

FIVE YEARS AFTER RIO: A REVIEW OF THE ENVIRONMENT AND DEVELOPMENT SITUATION

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I: INTRODUCTION

This paper presents an overview of developments and trends in the area of the global environment and development in the period of the five years following the Earth Summit of June 1992.

The paper seeks to answer the question whether the hopes of Rio in 1992 proved to be too naive in retrospect. The paper sketches the main features of UNCED that made it unique in terms of integrating environment and development concerns, and in striking a balance or bargain in issues of concern to the North and the South. It then points out the main areas in which the targets and promises of UNCED were unfulfilled, thus causing a general sense of disappointment in the countries of the South, as well as in the NGO community. The paper then gives a brief outline of the major forces which have hindered or opposed the fulfillment of the UNCED agreements. In another section, a review is made of the UN General Assembly Special Session (UNGASS) held in June 1997 to review the implementation of Agenda 21 and other UNCED commitments. Finally, a conclusion is made on the options and trends in the future.

II: THE BASIC UNCED UNDERSTANDING AND THE SPIRIT OF RIO

In retrospect, the United Nations Conference on Environment and Development (UNCED) was a watershed event that raised hopes of people around the world of the emergence of a new global partnership. This new partnership, arising from the "Spirit of Rio", would change the present course of international relations, tackle the growing global environment crisis and simultaneously strive for more equitable international economic relations that would be the basis for promoting sustainable development globally and in each country.

The unique and important achievement of UNCED was that through its long preparatory and Summit processes, the world's diplomats and highest political leaders recognised not only the environment crisis in its many facets, but how this was embedded in economic and social systems, and that a realistic and longterm solution lay in dealing with both the environment and the development crises simultaneously and in an integrated fashion.

UNCED also involved thousands of non-governmental organisations, which were able not only to champion their particular issues, but through intense interaction among groups from North and South and from the environmental, development and social spheres, were able to develop a much more integrated approach to global and local problems. UNCED was an important landmark for catalysing the development of a "global citizen movement."

It also provided an opportunity for citizen groups and governments to engage in dialogue on the most pressing global problems confronting humanity and the Earth, an interaction that was

beneficial to both sides. It generated an international community, of governmental, non-governmental, and inter-governmental officials, agencies and individuals, that shared an understanding (however tentative) of the integrated nature of environment and development, and a recognition that in the next few years there was the crucial need and the unique window of opportunity to change the course of history, in order to save Humanity and Earth from environmental catastrophe and social disorder.

The "compact" or core political agreement at the Earth Summit, was the recognition that the global ecological crisis had to be solved in an equitable way, through partnership. This was captured in the principle of "common but differentiated responsibility" in the Rio Declaration. This principle acknowledged that the North has historically and at present been more responsible for the despoliation of the global environment, has more resources due to the uneven nature of the world economy, and has a proportionately greater responsibility in resolving environmental problems. The South is being hampered in meeting the basic needs of its people by its unfavourable position in the world economy, and its national resources are being drained through falling commodity prices, heavy debt burdens and other outflows. Development goals, poverty eradication and provision for basic needs are (or should be) their top priorities. Environmental concerns should be integrated with (and not detract from) these development objectives.

In concrete terms, the North-South agreement, and implementation of the principle of "common but differentiated responsibility" would require that:

- (a) The North would change its production and consumption patterns (and its economic/social model). It would take the lead in improving environmental standards, reduce pollution and the use of toxic materials, and cut down the use and waste in natural resources, including through changing lifestyles. By "putting its own house in order", the North would show an example to the rest of the world that there is a need for a change in economic and social behaviour in order to solve the environment crisis;
- (b) The North would help the South with financial aid and technology transfer, and through partnership in bringing about a more favourable international economic environment (for example, through more equitable terms of trade and a resolution of the debt crisis). This would enable the South to have greater resources and a larger "development space" that would in turn facilitate a change in development model that would be more environmentally sustainable;
- (c) The South, having more financial and technological resources, would manage its economy better, give priority to policies that meet people's needs, improve pollution standards and reduce depletion of resources such as forests.
- (d) International agencies and structures would help further this process; for example, by reducing the debt problem of developing countries and reviewing the content of structural adjustment policies, by ensuring that the trade system brings about more favourable results for developing poor countries, by helping to mobilise financial resources and providing technical aid in improving environmental standards.

(e) Issues requiring an integration of economic and environmental concerns (such as the interaction of trade and environment; and the relation between intellectual property rights and environmental technology and indigenous knowledge) should be resolved through North-South partnership in which the development needs of the South would be adequately recognised.

