

ENVIRONMENT AND DEVELOPMENT: NEED FOR A BETTER WORLD ORDER

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I. Differing Perspectives of the Environment Crisis

The environment worldwide is in crisis. Although this message has for many years been propagated by environmental movements and scientists, it has also been accepted in recent years by the establishment, including the world's political leaders who met at the UN-sponsored "Earth Summit" in June 1992.

There are differing perspectives on the environmental crisis. The predominant establishment view holds that the ecological problems are regrettable but inevitable "side-effects" of necessary high economic growth, which can be solved through technological means. Environmentally-sound technologies can be developed to replace polluting technologies; taxes can be imposed on polluting companies or on the general public to finance the switch to a more "ecofriendly" system of production, so this theory goes. Moreover, new technologies can also produce substitutes for depleting natural resources, so that the flow of raw material inputs into the production process can be maintained.

"Sustainability", now a key catch-word in the environmental language, therefore means sustaining the conditions under which economic growth can continue, with expanded outputs to maintain the present lifestyles. Sustainability is equated with sustaining the same economic and social system, including existing patterns of consumption, through technological fix-it solutions. Whilst the system and consumption levels in the North are to be thus maintained, there is a growing insistence on having "sustainable development" in the South. There are fears in the Northern establishment that the increasing population of the South would use up more and more resources, thus leaving less for future generations (and also for the North, which is the main terminal point for Southern raw materials exports). The establishment prescription for the South is thus to reduce or stop population growth and to prevent poor people from damaging their environment. It would appear that with so much focus being placed on how mismanagement in the South is destroying the global environment, the Northern establishment is proposing "sustainable development" for Third World countries whilst still maintaining high growth and high consumption (through high-tech) in the North. There is, moreover, little or no discussion on the inequitable world economic order. Presumably in the management of global environmental change, there is no place on the establishment agenda for any accompanying rectification of the world economic or social order.

This establishment perspective is being challenged by some sections of the environmental movement, particularly by groups and scholars in the Third World, where ecology issues are increasingly being integrated with issues of social justice, human rights and development.

This alternative approach insists that the environmental crisis cannot be accurately explained in isolation from the social and technological systems that give rise to the ecological problems. Moreover, the roots of these ecological problems must be traced not only to the national framework

but also to the global system within which nations operate (and in which the Third World countries are weak and dependent components). This alternative perspective would insist that an adequate definition of "sustainable development" would have to include not only the ecological component but also the factor of social justice and equity, and both at national and international levels. In this ecological and social perspective, the main cause of the environmental-cum-social crisis lies in the unsustainable production and consumption model of the North. The problem has become worse because of the export of this model to the South, starting with the colonial era but accelerated since the Second World War. The Northern model has thus become internationalised into an almost universal model, especially with the collapse of the Eastern bloc. Thus, global environmental change is an effect of Northern-led global social and economic change.

To properly resolve the global ecological crisis, it is necessary to reform or change the high-growth high-consumption characteristics that are presently built into the socio-economic system. The depletion of non-renewable resources has to be drastically reduced or stopped; so too the pollution, contamination and toxicity that now results from modern systems of industry, agriculture, construction and transportation. This cannot be done solely by technological means, but has to be carried out by sharply reducing the unsustainable levels of output and expenditure, especially in the North. Moreover the unecological technologies and production processes that characterise modern systems have to be changed, and the still existing sustainable methods (especially in the South) have to be re-assessed, defended and promoted. Furthermore, it must be recognised that there has to be a process of economic structural adjustment, caused this time not by the dictates of financial discipline arising from debt, but by global and national ecological imperatives. The issue of how this burden of adjustment is to be shared or distributed is going to be very critical. It involves global economic negotiations that have to accompany any meaningful global environmental negotiations. "Sustainability" thus involves both environment and economics, ecology and equity, and at both national and international levels.

