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LESSONS LEARNED IN MANAGING THE GLOBAL ENVIRONMENT: HOW TO ESCAPE THE ENVIRONMENTAL DEGRADATION SYNDROME

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Abstract

The U.N./Stockholm/1972 Conference on the Environment was the catalyst for the growth over the following decade of a World Environmental Movement. This included the establishment of national environmental protection agencies in most developing countries, as well as the founding of various International Assistance Agencies to help and guide the developing countries in forming and managing their environmental protection programs, and to establish appropriate protection programs that required global or regional control. The decade of the 1970s was one of great expectations, with a high level of hope that the new system would actually work.

These expectations have not been realized. Indeed, degradation has markedly increased to the point that our precious resources may not be with us after another half century. It is now very obvious that the World Environmental Movement has failed and that a drastically new approach must be established. This paper reviews the causes for this past failure and recommends a new approach based on integrating environmental protection into economics. Development planning, whereby development planners will be required to provide equal attention to both the environment and economics.

The Challenge

There are many who mark the 1972 U.N. Stockholm Conference as the start of the World Environmental Movement, a distinct global effort to preserve natural environmental resources. The movement gave impetus to the establishment of national environmental protection agencies by countries throughout the World, including Thailand's own National Environment Board in 1975. This was a momentous time and a movement of great expectations, when many thought that these new environmental protection agencies, with guidance from the United Nations Environment Program, would generate the momentum for effective environmental protection systems in their countries.

What transpired in the following decades was frustrating disillusionment. The famed U.N. Brundtland report issued 15 years later in 1987 noted clearly

- (i) that the World Environmental Movement had been a gross failure,
- (ii) that this failure was especially evident in the developing countries where the bulk of the World's population and natural resources can be found, with the total environmental degradation during the 15 years from 1972 to 1987 actually exceeded the **total** historical degradation in these countries prior to 1972,
- (iii) that this degradation could be attributed to the combination of accelerating population, urbanization, industrialization, and encroachment into national resource areas, the accelerating demand of the industrialized countries for timber and other natural resources, the

availability of new technologies making it easier to extract and sell these resources, and a political system which fostered such extraction and sales, and most importantly,

- (iii) that unless major changes were made in the approaches to environment protection, there would be little left to be preserved within the next half-century.

The report concluded there was a critical need to overhaul the institutional systems to support the World Environmental Movement, and that “more of the same” operations practiced since 1972 could not meet this need.

Unfortunately the Brundtland message was not heeded. In fact the U.N. Rio De Janeiro Conference of 1992, to mark the successes of the World Environmental Movement over the 20 years since 1972, appears to have ignored the Brundtland warnings. It provided a platform to preach only more of the same. The Conference created the perception of progress based on the participation of over 100 Heads of State, but it was woefully meaningless and even counterproductive in substance. Even as the conference proceeded in Brazil, rampant forest destruction continued and has continued unabated ever since. The Conference generated substantial discourse on how to protect forests to preserve biodiversity, and recommended protocols for action, but none of these International protocols have led to the fundamental changes in the World Environmental approach which the Brundtland report concluded were critically and urgently needed.

With the end of the 20th century and a new millennium upon us, it is timely that we recognize the reality of accelerating environmental degradation. It is also timely that we recognize and admit the fallacy of continuing the World Environmental approach of the past three decades. And it is most timely for us to assess our work honestly and seriously and to propose a new approach that is feasible and can effectively serve to correct the World’s environmental problems over the next decades.

What we need now, at the global level, is an honest recognition of the critical need to reorient the World Environmental Movement, together with feasible recommendations how we can accomplish this. This is my main theme today, which I trust will be given due consideration by the World’s decision-makers.

Categories for Environmental Action

We can consider the overall World Environmental Movement as consisting of three distinct yet inter-twined types of activities:

1. First are those actions to be done by the individual affluent industrialized countries within their own boundaries to reduce their already high levels of resource consumption and pollution.
2. Second are actions by individual developing countries, again within their own boundaries, to promote sustainable levels of resource use and to

limit pollution. National governments take the lead in these activities, with assistance from the affluent industrialized countries, often channeled through International agencies.

