroleum fell decisively between 1950 and 1970 - have engrossed all the value-added from processing the materials and sold the manufactures back, often at monopoly prices.

At the same time, the very cheapness of the materials was one element in encouraging the industrialized nations to indulge in careless and extravagant use of the imported materials. Once again, energy is the best example. Oil at just over a dollar a barrel stimulated a growth in energy use of between 6 and 11 per cent a year. In Europe, the annual increase in car registrations reached 20 per cent.

Indeed, pre-emption by the rich of a disproportionate share of key resources conflicts directly with the longer-term interests of the poor by impairing their ultimate access to resources necessary to their development and by increasing their cost. All the more reason for creating a new system of evaluating resources which takes into account the benefits and the burdens for the developing countries.

The over-all effect of such biased economic relationships can best be seen in the contrast in consumption. A North American or a European child, on average, consumes outrageously more than his Indian or African counterpart - a fact which makes it specious to

attribute pressure on world resources entirely to the growth of third world population.

Population growth is, of course, one element in the growing pressures on world supplies. The planet is finite and an indefinite multiplication of both numbers and claims cannot be endlessly sustained. Moreover, shortages can occur locally long before there is any prospect of a general exhaustion of particular resources. A policy for sane resource conservation and for some forms of management of ultimately scarce resources within the framework of new economic order must soon replace today's careless rapacity. But the point in the existing world situation is that the huge contrasts in *per capita* consumption between the rich minority and the poor majority have far more effect than their relative numbers on resource use and depletion. We can go further.

Since a lack of resources for full human development is, as the Bucharest Conference on Population clearly recognized, one of the continuing causes of explosive population growth, to deprive nations of the means of development directly exacerbates their demographic problems.

These unequal economic relationships contribute directly to environmental pressures. The cheapness of materials has been one factor in increasing pollution and encouraging waste and throwaway economy among the rich. And continued poverty in many developing lands has often compelled the people to cultivate marginal lands at great risk of soil erosion or to migrate to the physically degraded and overcrowded cities.

Nor are the evils which flow from excessive reliance on the market system confined to international relationships. The experience of the last 30 years is that the exclusive pursuit of economic growth, guided by the market and undertaken by and for the powerful elites, has the same destructive effects inside developing countries. The richest 5 per cent engross all the gain while the poorest 20 per cent can actually grow poorer still. And at the local as at the international level the evils of material poverty are compounded by the people's

lack of participation and human dignity, by their lack of any power to determine their own fate.

Nothing more clearly illustrates both the need to reform the present economic order and the possibility of doing so than the crisis that has arisen in world markets during the last two years. The trebling of the price of food fertilizers and manufactures in the wake of world inflation has most severely hit the world's poorest peoples. Indeed, this winter the risk of a complete shortfall in supplies threatens the lives of millions in the third world. But it cannot be called absolute shortage. The grain exists, but it is being eaten elsewhere by very well-fed people. Grain consumption in North America has grown *per capita* by 350 pounds, largely in meat products, since 1965 - to reach 1,900 pounds today. Yet this extra 350 pounds is almost equal to an Indians total annual consumption. North Americans were hardly starving in 1965. The increase since then has contributed to super-consumption which even threatens health. Thus, in physical terms, there need be no shortage this winter. It requires only a small release from the "surplus" of the rich to meet the entire Asian shortfall. There could hardly be a more vivid example of what one might call the overconsumption of the wealthy nations contributing directly to the underconsumption of the world's poor. The quadrupling of oil prices through the combined action of the oil producers sharply alters the balance of power in world markets and redistributes resources massively to some third world countries. Its effect has been to reverse decisively the balance of advantage in the oil trade and to place close to 100 billions a year at the disposal of some third world nations. Moreover, in an area critical to the economies of industrialized States, a profound reversal of power exposes them to the condition long familiar in the third world - a lack of control over vital economic decisions.

Nothing could illustrate more clearly the degree to which the world market system which has continuously operated to increase the power and wealth of the rich and maintain the relative deprivation of the poor is rooted not in unchangeable physical circumstance but in political relationships which can, of their very

nature, undergo profound reversals and transformations. In a sense, a new economic order is already struggling to be born. The crisis of the old system can also be the opportunity of the new.

It is true that, at present, the outlook seems to hold little but confrontation, misunderstanding, threats and angry dispute. But, again, we repeat, there is no reason to despair. The crisis can also be a moment of truth from which the nations learn to acknowledge the bankruptcy of the old system and to seek the framework of a new economic order.

The task of a statemanship is thus to attempt to guide the nations, with all their differences in interest, power and fortune, towards a new system more capable of meeting the “inner limits” of basic human needs for all the world’s people and of doing so without violating the “outer limits” of the planet’s resources and environment. It is because we believe this enterprise to be both vital and possible that we set down a number of changes, in the conduct of economic policy, in the direction of development and in planetary conservation, which appear to us to be essential components of the new system.

THE PURPOSE OF DEVELOPMENT

Our first concern is to redefine the whole purpose of development. This should not be to develop things but to develop man. Human beings have basic needs: food, shelter, clothing, health, education. Any process of growth that does not lead to their fulfilment - or, even worse, disrupts them - is a travesty of the idea of development. We are still in a stage where the most important concern of development is the level of satisfaction of basic needs for the poorest sections in each society which can be as high as 40 per cent of the population. The primary purpose of economic growth

should be to ensure the improvement of conditions for these groups. A growth process that benefits only the wealthiest minority and maintains or even increases the disparities between and within countries is not development. It is exploitation. And the time for starting the type of true economic growth that leads to better distribution and to the satisfaction of the basic needs for all is today. We believe that 30 years of experience with the hope that rapid economic growth benefiting the few will “trickle down” to the mass of the people has proved to be illusory. We therefore reject the idea of “growth first, justice in the distribution of benefits later”.

Development should not be limited to the satisfaction of basic needs. There are other needs, other goals, and other values. Development includes freedom of expression and impression, the right to give and to receive ideas and stimulus. There is a deep social need to participate in shaping the basis of one's own existence, and to make some contribution to the fashioning of the world's future. Above all, development includes the right to work, by which we mean not simply having a job but finding self-realization in work, the right not to be alienated through production processes that use human beings simply as tools.