The above, in admittedly broad caricature forms, are two sharply contrasting approaches to global environmental change. In the rest of this paper, we will take the framework of analysis of the second integrated perspective, which we believe is not only in the interests of people in the South, but is also the only viable approach to handle international ecological problems.

II. Linkages between Environment and Development Crisis

The major controversies in global environmental discussions, for example at the UN Conference on Environment and Development have centred not on the facts and scientific analysis of environmental problems, but on the old but even more-than-ever relevant issues of North-South economic relations.

This is not surprising. Especially in the wake of the Soviet collapse, Third World governments in general feel especially even more vulnerable to the economic and financial dictates of Northern interests. Already wrecked by external debt, a collapse in commodity prices, rising poverty and social chaos, and a host of 'aid conditionalities' imposed by the World Bank and bilateral aid agencies, the Southern countries are suspicious that 'environmental protection' will become another Northern instrument to further dictate the economic and social policies of the Third World.

Although we may all live in 'One World' biologically, physically and environmentally, there are unfortunately at least 'Two-Worlds' socially, the worlds of the rich and the poor. Single-prescription policies (such as 'we must all consume less') cannot work in this two-worlds condition. A doctor would ask a malnourished man to eat more and an obese person to cut down on food; a single policy dictate for both to tighten their belts would further starve the thin man, perhaps to the point of death.

The success of UNCED therefore depends on the political willingness of the North to accept the existence of the two social worlds and to renew the spirit of North-South partnership that had been killed in the harsh Reagan and Thatcher-led 1980s when the 'free market' (facilitate the faster drawing of resources from poor to rich countries through low commodity prices, high interest rates and structural adjustment programmes) reigned supreme.

The global environment crisis is accompanied today by increasingly severe economic and social crises in most parts of the Third World. The per capita incomes in most African and Latin American (and some Asian) countries have been falling in the 1980s, in some regions having declined to levels 20 or 30 years ago. Poverty has increased, and health problems (like cholera epidemics in Latin America and Africa) have returned .

These two phenomena - the global environment crisis and the socio-economic decline in the South are interconnected and have resulted together from an inequitable world order, unsustainable systems of production and consumption in the North, and inappropriate development models in the South.

The operating principle of competition among economic institutions for profit in order to survive as economic entities has made economic growth a necessity. This principle operates within social systems that have a very unequal distribution of resources and incomes, thus resulting in uneven distribution of the benefits of growth and development. Much of the world's output and incomes are channelled to a small elite (mostly in the North but also in the South), whilst a large part of humanity (mostly in the South but also a growing minority in the North) have insufficient means to satisfy their needs.

On the other side of the same coin, the high rate of growth has led to the rapid depletion and contamination of resources, pollution, proliferation of toxics and climate change threats. This then is the social-ecological crisis of our times: the accelerating exhaustion and pollution of Earth's resources through inappropriate technology and production processes, producing ever increasing volumes of goods and services, the majority of which are channelled to filling the luxury wants of an elite, whilst too few are going towards fulfilling the real and human needs of the poorer majority. And there will be scarcer and scarcer resources to meet the justifiable demands of future generations.

From this perspective the environment and economic crises are the result of the same fundamental sources: the inappropriate and wasteful economic model of the North, the unequal distribution of resources and income at global and national levels, and the inappropriate development models in

the South. The global link between the North's model and the South's model is obvious: the South's development model is only a subset or a subsidiary of the dominant Northern economic model.

The North's model was transferred to the South during colonialism (when the pattern of exchange was established between Southern raw materials and Northern capital and consumer manufactured products) and accelerated in the post colonial period through multilateral institutions that advised on macroeconomic policy and facilitated the continuation of the North-South production and trade pattern.

The post-colonial development model promoted by the World Bank and adopted by most Third World countries called on the developing countries to expand their exports of commodities. This has led to higher volumes of production, oversupply, lower prices, continuous fall in the terms of trade, with disastrous economic effects on poverty. In environmental terms this meant: (a) the acceleration in the depletion of natural resources such as oil, forests, minerals; (b) the import of inappropriate Northern technologies that replaced the more ecological systems of agriculture, fishery, animal husbandry, etc. that existed in the South; (c) the transfer to the South of polluting industries, unwanted unsafe products and toxic wastes.