3. Third are the actions on a broader macro-scale, whether global in scope, regional, or sub-regional. While actions must be taken by all, the bulk of the funding must come from the affluent industrialized countries, the only countries with sufficient finances to support these activities. The actions would be carried out through International assistance agencies, such as the multinational development banks, U.N. affiliates, bilateral and agencies, and other International organizations such as the World Trade Organization.

My esteemed colleague, Mr. Kasem Snidvongs, former Permanent Secretary of the Ministry of Science, Technology and Environment, is presenting a paper at this Conference which addresses the individual country, or micro-level, picture. My remarks are intended to complement his by focusing on the broader global or regional level. In particular, I am concerned with the reasons for our lack of success at the global level, and what actions we should implement now to help break through our impasse.

A Proposal for a New World Environmental Action Program

Integration of the Environment with Economics

It is encouraging that International literature and the media have begun to address the need for a new approach for the World Environmental Movement. In a 1998 paper published in the *Environmentalist*, Kasem Snidvongs and his colleagues note that the institutional structure established in 1972 for the World Environmental Movement has not only failed, but that it was *doomed* to fail from the start because it ignored the basic adage that "Money drives all systems." Instead the system then set up assumed that the financial decision makers, who are predominantly economists, would continue to function on their own, and that environmental protection would be achieved by guidance from environmentalists through the United Nations Environmental

Program, the World Wildlife Fund, the International Union for Conservation of Nature, and other International agencies. The "Environmental Think Tank" was to be the United Nations Environmental Program, with assistance from other U.N. agencies such as the UNDP. It was to have basic responsibility for planning necessary environmental programs, and make recommendations for the World Bank, other Multilateral Development Banks, and development funding agencies to assure that economic programs gave due attention to environmental needs.

This did not happen. Instead, the economic oriented development banks and agencies continued to guide and finance development in more-or-less their usual way, with only some limited "add-on" attention to environmental issues. The primary interest of economists in nearly all governments, whether of affluent industrialized or developing countries, has been to realize short-term

economic gains. In contrast, long-term sustainability requires environmental protection. With severe environmental degradation upon us, and with, as Brundtland noted, the likely destruction of most natural resources in the next half-century, we must think more in terms of long-term sustainability than short-term gains. The solution can only come through a thorough integration of the environmental with the economic. Economic development becomes economic-cum-environmental development, and economists become economic-cum-environmentalists.

The World Bank, as a leading “think tank” in development matters, is already incorporating the environment in many of its efforts. Yet a glance at many World Bank funded programs shows that economic considerations still predominate. It might be more than a mere cosmetic change if the World Bank were to change the name of its main institute from the International Bank for Reconstruction and Development to the International Bank for Reconstruction and Environmentally Sustainable Development. The change in name would assure that Bank programs would include the environment in more than an “add-on” manner.

In the same vein, the WTO should change its name to the WTEO, the “World Trade and Environment Organization,” to reflect maintaining the environment as a priority concern in International trade and commerce. The March 5, 1999 article of the International Herald Tribune, “The NGO specter Stalks Trade Talks” describes the current attack by NGOs on the WTO for providing only “add-on” consideration to environmental issues in its economic operations. The article notes that the NGOs are not going to cease their demands; they are just beginning their efforts; and they intend to force the WTO to become a WTEO.

In a new system stressing the integration between environmental and economic issues, the mandate of the UNEP and other International environmental agencies would be to monitor and report on the adequacy of attention to the environment in the economic-cum-environment programs.

The change in approach cannot come simply with name changes. It must come in the attitudes and approaches of those who work at all levels of development planning. We can see the potential for this link in the integration of the environmental and economic in the current role of Dr. Bindu Lohani, Deputy Manager for one sector of ADB projects, a new post for him since January 1999. Previously Dr. Lohani was Manager of ADB’s Environment Division (he essentially created it): his role as “Bank Environmental Chief” was to advise and guide ADB project managers on incorporating environmental matters into economic programs, but the response continued to be mostly “add-on”. Under his new position, Dr. Lohani (who is basically environmental-cum-economic oriented) is in a position to require truly integrated environmental and economic planning in the new projects prepared by the group under his supervision. We hope this will lead to effective programs, both environmentally and economically, and that the future of such integration will be institutionalized rather than dependent on the capability of particular individuals.