THE DIVERSITY OF DEVELOPMENT

Many of these more than material needs, goals and values, depend on the satisfaction of the basic needs which are our primary concern. There is no consensus today what strategies to pursue in order to arrive at the satisfaction of basic needs. But there are some good examples even among poor countries. They make clear that the point of departure for the development process varies considerably from one country to another, for historical, cultural and other reasons. Consequently, we emphasize the need for pursuing many different roads of development. We reject the unilinear view which

sees development essentially and inevitably as the effort to imitate the historical model of the countries that for various reasons happen to be rich today. For this reason, we reject the concept of “gaps” in development. The goal is not to “catch up” but to ensure the quality of life for all with a productive base compatible with the needs of future generations.

We have spoken of the minimum satisfaction of basic needs. But there is also a maximum level, there are ceilings as well as floors. Man must eat to live. But he can also overeat. It does not help us much to produce and consume more and more if the result is an ever-increasing need for tranquilizers and mental hospitals. And just as man has a limited capacity to absorb material goods, we know that the biosphere has a finite carrying capacity. Some countries tax it in a way that is far out of proportion with their share in world population. Thus they create environment problems for others as well as for themselves.

Consequently, the world is today not only faced with the anomaly of underdevelopment. We may also talk about overconsumptive types of development that violate the inner limits of man and the outer limits of nature. Seen in this perspective, we are all in need of a redefinition of our goals, of new development strategies, of new, life styles, including more modest patterns of consumption among the rich. Even though the first priority goes to securing the minima we shall be looking for those development strategies that also may help the affluent countries, in their enlightened self-interest, in finding more human patterns of life, less exploitative of nature, of others, of oneself.

SELF RELIANCE

We believe that one basic strategy of development will have to be increased national self-reliance. It does not mean autarky. It implies mutual benefits from trade and co-operation and a fairer redistribution of resources satisfying the basic needs. It does mean self-confidence, reliance primarily on one's own resources, human and natural, and the capacity for autonomous goal-setting and decision-making. It excludes dependence on outside influences and power that can be converted into political pressure. It excludes exploitative trade patterns depriving countries of their natural resources for their own development. There is obviously a scope for transfer of technology, but the thrust should be on adaptation and the generation of local technology. It implies decentralization of the world economy, and sometimes also of the national economy to enhance the sense of personal participation. But it also implies increased international co-operation for collective self-reliance. Above all, it means trust in people and nations, reliance on the capacity of people themselves to invent and generate new resources and techniques to increase their capacity to absorb them, to put them to socially beneficial use, to take a measure of command over the economy, and to generate their own way of life.

In this process education for full social awareness and participation will play a fundamental role and the extent to which this is compatible with present patterns of schooling will have to be explored.

To arrive at this condition of self-reliance, fundamental economic, social and political changes of the structure of society will often be necessary. Equally necessary is the development of an international system compatible with and capable of supporting moves towards self-reliance.

Self-reliance at national levels may also imply a temporary detachment from the present economic system, it is impossible to develop self-reliance through full participation in a system that perpetuates economic dependence. Large parts of the world of today consist of a centre exploiting a vast periphery and also our

common heritage, the biosphere. The ideal we need is a harmonized co-operative world in which each part is a centre, living at the expense of nobody else, in partnership with nature and in solidarity with future generations.

There is an international power structure that will resist moves in this direction. Its methods are well known: the purposive maintenance of the built-in bias of the existing international market mechanisms, other forms of economic manipulation, withdrawing or withholding credits, embargoes, economic sanctions, subversive use of intelligence agencies, repression including torture, counter-insurgency operations, even full-scale intervention. To those contemplating the use of such methods we say: "Hands-off. Leave countries to find their own road to a fuller life for their citizens." To those who are the -sometimes unwilling - tools of such designs - scholars, businessmen, police, soldiers and many others - we would say: "Refuse to be used for purposes of denying another nation the right to develop itself." To the natural and social scientists, who help design the instruments of oppression we would say: "the world needs your talents for constructive purposes, to develop new technologies that benefit man and do not harm the environment."

SUGGESTIONS FOR ACTION

We call on political leaders, Governments, international organizations and the scientific community to use their imagination and resources to elaborate and start implementing, as soon as possible, programmes aimed at satisfying the basic needs of the poorest peoples all over the world, including: wherever appropriate, the distribution of goods in kind. These programmes should be designed in such a way as to ensure adequate conservation of resources and protection of the environment.

We consider that the above task could be made easier by instituting a new more co-operative and equitable international economic order.

We are aware that the world system and the national policies cannot be changed overnight. The major changes which are required to answer the critical challenges facing mankind at this turning point of history need some time to mature. But they have to be started immediately, and acquire a growing impetus. The Special Session of the General Assembly of the United Nations on a New Economic Order has given the process a right start and we fully endorse it. This, however, is a very preliminary step which should develop into a great tide of international activities.

The Charter of Economic Rights and Duties of States, proposed by the President of Mexico, Lic. Luis Echevarria, and now under discussion at the United Nations, would be a further important step in the right direction. We urge that it be adopted as early as possible.

In a framework of national sovereignty over natural resources, governments and international institutions should further the management of resources and environment on a global scale. The first aim would be to benefit those who need these resources most and to do so in accordance with the principle of solidarity with future generations.

We support the setting up of strong international regimes for the exploitation of common property resources that do not fall under any national jurisdiction. We especially emphasize the importance of the ocean floor and its subsoil, possibly also the water column above it. An oceans regime has to be established with all countries of the world represented, favouring none and discriminating against none, with jurisdiction over a maximum area of the oceans. Such a regime would gradually develop the type of resource-conserving and environmentally sound technology required

to explore, develop, process and distribute ocean resources for the benefit of those who need them most.

The use of international commons should be taxed for the benefit of the poorest strata of the poor countries. This would be a first step towards the establishment of an international taxation system aimed at providing automatic transfers of resources to development assistance. Together with the release of funds through disarmament, international taxation should eventually replace traditional assistance programmes. Pending the establishment of these new mechanisms, we strongly recommend that the flow of international resources to third world countries should be greatly increased and rigorously dedicated to basic needs for the poorest strata of society.

Science and technology must be responsive to the goals we are pursuing. Present research and development patterns do not effectively contribute to them. We call on universities, other institutions of higher learning, research organizations and scientific associations all over the world to reconsider their priorities. Mindful of the benefits deriving from free and basic research, we underline the fact that there is a reservoir of under-utilized creative energy in the whole scientific community of the world, and that it should be more focused on research for the satisfaction of fundamental needs. This research should be done as far as possible in the poor countries and thus help to reverse the brain-drain.