It can be seen that the environmental crisis is really a side-effects of the international economic relations. It is the same economic and development model that created social problems like poverty, social inequities and unbalanced development, as well as depletion and contamination of resources.

III. The Link between Northern Economic Model and Southern Development

Given the pattern of world distribution of economic and technological power, the North with 20% world population uses up 80% of world resources and has a per capita income on average 15 times higher than the South . In other words the North with a billion inhabitants uses 15 units of resources whilst the South with 4 billion people uses 4 units of resources (since Northern weightage is 15 times that of the South).

The major part of the problem of depletion and contamination of resources is thus located in the North. One could simplistically say that four-fifths of the problem lies in the Northern economic model and a fifth in the Southern development model.

In global environmental discussions, there has been a lot of focus on the South's flawed development model and the need to change to 'sustainable development.' Very little has been concretely discussed about the Northern economic model, which is after all the dominant model on which the South's development model is based. Very little has been planned about changing the North's economic model.

Most Northern governments and even NGOs are saying that it is true that the production and consumption patterns have to change, but that it is politically impossible to actually do it because no politician who advocates lifestyle change or diverting from economic growth would survive an election. If this kind of 'pragmatism' is to reign in the North, how then can we expect the much poorer South to be able to change their economies?

If a Northern politician is afraid to advise his public to have fewer cars per family, and to use less oil per car, can a Southern government be expected to tell the people to tighten their belts further to make way for two structural adjustments: the structural adjustment forced on by external debt and the new structural adjustment dictated by ecological imperatives?

IV. Sharing the Economic Burden of Adjustment

If we agree that we must reduce the depletion of resources and also spend more to lower the ecological costs of pollution, waste and climate change, then it is inevitable that the volume of output has to go down. For instance to save forests, we have to reduce logging and cut down on wasteful use of wood. There is then the crucial question of sharing the burden of economically adjusting to an ecologically sound pattern of production and consumption. This is surely the heart of the issue at UNCED: the international burden sharing, and the burden sharing within nations.

At the international level, there are at least two ways by which adjustment will come about. The first is if the powerful countries were to say: 'I'm strong, you are weak, I want your resources that are getting more scarce, give it to me, too bad if you don't agree.' In this solution, there will be 'triage' (the strong throwing off the weak in order to better survive), the poor will be made to die off without help, sovereignty over resources is eroded, and there will be a return in parts of the world to direct colonial rule.

The second way is for the governments of the world to agree on cooperation for the mutual survival of their peoples. The North would thus say: 'We have a mutual problem. We belong together as part of humanity, the overriding principle is that we all survive together. I am strong but perhaps I was wrong. In the colonial past and now in this present system, we've taken away from Nature and yet many of you are still as poor if not poorer. And many of us frankly don't need so much to enjoy life. Maybe we could adjust this unequal relation and have a real partnership to save Nature and thus ourselves together.'

The North's responsibility in this new partnership is or should be obvious. The era of colonialism saw military conquest, extraction of natural resources, and enormous flows of economic resources from the South. In the post-colonial period till now, the same phenomena has continued. Moreover North-controlled multilateral institutions provided wrong advice or imposed inappropriate policies (such as increased commodity production or structural adjustment) which have resulted in social and ecological problems.

Often, decisions made by a few major Northern countries (with no participatory rights from the South) result in enormous losses for the South: for example realignment of exchange rates and interest rate increases caused many Southern countries' external debt stock to rise, and external debt servicing flows to jump. Finally of course it is predominantly the overconsumption of resources and the pollution emissions in the North that have caused the global environmental crisis.