Suggested Action Program

Once the basic institutional restructuring of the World Environmental Movement is implemented, the doors come open to numerous new possibilities for meaningful project action. The following is but a suggestion of selected potential projects.

Forestry and Related Biodiversity

The problem of forest degradation and the destruction of related habitats for biodiversity is certainly of the highest priority to the World. The failure to protect the World's forests and wildlife habitats is also the No. 1 indictment of the approach taken by the International Assistance Agencies. It is time we need to recognize that some types of forests and habitats do not need – indeed, should not include – people in their equation. Even the IUCN and the World Wildlife Fund, who are supposed to be the leading International NGOs in the fight to preserve biodiversity, have not helped reduce the destruction of critical habitats for biodiversity in their attempts to allow people to live in harmony with forests. It is time we recognized that the only solution for some of the critical biodiversity protection would be to identify these, key purchase and own them, and thus prevent encroachment of people into these special wildlife and biodiversity reserves. This is the approach taken by the Nature Conservancy, whose mission “is to preserve plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive” through purchases and other means of acquisition. This approach is not just for NGOs, but can be taken effectively by government, as illustrated by the U.S. Federal Government's purchase from private owners of a vast tract of massive redwood forest in northern California (Reference 4).

A logical and feasible approach (Reference 2) would be first to provide substantial funds for a careful quantified evaluation of forests in the World – those past, present, and likely to remain under the ongoing system of environmental management – to identify the minimum preservation needs on a global basis and identify selected areas which can meet these needs at the least cost. These sites could then be purchased (on favorable terms to the governments or private owners), put under International plenipotentiary treaty control (as used to be the mechanics of the former Mekong Committee), and provided competent management and monitoring mechanics. For such action, the first step is to allocate, for example, \$0.5 billion to prepare the TOR for the required feasibility study, carry out the study to develop the recommended action program (this study might cost approximately \$50 million), then implement the program (at a capital cost of possibly \$2 billion). These sums may seem large, but they are minimal when compared to the seriousness of the problem. Assuming the feasibility study makes a convincing case, it should not be difficult to persuade the Group of Seven to finance the plan. Remember, up to now, no such study or facts guide public policy, so no one as yet knows what to do and how to proceed. This is the type of action that the Global Environment Fund, established at Rio/92, should be undertaking.

Biodiversity at the Sub-Regional Level

Another promising approach (Reference 2), which can supplement and complement to the global approach noted above, could be put into immediate use for those very precious natural resource areas already known to be under heavy encroachment pressure, such as the coastal Sunderbunds region of India and Bangladesh – the last remaining major habitat of the Bengal Tiger – and the mountainous “Panda region” of China. Again, competent feasibility studies for each case must be done to obtain the facts and to prepare convincing cases for political and financial decision makers. The territories could be placed under conditions of a plenipotentiary biodiversity treaty, while of course assuring the sovereignty of each country. Another suggestion for immediate sub-regional action would be a study of endangered species in the Mekong basin sub-region, not under separate country programs but on a cost-effective sub-regional basis. Control over the resources would be shared by all the countries of the region, with the assistance of the International community.

Climate Change and the Loss of the Ozone Layer

Endless talk and little action again characterize the response to the problems of climate change and the loss of the ozone layer. Although many argue that the trends of climate change are not yet certain, few dare claim that the problem is not serious. It is that the International Protocol on Climate Change supports comprehensive studies that could lead to action: yet a lack of adequate action characterized by a lack of political will is what we have to show for the World effort to tackle this grave crisis. Again, climate change is too important an issue to leave to individual countries to solve. Most – whether they are advanced industrial or developing countries – are likely to take much meaningful corrective action because the costs of doing so are seemingly very high.

An International Climate Change R&D Program (which would probably cost \$50 million) could take the IPCC studies as a starting point to conduct a massive R&D program to:

- (1) determine the causes-and-effects of climate change, whether natural or man-made, and
- (2) wherever it is found that man-made actions are the significant causes, delineate the needed action program, including costs, for such actions as massive reforestation to help counter the CO₂ the atmosphere, drastic CFC replacement programs, and so forth.