A rejuvenated United Nations system should be used to strengthen the local capabilities for research and technology assessment in the developing countries, to promote co-operation between them in these areas and to support research in a better and more imaginative utilization of potentially abundant resources for the satisfaction of the fundamental needs of mankind.

At the same time, new approaches to development styles ought to be introduced at the national level. They call for imaginative research into alternative consumption patterns, technological styles,

land-use strategies as well as the institutional framework and the educational requirements to sustain them. Resource-absorbing and waste-creating overconsumption should be restrained while production of essentials for the poorest sections of the population is stepped up. Low waste and clean technologies should replace the environmentally disruptive ones. More harmonious networks of human settlements could be evolved to avoid further congestion of metropolitan areas and marginalization of the countryside.

In many developing countries the new development styles would imply a much more rational use of the available labour force to implement programmes aimed at the conservation of natural resources, enhancement of environment, creation of the necessary infrastructure and services to grow more food as well as the strengthening of domestic industrial capacity to turn out commodities satisfying basic needs.

On the assumption of a more equitable international economic order, some of the problems of resource maldistribution and space use could be taken care of by changing the industrial geography of the world. Energy, resource and environmental considerations add new strength to the legitimate aspirations of the poor countries to see their share in world industrial production considerably increased.

Concrete experiments in the field are also necessary. We consider that the present efforts of the United Nations Environment Programme to design strategies and assist projects for ecologically sound socio-economic development (eco-development) at the local and regional level constitute an important contribution to this task. Conditions should be created for people to learn by themselves through practice how to make the best possible use of the specific resources of the ecosystem in which they live, how to design appropriate technologies, how to organize and educate themselves to this end.

We call on leaders of public opinion, on educators, on all interested bodies to contribute to an increased public awareness of both the origins and the severity of the critical situation facing mankind today. Each person has the right to understand fully the nature of the system of which he is a part, as a producer, as a consumer, as one among the billions populating the earth. He has a right to know who benefits from the fruits of his work, who benefits from what he buys and sells, and the degree to which he enhances or degrades his planetary inheritance.

We call on Governments to prepare themselves for action at the 1975 Special Session of the United Nations General Assembly so that the dimension and concepts of development are expanded, that the goals of development be given their rightful place in the United Nations system and the necessary structural changes initiated. We affirm our belief that since the issues of development, environment and resource use are essentially global and concern the well-being of all mankind, Governments should fully use the mechanisms of the United Nations for their resolution and that the United Nations system should be renewed and strengthened to be capable of its new responsibilities.

EPILOGUE

We recognize the threats to both the “inner limits” of basic human needs and the “outer limits” of the planet’s physical resources. But we also believe that a new sense of respect for fundamental human rights and for the preservation of our planet is growing up behind the angry divisions and confrontations of our day.

We have faith in the future of mankind on this planet. We believe that ways of life and social systems can be evolved that are more just, less arrogant in their material demands, more respectful of the whole planetary environment. The road forward does not lie

through the despair of doom-watching or through the easy optimism of successive technological fixes. It lies through a careful and dispassionate assessment of the “outer limits”, through co-operative search for ways to achieve the “inner limit” of fundamental human rights, through the building of social structures to express those rights, and through all the patient work of devising techniques and styles of development which enhance and preserve our planetary inheritance.

IV

ENVIRONMENT AND DEVELOPMENT: TOWARDS A COMMON STRATEGY FOR THE SOUTH IN THE UNCED NEGOTIATIONS AND BEYOND

ENVIRONMENT AND DEVELOPMENT: TOWARDS A COMMON STRATEGY FOR THE SOUTH IN THE UNCED NEGOTIATIONS AND BEYOND

I. INTRODUCTION

The United Nations Conference on Environment and Development (UNCED) will convene in June 1992 in Rio de Janeiro, Brazil, at the level of heads of state or government. It will be a conference of exceptional importance. Its subject matter is nothing less than the safety of the planet and the well-being and future of humankind. Its declared aim is to adopt recommendations which, if implemented, may ensure that the world and its resources will satisfy the needs and aspirations of all human beings in an equitable, environmentally sound and sustainable manner. Its outcome can contribute to future international cooperation and progress. But there is a risk that the conference's decisions may accentuate inequities and tensions between nations and especially between the North and the South. It is clear, therefore, that all countries and peoples have a vital stake in its successful and balanced outcome.

It is significant that this is a conference on Environment *and* Development. This twofold topic marks the recognition of the "link" and of the interdependence of issues and solutions concerning what has in the past been treated as two separate agendas of international negotiations, on account of the insistence of the North. Because of this "link" it is possible to mount an integrated approach to the global challenges of sustainable development.

UNCED offers, moreover, an opportunity for engaging in more balanced negotiations between the North and the South, and it could yield results that the developing countries have been seeking

for some time. Global action on the environment cannot succeed without the full participation and collaboration of the South. Indeed, UNCED is an international conference where the North is seeking environmental concessions from the South, and where the South can make such concessions in return for firm commitments by the North to restructure global economic relations. This potential give-and-take relationship makes it possible for the South to bargain for a comprehensive compact with the North. The moral and ethical weight of the South's case, which can be argued and demonstrated in a convincing manner, is also an important element in the global debate and in the quest to influence world public opinion and thus the political base on which future action will be built.

These potential benefits for the South, however, will not materialize automatically, and a major collective effort will be required on the part of the developing countries to seize and benefit from them. In fact, the principal developed countries have shown little enthusiasm for a comprehensive approach to the twin subject of environment and development; they have tried to avoid the issues of deeper concern to developing countries, and to shift attention to those that they consider to be important. They have promoted a narrowly defined environmental agenda, a sectoral approach to the UNCED proceedings, including separate negotiations on conventions relating to climate change and biodiversity, and expressed a preference for piecemeal case-by-case bargaining. And they have tried, with the assistance of the media, to shift the burden of responsibility for global environmental dilemmas onto the South, by focussing on environmental effects of such phenomena as tropical deforestation and population growth, while neglecting their fundamental causes.

Their task was made easier by the fact that the developing countries were not adequately prepared and organized. Individually, their delegations found it difficult to match the technically strong and large delegations from the North, while a complex, multi-level negotiating process strained their limited manpower and resources. Nor did the Group of 77 manage to present a solid front and

maintain the initiative. As a consequence the South's influence on the preparatory process was weakened and it pursued a merely defensive tactic of damage limitation vis-à-vis the initiatives of the well-organized North.