This does not mean the South is absolved from blame. In many parts of the South, there is a combination of corruption, political patronage, financial mismanagement and of course the adoption of inappropriate technologies and environmentally unsound policies.

However even in these 'national' level problems, there are Northern-controlled institutions that play a role. For instance, whilst some political leaders are corrupt, it is the TNCs that offer the kickbacks; one should not blame the lady of the night without simultaneously putting the spotlight on the client. And, as pointed out earlier, much of the misallocation of resources in the South can also be traced to the wrong macroeconomic advice or conditionalities given by multilateral financial agencies and also bilateral aid agencies.

We thus have to recognise that there are strong historical and intellectual grounds establishing the principle that the North should take measures to reverse the South-North transfer of resources and to provide not charity but a revival of moves to improve the South's terms of trade, to put life back to commodity pacts, to relieve the financial burdens weighing down the South, and to provide genuine aid for ecologically sustainable programmes.

The North-South impasse is a major impediment to serious agreements on sectoral or technical issues because the fundamental framework (namely the social principles of sharing the burden of adjustment) has not yet been agreed upon.

The North should make the gesture of breaking this impasse by making concrete suggestions on contributing towards this social framework. The South, being by far the weaker party, could not be expected at this stage to offer anything, as it has been on the receiving end of an unbalanced world order.

V. Elements of a fair and Sustainable Global Order

Now that public awareness worldwide has been raised about the global-level ecology crisis, it is widely said that the survival of the Earth itself could be threatened. We have argued that fair and thus long-term solutions to the global ecology crisis can be attained only if they are accompanied by positive changes in the social and economic spheres. Since national changes have to be coordinated, there should also be a strong global dimension to resolving ecological problems. In this dimension the North-South relationship is especially crucial. For the South to agree to cooperate with the North on environmental issues, the North must reciprocate by agreeing to cooperate with the South on economic issues. Thus the "environment" component should not be discussed in isolation, but in the context of development. The reverse is also true: the development models of the future will have to incorporate sound environmental principles. To be able to effectively tackle the ecological crisis, there must be reform to the world order so that a fairer and more sustainable global order can evolve simultaneously. The following are some principles towards such a global order.

The first and most important element is greater democratisation of the international order, to give the South greater participation in decision-making and benefits in world development. Southern NGOs have spent a lot of energy in broadening the democratic spaces in our own national societies, in removing the barriers to people's participation, in helping social movements regain their right to land and other resources, to promote their right to good health and adequate nutrition, to safety, housing and a sustainable environment. All these things are needed for both social justice and a sound environment and development policy.

At the same time the fight for democracy also has to be extended to the international arena, where the lack of democracy is so obvious. International democracy is needed just as much as national democracy. The need for global environmental cooperation should be an opportunity to expand the democratic spaces in the international institutions that shape world policy and through that the national policies of our countries.

The world economic order is obviously unbalanced, a fact so well-worn with analysis-without-remedial-action that few people are bold enough to even whisper the once popular catchphrase 'the new international economic order' that the UN General Assembly had adopted in a declaration in 1974. There cannot be concrete moves towards the NIEO unless the international economic institutions are democratised. And until there are moves towards a more balanced world economic order, there is little hope for any genuine partnership on environment.

There must thus be a review of the behaviour or performance of the major economic factors, including the transnational corporations, the international banks, the World Bank, IMF and GATT. These institutions, which make the decisions that affect so much of our lives, including the environment and development aspects of our lives, should, be made much more accountable to the public. The decision-making processes in these institutions must be opened up for public participation and scrutiny.

Not only Southern governments but also local communities must have the opportunity to participate in the design of programmes, the monitoring of effects and so on. The public has the right because the public suffers the consequences if something goes wrong, whether it be the Bhopal residents dying from chemical poisoning, or the more than hundred thousand farmers dying from pesticide poisoning annually, or the hundreds of millions of people suffering the social and economic effects of structural adjustment policies imposed by the World Bank and IMF.