It should be clear that no country seems willing to modify its on-going economic behavior to ameliorate climate change, so long as they can claim the facts remain insufficient to prove the actual effects of climate change, because the costs of such economic modification appears too large. Yet this fundamental issue, that the economic conditions predominate, seems not to be recognized in the current World Environmental Management on climate change, even at the recent Buenos Aires Conferences (Reference 4) dealing directly with this issue. The two leading “culprit” countries, the U.S. and China, typify the World’s

approach: the advanced industrialized countries are not willing to sacrifice their current advanced economic standing. A widespread International effort is needed, under International management, with sufficient financial support for development of green technologies and with stricter, more rapid phasing out of those technologies recognized as contributing to climate change.

Riparian Freshwater Shortage

Another critical environmental problem of global implication is the scarcity of riparian freshwater resources. With increasing population, burgeoning industrialization, and destruction of forest resources, the World's river water supplies in most of the World are becoming severely overtaxed (Reference 6). This problem is especially critical where rivers are shared by more than one country.

The U.S. and Mexico already faced the problem in sharing the scarce water of the Colorado River. With increasing U.S. demands for the water, including demands by the growing urban areas of Southern California, the freshwater flow to Mexico was greatly reduced, seriously affecting the production of tomatoes and other crops mainly sold to the U.S. A "solution" was the construction and operation of a large desalinization plant, to substitute for the lost fresh water. The tomatoes and other produce are now grown with extremely expensive, highly subsidized water.

Other International conflicts over riparian fresh water loom throughout the World, as up-stream countries build dams to meet their water needs, leaving down-stream countries with greatly reduced water flow. We find this occurring now with the Tigris, the Euphrates, the Nile, and our own great river of Southeast Asia, the Mekong. The problem extends to conflicts over groundwater flow, particularly in more arid regions such as the Middle East.

Again, there is need for a comprehensive International effort to evaluate the supply and demand for all the key riparian and groundwater sources. This should lead to a recommended cost-effective program, including an International conference that can lead to a "Law on the Use of World Freshwater Resources".

Legal Damages

One of the most effective mechanisms in the U.S. for compliance with environmental laws is the evaluation of damages and collection of penalties for damages at sufficient levels to assure compliance. Illegal pollution discharge, for example, is fined at \$50,000 a day, a rate that assures quick remedial action. Yet, as my colleague Mr. Kasem Snidvongs notes in his paper at this conference, governments of developing countries have not been in a position to impose such penalties, in part because they lack a competent monitoring system (common in advanced industrial countries like the U.S.) that are required to obtain the hard data needed for enforcement. Yet such comprehensive monitoring and application of effective penalties is needed in Thailand and the rest of the developing World.

A novel idea was recently expressed in an editorial in the International Herald Tribune of 20-21 April, 1999 (Reference 7), concerning the environmental damage caused by an Ecuadorian company which is a subsidiary of a U.S. company. The editorial stated that the plaintiffs should be able to sue for damages in an American court, in response to NGO pressures. This is what Indians affected by the Bhopal disaster had wanted to do: sue Union Carbide in an American court for the drastic health and environmental damage caused by the Union Carbide factory. Bizarre as this approach may initially seem, it could become reality. Just as Spanish and British courts are now claiming jurisdiction over human rights abuses against Spanish citizens by General Pinochet in Chile, so too can we imagine a time when those intentionally acting to harm the environment can be held accountable in courts not just in the country where they have done the harm, but also in the country where they are legal registered, and even in other countries where their victims may reside.

Conclusion

In summary, the evidence seems ample that a major overhaul is needed in the World Environmental Management system that so far has such a dismal record in environmental protection. The timing could also be seen as appropriate, as we start the 21st century. There is a critical and urgent need to establish anew the World Environmental Management system that recognizes the need to link economics with environmental programs, and that can assure environmental issues are integrated in – not just added on to – all economic development programs. A much needed initial step to this effort cannot be **“more of the same”**. U.N. planned and managed International conferences such as Rio/92 or Buenos Aires/98, which have done little to change the economic and environmental status quo.

Instead, we need a new Global Environmental Conference, within the U.N. context, planned and managed by representatives from the Group of Seven, or is it G-8, who need to provide most of the economic backing for major. International efforts, along with representatives from The Group of Seventy-Seven currently numbering well over a hundred plus China, who represent the bulk of the developing World and their crucial political support. These representatives should begin the effort to map out and implement the new global environmental program that is so desperately needed.

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