At the third session of the UNCED Preparatory Committee, however, there was a more forceful presentation of the South's position by the Group of 77. This was in part inspired by the Beijing Ministerial Declaration on Environment and Development adopted by the Ministerial Conference of Developing Countries on Environment and Development, held in June 1991 and attended by over forty countries. This common stand and action needs to be maintained and continued.

II. KEY STRATEGIC CONSIDERATIONS FOR THE SOUTH

It is suggested that two fundamental strategic objectives should determine the negotiating position of the developing countries at the Rio Conference:

- (a) to ensure that the South has adequate "environmental space" for its future development, and
- (b) to modify global economic relations in such a way that the South obtains the required resources, technology, and access to markets which would enable it to pursue a development process that is both environmentally-sound and rapid enough to meet the needs and aspirations of its growing population.

The developing countries will also need to adopt a comprehensive negotiating and public information strategy in the process leading to the Rio Conference.

Sufficient “Environmental Space”

Over the last decade, it has increasingly become clear that the Earth's capacity to absorb and render harmless the various gases and other substances that are generated by modern society, or to tolerate changes wrought onto the natural environment, is being exceeded, and changes on the planetary scale have been set in motion, e.g., changes affecting the climate and ozone layer. While there is considerable debate, partly because of unavoidable scientific uncertainties, regarding the exact nature of these mostly man-made changes and their long-term effects, it is coming to be generally realized that urgent measures need to be taken to counter current harmful trends and to prepare for further foreseeable changes.

A myriad of measures are under consideration, including those for curbing emissions, for evolving new technologies and technological processes, and for effecting changes in lifestyles. The various measures will inevitably require adjustments in global production and consumption patterns and will involve heavy costs. The essential question, in the context of the North-South dialogue, is how the burden of adjustment is to be shared in an equitable manner.

With regard to this crucial question, it is imperative that the developing countries should claim the right to an adequate “environmental space” and strive for the recognition of this right by the international community. They must stand firm on the principle that the development of the South can in no way be compromised by the North's pre-emption of the global environment space. In the case of climate change and ozone layer depletion, for example, the North with less than 20% of the world's population accounts for over 80% of the total emission of harmful gases. The accumulation

of gases in the atmosphere has been almost entirely due to past activities in the North. Hence, it is the North, and not the South, that must assume the burden of global environmental adjustment.

The South should point out furthermore that the concept of “sustainable development” does not mean only that the needs of the present have to be met without prejudice to the satisfaction of future needs. It means also that the needs of the North should be met in ways that do not compromise the satisfaction of the present and future needs of the South.

The South must, therefore, look to what the North would undertake to do for the global environment as a major issue at the Rio Conference. The issue is no less important to the developing countries than that of their own environmental actions and the support they might mobilize for them. It is a crucial aspect of the environment-development link and the way in which it is dealt with should be the yardstick by which to measure the success of the Conference.

Closing the Resource Gap for Sustainable Development in the South

The developing countries have a real interest in pursuing and adjusting to environmentally sound production, development and lifestyles. Indeed, as late-comers, they have the opportunity to leap-frog into environmentally-sensitized patterns of development, in part by benefiting from the new technologies and experiences of the North. This objective, much like overcoming environmental problems associated with poverty, can be achieved only through economic growth and development.

It is well recognized, however, that the developing countries face a serious resource constraint in attaining an adequate tempo of development. There is a resource gap between their investment

needs and their savings and between their need for imports and their earnings from exports. The resource gap facing the developing countries was a reality long before the environment issue became a subject of serious concern. It is to bridge this gap that developing countries have sought changes in the international economic system and support from the international community through a variety of measures in the fields of trade, finance, aid, and technology.

The introduction of the environment dimension into the development process is bound to widen this gap still further. Investments that avoid or reduce environmental damage in the fields of infrastructure, industry and even agriculture are likely in most cases to involve the deployment of new technologies, equipment and management techniques that are more rather than less costly than the earlier ones. The environment imperative may also point to more expensive sectoral choices and development options as countries approach the ecological and physical limits to the use of land and mineral resources.

The crux of the environment-development issue is, therefore, the larger total volume of resources needed by the developing countries for a development process that is adequate in terms of tempo and at the same time is environmentally-sound. If the goal of sustainable development is to become a reality in the South and if the needs of its growing populations are to be met, developing countries manifestly need the support of the international community.

The concept of “additionality” has already figured in the course of the Conference preparations relating to the subject of resource availabilities. But additionality should not mean only helping to meet the additional costs that would arise in incorporating the environmental dimension into specific projects and activities. The value of internationally agreed environmental measures in selected cases would clearly be undermined if the developing countries were unable to achieve their broader development goals and if poverty and environmental degradation continued to prevail on a broad

front. The concept of additionality has to be seen, therefore, in a context broader than that of specific activities only. It must relate to the need to bridge the larger total resource gap that arises in the pursuit of environmentally-sound and sustainable development.

The success of the Rio Conference from the point of view of the developing countries will therefore be measured by the extent to which its recommendation may contribute towards closing the total resource gap, including that implied by the environment-development dimension. It is for this reason that the Rio Conference must address the whole range of issues pertinent to the availability of resources for development. These issues include the external debt of the developing countries, the declining commodity prices and the deteriorating terms of trade, protectionism and market access, and the adequacy of resource flows provided by official development assistance, the multilateral financing institutions, the private capital market and foreign direct investment.

The negotiation of specific and detailed measures in these areas may fall outside the scope of the Conference. But the Conference would not be advancing the cause of Environment and Development if it failed to provide the guide-lines, secure the necessary and binding commitment for action and agreed timetables for negotiations, give a strong political impetus to the various international forums that are considering these weighty matters, and decide on the institutional framework for the continuation of negotiations in the post-Conference period.

For a Comprehensive and Coordinated Negotiating Strategy for the South

In order to ensure that the South's strategic objectives are indeed achieved at the Rio Conference - and even as a minimum not to lose ground vis-à-vis the North - the developing countries will need to adopt a comprehensive and coordinated strategy in the various

forums where negotiations are concurrent taking place, viz. the UNCED preparatory process, the climate change and biodiversity conventions, as well as UNCTAD VIII, GATT, and other bodies.