The regulation and control of these institutions from the environmental, safety, social and economic aspects must be a pre-requisite for reforms in the global economic order.

The demands for many decades of the Third World for a new international economic order should be seriously addressed instead of being ignored or treated as either extremism or a Utopian dream. The present world economic system is very unbalanced, with a concentration of control in investment, production and trade by TNCs and other Northern institutions. The outflow of real and financial resources from South to North (up to US\$200 billion a year) far exceeds the flow of aid from North to South (\$50 billion annually). The siphoning of resources from the South makes it extremely difficult, if not impossible, for Third World countries to adequately implement sustainable development policies, even if they wanted to. To move towards a more just global order, there has to be North-South cooperation to reverse the South-North flow of resources so that the currently extreme maldistribution of world income and consumption can be to some extent corrected.

A major area of reform is the international division of labour and its corresponding trade. The poor and deteriorating terms of trade for Third World commodity exports vis-a-vis Northern manufactured exports has been a major source of the lack of foreign exchange and income in the South. The low prices of raw materials have also contributed to the high volume of extraction and

production (to maintain export earnings); and thus become a big factor in resource depletion. To rectify the unfair economic trade terms as well as reduce resource depletion, the prices of raw materials must be significantly raised to reflect their real and ecological costs. Improving the terms of trade for the South is thus an important part of the movement to a fair and ecological world order.

There is thus a need to establish a new or more comprehensive international trading institution under UN and democratic principles whose objective would be the promotion of a more balanced North-South trade relationship, where the need for trade is tempered by the need of the South for stronger domestic economies simultaneously with a stronger position in world trade and economy. The role of UNCTAD in giving a more favourable balance to the South should be promoted in this regard, but also to undergo prior assessment in the light of sustainable development imperatives. For instance it is already outdated to promote the expansion of supply (or even demand for) of Third World raw materials, for this depletes natural resources.

The key issue in commodities (that combines environment and economic concerns) is surely how to reduce the volume of production and exports (to conserve resources) whilst raising prices to reflect their social and ecological values and thus enable the Third World exporting countries to retain their export earnings. The shortfall in volume can be made up by price increase: thus there would be North-South (or producer-consumer) cooperation in the sharing of the economic burden of adjusting to ecological principles. A reformed UNCTAD with more environmental expertise and more political teeth could play a role in combining economics and ecology in new trading arrangements.

Another essential economic issue is the huge external debt of the Third World. Servicing this debt is draining away substantial resources and has contributed to the economic crisis now plaguing many countries. A fair resolution to the debt problem, that would not continue to squeeze Third World economies, would have to be a component to a fairer global order.

In the area of investment and technology, the South's and the UN's efforts to establish a code of conduct for TNCs and for the transfer of technology should be taken seriously by Northern governments. These codes should regulate the behaviour of TNCs and make them more accountable. Unfortunately the Code's future is now in question, since the UN Centre on Transnational Corporations (the agency responsible for its development) was closed in February 1992 as part of the UN's restructuring exercise.

The sovereignty of Third World countries to determine their own economic policies, and to have control over their natural resources, should be recognised in practice as well as in principle. This would include the right to determine the terms under which TNCs can invest in a country, a right that is being challenged by Northern governments at the Uruguay Round of GATT negotiations.

In the ecological sphere, the series of negotiations initiated by UNCED is an opportunity for all countries to cooperate by creating a global framework conducive to the reduction of environment problems and the promotion of sustainable economic models. However, as pointed out earlier, international discussions on the environment can only reach a satisfactory conclusion if they are conducted within an agreed equitable framework. The North, with its indisputable power, should

not make the environmental issue a new instrument of domination over the South. It should be accepted by all that the North should carry the bulk of the burden and responsibility for adjustment towards more ecological forms of production. This is because most of the present global environmental problems are due mainly to the North, which also possesses the financial resources and the economic capacity to reduce their output and consumption levels.