If the above principles are to be followed, then the concept of sustainable development would have at least two major components, each balancing the other: environmental protection and meeting the basic and human needs of present and future generations. Thus, sustainable development would not only involve ecological practices that enable meeting the needs of future generations, but a change in production and consumption patterns in an equitable manner whereby resources which are currently being wasted are saved and rechannelled to meeting the needs of everyone today as well as the needs of future generations. In this concept, equity among and within countries in the control and use of resources in ecologically prudent ways is a critical (or even the most critical) factor.

III: SOME BASIC WEAKNESSES OF UNCED

Despite the achievements of the UNCED process, there were, however, basic weaknesses and failures. Among these were:

- The refusal or inability of Northern governments to commit themselves to a reform of international economic relations or structures, or to initiate a new North-South economic dialogue. This meant that there was no commitment to resolve structural external problems that weigh heavily on a majority of developing countries (particularly the poorer ones), such as external debt, a review of structural adjustment policies, low and falling commodity prices and the trend decline in terms of trade, and the poor position of developing countries in the world financial and trading systems, all of which result in large outflows of economic resources from the South or in opportunities foregone.
- As a result of the inability of the UNCED process to place these basic items prominently in Agenda 21, the items that dominated North-South negotiations became the pledge for "new and additional financial resources" (with Northern countries pledging to strive to meet the earlier commitments for aid to reach 0.7 percent of their GNP) and the pledge for implementing "technology transfer" (at least for environmentally-sound technologies). These two items are a poor substitute for more basic reforms to international economic relations. Given the situation, they however became the "proxies" or symbols of the North's commitment to help the South in a new global environment-development partnership.
- Even though "technology transfer" was prominently discussed during the UNCED process and is given high profile in Agenda 21, in reality the Northern governments made it clear that the protection of the intellectual property rights of their corporations would not be compromised. This would effectively render technology transfer (even if only of environmentally sound technology) on favourable terms by and large inoperable. Nevertheless, on the insistence of the South, Agenda 21 does have some reference to the need for technology transfer, and for intellectual property rights not to hinder the process. A similar

principle is established in the Convention on Biological Diversity. The language and references in both cases are however guarded and ambiguous and relatively weak, although the acceptance of the principle provides grounds for fuller development in the follow-up of UNCED.

- The downgrading of the need for regulating transnational corporations and big commercial interests. As pointed out prominently by the NGO community, the big corporations are the main actors in generating environmental problems such as pollution, resource depletion and unsustainable production and consumption patterns. The UNCED process sidelined this role, and did not give action proposals for regulating or disciplining the behaviour of big corporations. Thus, the most important action required for sustainable development was omitted, and an opportunity for making the main economic actors more responsible and accountable was missed. This rendered many of the Agenda 21 proposals "toothless" or much less susceptible to implementation.
- The refusal by Northern governments, particularly the United States (whose delegation notably declared "Our lifestyles are not up for negotiations"), to effectively commit themselves to changes in lifestyles as part of the move towards sustainable consumption patterns. Thus a crucial element in the reduction of waste of natural resources was sidelined.
- Despite the many action proposals on environmental problems, there was relatively weak real commitment by both North and South to resolving many of the problems. As a result of not wanting to have constraints put on their growth or development opportunities, Southern governments were not forthcoming in agreeing to disciplines on resource depletion, in particular on deforestation. There was resistance by Northern governments to place effective environmental safeguards on the development of genetic engineering, or to develop better international regulations on the transfer of hazardous products, projects and activities to the South. The commitment by Northern governments (especially the United States) to reduce emission of Greenhouse Gases was inadequate to the task of dealing with climatic change.
- Given these weaknesses, the concept of sustainable development remained controversial. Whilst there was general agreement that progress on the environment had to be accompanied by development, the place and role of equity, the need for reforms towards more equitable international relations and institutions as well as equitable ways of combining environment and economy nationally, were not agreed upon. Thus whilst the role of equity was implicit, it was not explicitly enough elaborated on at UNCED. This opened the strong possibility of its being sidelined in the follow-up process.

Despite these and other weaknesses, UNCED, its products (Agenda 21, the Rio Declaration, the Forest Principles, the Conventions on Biodiversity and Climate Change and an agreement to institute a Desertification Convention) and its processes (governmental, non-governmental and the interaction between the two), produced an intangible but nevertheless valuable "spirit" of partnership. It was the hope of the officials (from governments and international agencies) and citizen group representatives involved, that the UNCED process and its spirit of cooperation,

however flawed and fragile, could be built upon in the follow-up and provide hopes for building a socially better and ecologically more sustainable world.