The South must ensure that the agreements reached in all these forums are mutually consistent and reinforcing and that they all accord with its vital interests. In particular, the developing countries must guard against entering into a legally-binding agreement in one forum (e.g., the negotiations on the conventions on climate change or bio-diversity) without obtaining from the North in the UNCED negotiations firm commitments that the South's strategic aspirations will be met in other areas, an objective which can be attained through a comprehensive approach.

The developing countries must also be on guard against becoming signatories to seemingly non-binding declarations. As experience has shown, such recommendations or statements of principle can, in another setting, become *de facto* binding on the countries of the South, while remaining mere statements of intent which can be ignored by the countries of the North. A declaration of principle on the environment can, for example, be turned by international financial institutions, which are controlled by the North, into an instrument stipulating conditions for loans and thus an added element of conditionality or cross-conditionality practiced vis-à-vis the developing countries. Appropriate safeguards and balanced obligations of all countries are thus called for.

A comprehensive negotiating strategy for the South should include the following elements:

- (a) An agreement among the countries of the South on their strategic objectives at the Rio Conference (such an agreement should clearly indicate which issues are considered non-negotiable by the South). This should then allow for the formulation of a common negotiating position on the key issues that are currently

being discussed in the UNCED preparatory process and in other forums.

- (b) An agreement among the countries of the South pledging them to pool their resources and to establish mechanisms for giving them adequate scientific and technical support in the various negotiating forums. This could help ensure that delegations from the South have an adequate level of preparedness and technical expertise vis-à-vis the delegations from the North.
- (c) A public information strategy aimed directly at public opinion in the North and designed to foster better understanding of and sympathy and support for the South's position. The campaign should aim to draw attention to the historical, moral and ethical dimensions of the global environment-development challenges, as well as to the shared interests and responsibilities of all peoples and nations in sustainable development in the South.

III. ELEMENTS FOR A COMMON POSITION OF THE SOUTH IN UNCED AND THE RELATED NEGOTIATIONS

Given the importance of the negotiating process, it is critical for the countries of the South to participate with a clarity of purpose and a well-thought out agenda. They should maintain throughout a clear focus on the key strategic objectives outlined above. In addition, the

negotiating positions of the South will gain strength if they are based on the following considerations:

- (a) The South should view UNCED as an important link, but nevertheless only a link, in a process of negotiation with the North which will continue in the post-Rio period. It may well prove that the many issues the UNCED will be dealing with are too complex and controversial to be covered adequately and conclusively in a single conference. They may well require a continuing process of negotiations and monitoring, similar to the Helsinki Conference. The South should not, therefore, allow itself to be pressured into premature agreements by the momentum of the process, or content itself with decisions which paper over fundamental disagreements. It may well be in its best interest to arrive only at certain basic understandings at Rio, or clarity of differences with detailed negotiations on issues to be continued in competent forums, *but* with a central follow-up process to ensure that negotiations are pursued in good faith and do result in appropriate and harmonized agreements and actions.
- (b) UNCED is part of important deliberations under way which are re-defining global economic, political, social and cultural relations. The representatives of the countries of the South should therefore be constantly aware that the stakes in the Conference are high and the consequences of its decisions important for the South's own future. They should thus seek to maximize the benefits to be gained and limit the damage and costs that might be incurred. In this context, the South should take all precautions to ensure that its bargaining strength - which could be quite considerable if properly used - is utilized fully and not easily or carelessly given away. Moreover, it should promote the environment-

development conceptual and negotiating framework that underpins UNCED proceedings. It should strive to make it the centre-piece for future efforts to restructure and improve the functioning of the international economy, and in general to secure greater equity in international relations and to evolve a democratic world order.

- (c) The South should make it clear that it will not affix its signature to any of the measures that may be recommended by the Conference or to the proposed conventions, unless these are linked to corresponding international action and firm commitment on North-South development issues and global economic relations. Rather than entering into conventions and agreements individually, the South should insist that they be made an integral part of a broad global compact with the North.
- (d) The South should propose a two-speed process of negotiation and implementation in a number of domains, whereby the rich countries would assume specific obligations and agree to take appropriate actions, while the developing countries would commit themselves to join in at a later date or gradually, as their economic situation improves.

With a view to achieving the twin strategic objectives of the South - namely, sufficient environmental space and adequate resources for sustainable development - several specific recommendations are presented below aimed at strengthening the South's position in the UNCED negotiations, and in the negotiations on the climate change and biodiversity conventions.

Key Issues for UNCED Negotiations

In the UNCED negotiations proper, the South will need to:

- (a) Insist on tilting the balance in the negotiations towards development and considerations of global economic reform, so that the South can indeed embark on a path of sustainable development;
- (b) Specify the areas where it expects the North to adjust its policies and production and consumption patterns in order to ensure that the South has adequate environmental space for its development;
- (c) Propose a global programme for poverty alleviation through environmental regeneration;
- (d) Stress that the institutional arrangements that may be set up to implement and coordinate agreements reached at Rio should be democratically controlled, with an equal say for all nations.

Tilting the Balance towards Development

At the third session of the UNCED Preparatory Committee (August 1991) the Group of 77 succeeded in re-establishing the environment-development link. As a result of this intervention, the UNCED preparatory process now includes work on a number of key development issues.

The UNCED action programme - entitled "Agenda 21" - is now expected to address, among other things, the following development-related issues:

- (a) poverty, economic growth and the environment,
- (b) commodities and the environment,

- (c) international trade and the environment,
- (d) structural adjustment and the environment,
- (e) external indebtedness, resource outflows and the environment, and
- (f) big industrial enterprises, including transnational companies, and the environment.

The inclusion of these issues gives the South an opportunity to link proposed global environmental protection measures with global economic reform, and to use this to restart the North-South dialogue and negotiations on development. In this context the South should once again make it clear that the protection of the global environment is inextricably linked with sustainable development in the South, which in turn depends on major reforms of the global economy.

For the South to strengthen its negotiating position:

- Developing countries should prepare concrete proposals for action programmes in the six development-related areas in Agenda 21 and request the North to begin to negotiate on these issues in good faith;
- Developing countries should insist that progress in negotiations and action on development issues should proceed in parallel and at a corresponding speed with progress on global environment issues.

In preparing proposals for the North-South dialogue and negotiations on global economic reform, it is proposed that the South's position should *stress measures to reverse the South-North flow of resources*.

Since the mid-1980s, the flow of resources between North and South has been reversed and the South has become an important supplier of capital to the North. In 1990, according to the

World Bank, there was a net outflow of \$40 billion from the South due to debt servicing alone. If losses due to the continuing decline in terms of trade, protectionism, and transfer pricing by the major transnationals are included, the total annual losses experienced by the South, yet unaccounted for in the official figures, are far higher.