The post-UNCED process must focus much more on changing economic policies and behaviour. We deliberately use the word 'economic' rather than 'development' because what needs to be discussed is not only the development model of the South but even much more the economic model of the North, and of course the international economic order. Key issues to resolve include:

- how to structurally change the Northern model of production, income distribution and consumption or lifestyles;
- how to promote ecologically sound and socially just development models in the South;
- how to structurally adjust the world economic institutions so as to promote fairer terms of trade and reverse the South-North flow of financial resources;
- how to come towards a fair distribution of the sharing of the burden of adjustment necessitated by ecological imperatives, as between countries and as within countries.

Whilst the international elements of a fair and sustainable global order are obviously crucial, there must also be substantial changes to the national order as a complement. In both North and South, the wide disparities in wealth and income within countries have to be narrowed. In a situation of improved equity, it would be more possible to plan and implement strategies of economic adjustment to handle ecological problems.

Changing the North, as we earlier argued, is at least four times more important (in terms of the weightage of effects on environment) than changing the South. Thus much more time should be spent discussing the difficult task of changing the North.

If the North has to reduce wasteful production and scale down wasteful consumption, what kinds of institutional arrangements can be established within and between Northern countries to make these changes possible? Within each Northern country, how can necessary adjustment be made to output levels and lifestyles, when we are told this kind of change is 'politically impossible'?

What institutional arrangements are needed in society to make the majority of people accept change: for instance if the adjustment burden is equitably shared so that (for example) the incomes of the bottom 20% of households are increased to above poverty line; incomes of the top 10% are reduced (through tax or other mechanisms) by a large percentage, and of the incomes of the lower deciles are reduced but by progressively lower degrees, then it may be possible to get the majority to accept a scheme to change production and consumption patterns. Changing the volume and composition of output may be possible within a socially-accepted framework, for the mutual survival of all. Thus, environmental concerns, economic change and social equity have to proceed hand-in-hand.

In the South, more equitable and ecological models of development should evolve and be promoted. With more equitable distribution of resources such as land, and greater access to utilities

and housing, the highest priorities of the economy should be shifted to the production of basic goods and services to meet the needs of the people. Investments (including government projects) should be channelled towards basic infrastructure and production, in contrast to the current bias for luxury projects and status symbols of progress. Social investment in primary health care, education, housing for people, public transport and popular cultural activities should also be emphasised, rather than the high-level luxury services that now absorb a large portion of national expenditure. In this social context, changes also have to be made to make the economy follow the principles of ecology. There should generally be a reduction in the extraction and production of primary commodities: this would reduce the problem of depletion of natural resources such as forests, energy and minerals.

The decline in output and export volume could be offset if commodity prices were to rise, thereby providing a fair value of export earnings. In agriculture, the ecological methods of soil conservation, seed and crop diversity, water harnessing and pest control, should replace the modern unecological methods. With a reduction in production of agricultural raw materials, more land can also be allocated for food crops. There should be as much conservation of primary forests as possible; and the destructive methods of trawler fishing should be rapidly phased out whilst fishery resources are rehabilitated and the environmentally-sound fishing methods of small fisherfolk are promoted. In industry and construction, ecologically-appropriate forms of production should be given priority. There should be strict limits on the use of toxic substances or hazardous technologies, a ban on toxic products and the minimisation of the volume of toxic waste and of pollution.

Of course, to make this move towards a better global order possible, there must be people's participation, because the radical changes being called for can be realised only when there is popular will. It is crucial that information be provided to the people through the media and popular education methods, and that the people be given the freedom to make their views known to the policy makers and to others.

It should be stressed that the elements proposed here for a fair and sustainable global order have to be taken together, as a package. Social justice, equity, ecological sustainability and people's participation are all necessary conditions for this order, and the change must apply at both national and international level. Policies that promote equity alone would not necessarily result in a more environmentally-sound world. On the other hand, measures to solve the ecological crisis without being accompanied by a more equitable distribution of resources could lead to even greater inequity and injustice.

(Undated)