IV: THE FAILURES OF THE POST-UNCED FOLLOW-UP

Five years after Rio, it is clear that the "Spirit of Rio" was not converted into practical action. Instead, it seems to have faltered, and whittled down, if not away. The main features of this development are as follows.

(a) A Drop in Aid Volume

Despite the pledges of aid increase at UNCED, the OECD countries' aid fell from US\$61 billion in 1992 to \$56 billion in 1993, and 14 of 21 donors decreased the share of aid as a ratio of GNP (1). Moreover, a more and more significant part of the shrinking aid pie is being diverted to East European countries, leaving the South with less. Since then, the situation has further worsened, with continuing aid cuts in Sweden, the United States, and Canada, among others. In particular, the new Republican-controlled Congress is pressurising for a much reduced role for aid and the withholding of funds (to which it is legally committed to provide) to the United Nations. Among Northern governments, "new and financial resources" to the South has become politically a non-issue or worse a "taboo" subject. The start in aid decline coincided with the ending of the Cold War; and it is widely accepted that the Northern establishment has found the use of aid to win friends or maintain influence in Southern countries no longer necessary. The aid budget is thus being cut in line with general budget reductions in most Northern countries. In terms of sending the wrong signal, the timing could hardly have been worse, since aid had become the most important symbol of North-South partnership generated by UNCED. The aid decline is inevitably seen as a lack of commitment and sincerity of Northern governments to implement the Rio agreements, and has robbed the UNCED follow-up processes and institutions of their status and legitimacy.

(b) No Progress in Technology Transfer

There has been no tangible progress in transfer of technology to the South, either in general or in environmentally-sound technology. Instead, since Rio, there has been much greater emphasis on increasing the rights of holders of intellectual property (mainly corporations of the North) and a corresponding downgrading of the rights of the public (and developing countries) in technology transfer and diffusion. This is mainly the result of the Uruguay Round's TRIPS (Trade-related intellectual property rights) Agreement which will require member states of the World Trade Organisation to tighten their national IPR regimes in favour of IPR holders, with detrimental effects on technology transfer or local development of technology. There is already evidence of how such patent regimes hinder transfer of environmental technology to the South. There is also a danger that the emerging IPR regime (whose rules favour commercial companies) will also marginalise the interests and rights of communities that developed biodiversity-based knowledge (in farming, medicinal plants, etc) whilst enabling the patenting of this knowledge by commercial companies. The stress on IPR protection at the expense of technology transfer has, like the decline in aid,

Robbed the post-UNCED process of its legitimacy, since technology transfer was the second plank of what was seen as the North's commitment to facilitating sustainable development.

(c) Downgrading of Environment Concerns in the North

There have been no significant moves in the North for basic changes to production and consumption patterns or lifestyles. Despite some efforts on the energy front for reducing emission of Greenhouse Gases (which are generally believed to be still inadequate to arrest adverse effects on climatic change), there has been in many Northern countries a reversal of environmental policies (such as logging of natural forests in the US and attempts to weaken standards) or the lack of progress in critical areas requiring attention (such as the inadequate regulatory response to rapid development of genetic engineering). Generally, there has been a downgrading of environmental concerns in the national agendas, as commercial interests and the need to retain "national economic competitiveness" take precedence.

(d) Little Improvement on Environment in the South

In most Southern countries, environmental concerns have also not received the kind of special attention that UNCED had promised. The poorer countries remain enmeshed in problems of external debt and low commodity prices and face additional problems caused by aid decline. They are also bypassed by foreign investment flows. As a result, the lack of financial resources continue to hamper progress towards sustainable development. In the industrialising Southern countries, the pressures of urbanisation, industrialisation and high growth have put additional pressures on the environment, concerns for which have remained low compared to the imperatives of growth. Generally, in the South, there is a lack of progress towards sustainable agriculture or in phasing out the use of toxic substances (although the North-to-South export of toxic wastes may be reduced by the extension of the Basel Convention).

(e) Erosion of Concern for Development

As serious as the downgrading of the environment agenda is the erosion of concern for development as a principle or as a right in the international agenda. This erosion is mainly due to a wave of economic conservatism in many Northern countries and reduced concern in their political establishment for problems of developing countries. More seriously, in the North, the more aggressive commerce-oriented and trade-oriented approach of viewing developing countries as markets (that need opening up) and as potential rivals (whose advantages should be curbed) has replaced the other approach of viewing developing countries as disadvantaged global partners requiring and deserving assistance. As a result, the "development principle" and the "development dimension" which hitherto had been recognised as the cornerstones in North-South relations, have been challenged and eroded, not only through the decline in aid, but also in the much greater reluctance to accord special treatment or advantages to developing countries in UN negotiations.