Under these conditions, it is clear that there will not be any realistic possibility for the affected countries of the South to undertake development programmes that are sustainable and environmentally sound. In this regard it is important to note that what is at stake is not just the creation of a global environment fund or funds, however substantial, to finance environment programmes. While such programmes can make important contributions, they pale into insignificance when compared to the resources that will be required to bring about rapid sustainable development in the South. What is required also and primarily are measures from the traditional and largely stalled agenda of North-South negotiations, namely actions to:

- (a) reduce drastically the *debt burden* of the South through the write-off of the debt of the least developed countries, the write-off of all official bilateral debt, and establishing mechanisms for the re-financing, on concessional terms, of the non-concessional bilateral official debt as well as the multilateral debt of all countries concerned;
- (b) increase the *official development assistance* of developed countries to at least the levels previously agreed upon (i.e., 0.7% of GNP);
- (c) improve the access of the South to *international liquidity*; this will also require that a reasonable amount of SDRs be allocated to the developing countries on a regular basis;

- (d) restore *commodity prices* to levels that duly take into account the environmental and ecological costs of production in the South and thus make it possible for countries concerned to generate adequate savings for environmentally sound management of their natural resources; and
- (e) improve the *access of the South to the markets of the North* by removing the various tariff and non-tariff barriers that currently prevent the developing countries from stepping up the export of goods in which they have comparative advantage.

Adjustments by the North

In the pre-UNCED negotiations, the North has been pressing the South to make commitments in respect of areas (especially tropical deforestation and biodiversity) where the burden of adjustment falls mainly on the South. At the same time, the North has been reluctant to make concessions in respect of areas where the burden of adjustment falls on the North (e.g., climate change, dumping toxic wastes, technology, finance). It has also avoided the issue of its own consumption levels and lifestyles which make heavy demand on the global environment and are wasteful of natural resources.

As in the past, the North is also likely to avoid discussion of action to regulate the activities of transnational corporations in so far as they affect the environment and safety, even though it is well-known that certain activities of TNCs are responsible for much of the pollution and depletion of resources world-wide.

This imbalance in the negotiations must be redressed, as the North is overwhelmingly responsible for both pollution and resource depletion. The emphasis should be on changing the North. Developing countries should therefore press for the following:

- (a) Commitment to significant reductions of the North's emissions of greenhouse gases that cause climate and global atmospheric change, as an element of prime importance for UNCED's success;
- (b) Visible progress towards the curbing of the use of toxic chemicals and substances and of the export of toxic and radioactive wastes to the South;
- (c) Examination of the extent to which transnational corporations (TNCs) contribute to environmental degradation and aggravate safety hazards, with the object of negotiating and adopting a binding convention (similar to the proposed conventions, on climate change and biodiversity) that would ensure that the world-wide activities of TNCs are environmentally-sound;
- (d) Agreement on methods and mechanisms for identifying and dealing with those consumption and life-style patterns in the North that pose a major threat to the global environment;
- (e) Access for the developing countries on preferential and non-commercial terms to the North's technologies and knowledge to be used to limit adverse environmental impacts, which would assist them in their transition to and adoption of environmentally-sound and sustainable modes of production and consumption.

The South should also seize on the growing awareness among decision-makers and the public in the North that providing the developing world with financial and technological assistance can be cost-effective in addressing many global environmental problems. Indeed, such thinking is already materializing in the Western countries' policies concerning the environmental clean-up of Eastern

Europe, where it is estimated conservatively that more than \$300 billion will be required to raise the quality of that region's environment to the standards of Western Europe.

A Global Programme for Poverty Alleviation and Environmental Regeneration

It is now widely accepted that mass poverty is a major factor in environmental stress and degradation in the South, even though many see poverty in isolation and overlook the political, social and economic causes, national and international, that have given rise to it.

Poverty, population growth, and lack of employment opportunities feed upon each other to increase pressures on the environment, while the shortage or lack of resources precludes any long-term investments being made to improve the productivity of natural resources. Any global programme that seeks to protect the environment has thus, at the same time, to address global poverty. Parallel with the quest for solutions to the underlying causes of poverty, it is still possible to undertake an immediate and focussed international assault on some of the worst aspects of global poverty and environmental degradation.

In many of the world's degraded ecological areas, experience has shown that environmental regeneration activities, such as the control of soil erosion and desertification, afforestation and grasslands development, and soil and water conservation can greatly improve land productivity and village ecosystems. As these activities are highly labour-intensive, they have the potential of providing opportunities for the poor to earn cash incomes with which to fulfil some of their basic subsistence needs, particularly if they are undertaken with adequate financial resources and carried out under the control and responsibility of local communities. It is thus possible to devise poverty-alleviating employment rehabilitation and development programmes that can ensure that the labour of millions of people is harnessed to regenerate the environment and secure a better future for the local populations.

Such programmes can also play an important role in dealing with major *global* environmental problems, such as global warming and biodiversity conservation. A global programme for poverty alleviation would make it possible to “green” large areas and, thus, help to absorb substantial amounts of the carbon now accumulated in the atmosphere. And by providing employment opportunities in activities that aim to bring about ecological regeneration, it could substantially reduce the existing human pressures on areas which are rich in biological resources.

Some estimates show that such a programme would not cost more than US\$ 40 billion per year, a relatively modest sum compared to the global sums spent on luxury items or on armaments. Innovative international schemes for financing the global programme of poverty alleviation and environmental regeneration would need to be worked out, including tapping of the resources released through disarmament and a reduction of military expenditure.

Institutional Arrangements to Implement UNCED Decisions

Institutional arrangements to implement, and to finance and monitor the operation of, agreements reached at the Rio Conference are among the key subjects of negotiations in UNCED. In this respect, the South should argue that an integrated global approach to environment and development calls for innovative institutional solutions at the global level. Two principles should underlie the formation of new institutional arrangements: (a) democratic governance and transparency within the UN system, and (b) an integrated vision of a problem that has hitherto been approached in a piecemeal fashion.

In the negotiations so far, most Northern governments would appear to favour the World Bank as the central institution that should administer “environment and development” projects and programmes for the South. They point to the “Global Environment

Facility" (GEF) as a pilot project that could be expanded after the Rio Summit to implement key UNCED decisions.

The developing countries should firmly reject any such arrangements. The concentration of power and administration in an already powerful institution such as the World Bank, whose policy and decision-making is dominated by the North, would be detrimental to the interests of the South, its voice in global environmental policy, and the autonomy of individual developing countries in their national policy-making. Also, the World Bank has no lever on the policies of the countries of the North which aggravates the imbalance in North-South relations.

Moreover, in view of the vast resources needed for carrying out a truly global environment-development policy care should be taken on the one hand, to ensure that these efforts do not compete with the traditional call on the World Bank's resources and, on the other hand, to ensure that novel means and modes are devised for fund-raising and financing such a policy, including those which would not cause the South to incur further heavy debts.

It is important for the South to coordinate effectively its negotiating positions on all matters having to do with funding and financing environmental actions decided upon in UNCED and in the related negotiations. It is also important to link these decisions, and the issues that will be raised, to the broader questions of democratization of international organizations and of democratic management of processes that are of concern to humankind.

As it is unlikely that all institutional issues will be resolved in Rio the developing countries should insist that an integrated global approach to environment-development policy and action started by UNCED be maintained and strengthened in the post-Conference period, both at the secretariat and the intergovernmental levels, with the support and collaboration of the various organizations concerned. It is essential that the fragmentation characterizing the institutional status quo should not be allowed to prevail. The South

should also use the opportunity to raise broader questions of democratization and comprehensive reform of the UN system, including the Bretton Woods institutions, and also GATT.

Key Issues in Negotiations on Conventions Concerning Climate and Biodiversity

As important as the UNCED negotiations are the two parallel environment-related negotiations currently in progress, viz., the framework convention concerning climate change and global warming, and the convention concerning biodiversity conservation and use. The convention on climate change seeks to regulate the use of a truly global resource, the atmosphere, by controlling the global emission of harmful gases caused by human activity. The convention on biodiversity, in contrast, seeks to appropriate national resources for universal access and use.

Though the objectives of the two conventions are different, several activities under the two conventions could lead to similar results. The conservation of tropical forests under the biodiversity convention would also conserve a major carbon sink which the climate convention also seeks to protect. Commitments by the South to conserve biodiversity in tropical forests under one convention without commitments by the North to reduce carbon dioxide emissions in the climate convention would lead to asymmetry in global environmental obligations. There is thus a need to coordinate closely the positions of the South in these negotiations, and in UNCED proper.

The South should moreover consider whether these matters are ripe for being dealt with in conventions and whether it is in its own interest to enter into related legally-binding obligations. The shelving of the proposed forest conservation convention, and the negative experience with respect to the Vienna Convention for the Protection of the Ozone Layer, which failed to address question of

past inequities, should be taken into account when arriving at a decision.

Convention on Climate Change

Since the proposed climate convention deals with a truly common resource of humankind, it should seek to regulate the use of the atmosphere on an equitable basis. A fundamental principle which the South should seek to have recognized is the right of each human being to have equal access to the world's atmospheric resources.

The recognition of this basic right would imply, first and foremost, the acceptance by the North of its enormous *environmental debt*. The global stock of greenhouse gases accumulated in the atmosphere in the course of the last century is largely due to emissions by countries of the North, which enjoyed access to cheap energy and no restraints on emissions. The North's use of this global resource - the atmosphere - is far above its "per capita entitlement". The South, as a late-comer to industrialization, has by contrast used only a small proportion of its entitlement. Hence, it cannot be expected to bear the costs of the consequences of the North's past patterns of development.

In setting strategies and targets for the reduction of the emission of harmful gases, the highly unequal use of the global environment by the North and the South should be the starting point. It is not enough that the share of the cutbacks accepted by the developed countries would be larger than those applicable to developing countries. The agreement should rather envisage strategies for a long-term convergence of per capita energy consumption and emissions by countries and be based on the following:

- (a) acceptance of the principle of per country emission entitlements or quotas based on an equal distribution of emission rights among the world's inhabitants;

- (b) reduction of emissions, over an agreed period of time, in line with a country's entitlement;
- (c) creation of global institutional arrangements providing for possible inter-country trade in emission rights; and
- (d) creation of a global programme for the development and transfer, on preferential and non-commercial terms, of environment-friendly technologies enabling the South to pursue a path of sustainable development, including improved energy efficiency and emissions per input of raw materials.

In this approach, it is vital that the North should be prepared to make the necessary investments and to take the necessary actions - actions conforming to global ecological imperatives and social justice and not short term economic expedience - in meeting the international objectives concerning climate change. It is also vital that the South should be provided with sufficient and equitable ecological space, capital and technology to develop and meet the legitimate needs and aspirations of its peoples within the framework of a sustainable use of the atmosphere.

Convention on Biodiversity

The biodiversity convention raises even more disturbing questions than the climate convention as far as the South and global equity are concerned. Tropical and other forests which contain large numbers of plant and animal species are national resources over which the sovereignty of nation-states has been expressly acknowledged. The economic, agricultural and pharmaceutical value of many of the plants found in tropical forests is based largely on the centuries-old knowledge of subsistence farmers and forest-dwelling peoples. While corporations and researchers from the North have benefited enormously from this knowledge and the genetic resources in the development of improved plant and animal breeds, pharmaceutical products, etc., the nations and peoples of the South are yet to be

adequately compensated for providing the basic knowledge and resources.

The question of the South's access to biotechnology in compensation for the biological resources it may provide, points to the grave inconsistency in the North's position regarding biodiversity and intellectual property rights. It would appear that the North's objective in the biodiversity negotiations is to turn national resources of the South into a global commons, with free access for all, while in the intellectual property rights negotiations in the Uruguay Round the North is pushing for stringent private property rights and global monopoly privileges for its technologies.

This attempt to privatize knowledge and gene resources will be supported by the present draft convention on biodiversity. It seeks to ensure free access to the rich genetic pool of developing countries and their export to gene banks in developed countries (ex-situ conservation) and their eventual privatisation.

This combined trend towards the privatisation of knowledge and gene resources is a serious threat to the South's development and should be countered. The countries of the South should reject the proposed biodiversity convention in its present form, and insist that any negotiation on biodiversity should be linked to a negotiation on biotechnology, and more generally to intellectual property rights.

In sum, if the international community considers it necessary to adopt actions to avoid the erosion of the world's genetic pool, then the rights of the owners of the genetic pool must be duly recognized. Agreements to be negotiated should establish rights and obligations not only in relation to the conservation and management of biodiversity, but also as regards the use of the resulting knowledge and technology.

The South should as of right have access to the technologies that are produced through the use of its biological resources. The

negotiations on the biodiversity convention should therefore incorporate the following basic elements:

- (a) The development of special intellectual property rights systems and appropriate compensation mechanisms for the biological resources provided by the South; and
- (b) Mechanisms that will give the South access to biotechnologies that are developed through the use of the gene resources that it provides.

IV. TOWARDS A BETTER ORGANIZATION OF THE SOUTH

The success of the developing countries in ensuring that their vital interests are protected and that their development prospects are not jeopardised will depend in large part on how successfully the South organizes itself and functions with unity in these negotiations. As there is little time left, there is need for urgent action.

The South needs to hammer out common positions and promote a united stand in the various negotiations. It will be necessary to recognize and use the fact that some developing countries have greater importance in the eyes of the North in deliberations on the global environment. And, while striving for a common stand on the basis of a set of shared objectives, the special interests and concerns of groups of developing countries, such as those with large tropical forests, those with low-lying areas vulnerable to a rise of the sea level, fossil fuel exporters, or those with very large populations, should be recognized.

A better organization of the South is in part dependent on a fuller appreciation by the peoples and leaders of the South of what is at stake in the environment negotiations. It is thus important to carry out information campaigns to make the public and the leaders

in the South become better aware of the key global environment-development issues and of the South's stake in the current negotiations. It is important to bring out clearly the South's point of view on these issues. All too often such information and knowledge reach the South from Northern sources and thus necessarily reflect the views and interests of the North. It is also important that the developing countries should be well informed about developments in the North related to environment issues.

One of the reasons why the South has played a subordinate role in the environment negotiations is the overwhelming scientific dominance of the North, which has enabled it to define the environmental issues and also to propose strategies and actions. While few countries of the South can match the expertise of the North, the South, collectively, has the necessary expertise and human resources. If the South's experts were mobilized and linked through special networks, the South's dependence on the North in scientific matters regarding the environment could be reduced considerably and as a consequence the South would be able to base its policy and negotiating positions on sound scientific grounds.

In this broader context of the need for better preparedness, a number of specific steps should be taken urgently by the developing countries.

- (a) The leaders of the South should spell out *the South's stake* in the environment-development negotiations and should make explicit their expectations from the Rio Conference. To the extent possible, the Heads of State of the South should specify what are their basic policy concerns and objectives. The Summit of the Group of 15, scheduled in November 1991, provides an opportunity for setting out these concerns and objectives.
- (b) A *small core team* of experienced persons from the South should be set up for monitoring, analysing and

assessing the UNCED process, and for coordinating a negotiating strategy for the South. By relying on modern communication facilities, they should interact continuously and should make available their findings and observations to responsible Ministers in governments of developing countries, and to their representatives involved directly in negotiations.

- (c) *Special task forces* of persons with relevant scientific expert knowledge and those with the necessary political and economic background, should be established to provide specialized support for the Group of 77; these persons should be specialists in such matters as climate change, biodiversity, technology transfer, forest resources, toxic wastes, institutional design, etc. These task forces could prepare background papers and negotiating briefs for the Group of 77.
- (d) In order to enhance its effectiveness in the UNCED preparatory process and at the Conference itself, the Group of 77 should appoint *teams of negotiators* on specific agenda items, attaching to these teams its best and most experienced representatives to negotiate and speak on behalf of the Group, reporting back to the Group and seeking its instructions.
- (e) On the matter of various funds which are being considered simultaneously, a coherent strategy and effective coordination of the Group of 77 are called for. A *special task force* should be established for this purpose.
- (f) The developing countries should strengthen their *links with NGOs* from the South. The advice and expert knowledge of some of these NGOs, as well as their knowledge of the various UNCED processes, could be of help to the Group of 77, as was shown at the

Third Session of the preparatory Committee of UNCED. These NGOs could also serve as bridges to NGOs in the North, which have an important role in shaping public opinion and in influencing public policy.

- (g) A *ministerial meeting* of the interested developing countries, similar to the one held in Beijing in June 1991, should precede the Fourth Session of the UNCED Preparatory Committee, while a ministerial meeting of the Group of 77 should precede the Rio Conference itself.
- (h) For the post-UNCED process, the developing countries should maintain and strengthen *institutional mechanisms* with an adequate capability to follow-up on the agreements that may be reached at Rio, and to continue to coordinate the South's positions and actions on environment-development matters and related negotiations.

V. ADDRESSING WORLD PUBLIC OPINION

As part of their negotiating strategy vis-à-vis the North, it is important that the countries of the South should address directly public opinion in the North. There is now a major interest in environment-related issues in the North, and considerable sympathy for the position of the South. But to mobilize this interest and sympathy, it is essential that the South's views and positions on global environment issues should be effectively disseminated. If important strata of public opinion in the North begin to appreciate better the position of the South, they could exert significant influence on governments in the North to alter the positions that these have so far advanced in global negotiations.

To date, the developing countries have not effectively presented their case to the public in the North. The North-dominated information flows have conveyed a negative image of the South, as being indifferent to sound management and to conservation of natural resources, and have portrayed governments and peoples of the South as obstacles to reaching agreements on environmentally-sound practices.

The countries of the South should make a determined effort to correct this perception and clearly state their vital interest in the global environment and the efforts they are making to implement strategies for sustainable development. They should at the same time make clear the obstacles and constraints -- domestic and external -- standing in their way.

VI. CONCLUSION

The Rio Conference marks the awareness and conviction of the peoples of the world and their leaders of the historical necessity of adopting environmentally-sound and sustainable patterns of development. The recognition of this view occurs at a moment in history when the majority of humanity still lives and struggles with age-old problems of poverty and underdevelopment, while a much smaller part finds itself in an advanced stage of economic development and scientific and technological achievement.

Poverty and affluence, separately and through their interaction, affect the planet's environment. Both need to be addressed in the quest for sustainable forms of economic development. This is the challenge of the 1992 UN Conference on Environment and Development. It is also an opportunity for the world to move

towards new forms of international cooperation and national action made necessary by growing global interdependence.

For a new equitable world order to emerge and for sustainable development to become a reality, it is critical that the developing countries, representing four-fifths of all humanity have a major role and say in charting the new directions. It is essential that they unite and pool their resources and negotiate as a group so as to safeguard and advance their common interests.