Of particular importance, the development principle has been eroded in North-South trade relations, especially at the WTO. The "special and differential treatment" for developing countries has been eroded through the Uruguay Round. In the current on-going WTO negotiations, including on new

issues, developed countries have sidelined recognition of the development needs and objectives of developing countries and insisted instead on equal treatment for both the weak and strong: for example, "a level playing field" and "national treatment" for their firms. This contrasts with the reaffirmation by political leaders of the world of the appreciation of the development rights and needs of the South, through the Social Development Summit of 1995, and other UN conferences and resolutions. These declarations and processes, which represent the spirit of international cooperation, are being undermined by the more legally-binding and enforceable rules of the trade system. Therefore, instead of allowing the South to have greater development space to facilitate their transition to having a better environment (which was the UNCED understanding), there has been a significant narrowing of that space in the past few years.

(f) Persistence of Development Problems in the South

A major aspect of UNCED was to heighten priority in resolving the pressing development problems in the South. These problems had to be tackled at two levels: improving the negative international economic environment; and improving domestic policies. Although a small minority of developing countries, mainly in East Asia, were able to take advantage of external factors to experience high growth, a majority of developing countries continued to suffer from poverty and social problems, and in some countries the situation worsened. The external environment faced by many developing countries remained negative. The terms of trade for many developing countries continued to deteriorate, with the prices and demand for commodity exports weakening. The debt crisis persisted. Aid volumes declined. This continued to exert a large external drain of resources from developing countries. Resources for the state continued to dwindle in many countries, reducing their capacity to face the development challenges.

Globalisation in trade and investments had uneven results, with few benefits (and probably net losses) accruing to many of the poorer developing countries. Development policy options were further narrowed through the WTO Agreements and structural adjustment. The negative effects on the external environment have weighed heavily on many developing countries in the past five years. Many of them were unable to gather sufficient resources and strength to overcome their pressing social problems. As a result, there was low or inappropriate growth, reduced social development expenditures, persistence or worsening poverty, higher unemployment and greater inequities.

V: THE EFFECTS OF LIBERALISATION AND GLOBALISATION AND THE CLASH OF PARADIGMS

(a) Undermining of Sustainable Development Paradigm by the Free-Market Approach

Perhaps the most basic factor causing the failure to realise the UNCED objectives was the countervailing trend of liberalisation and its brand of globalisation that has swept the world in recent years.

The UNCED approach represents one paradigm for international relations: that of consensus-seeking, incorporating the needs of all countries (big or small), partnership in which the strong

would help the weak, integration of environment and development concerns, the intervention of the state and the international community on behalf of public interest to control market forces so as to attain greater social equity and bring about more sustainable patterns of production and consumption.

The liberalisation "free market" approach represents a very different paradigm. It advocates the reduction or cancellation of state regulations on the market, letting "free market forces" reign, and a high degree of rights and "freedoms" to the large corporations that dominate the market. The state should intervene only minimally, even in social services. On the environment, instead of intervening in or imposing environmental controls, the market should be left free on the assumption that this would foster growth and the increased resources can be used for environmental protection. This approach also sidelines concerns of equity, or the negative results of market forces, such as poverty and non-fulfillment of basic needs. It assumes the market will solve all problems. Extended to the international level, the paradigm advocates liberalisation of international markets, breaking down national economic barriers, rights to corporations to sell and invest in any country of their choice without restraints or conditions. Governments should not interfere with the free play of the market. Aid and special treatment for developing countries should be downgraded.

In the past five years after Rio, there has been a dramatic clash of these paradigms in international affairs. The paradigm of partnership and cooperation was represented by the United Nations series of world conferences, in which global problems relating to the environment, women, social development, habitat, and food were sought to be discussed and resolved in a framework of consensus-seeking. It was recognised that the market left to itself could not solve the problems and would indeed be a hindrance, and that thus there were critical roles for governments, the inter-governmental community as well as for NGOs and citizen groups, to temper the market with social and environmental priorities and programmes. The need to build the capacity of the weak and poor was accorded priority, and the role of aid and differential treatment for them was recognised.

In contrast, the free-market paradigm was represented by the Bretton Woods institutions, which persisted in promoting structural adjustment programmes based on market liberalisation, and by the GATT/WTO which was dominated by the Northern governments advocating the opening up markets (especially of developing countries) for the exports and investments of corporations and financial institutions. The conclusion of the Uruguay Round in December 1993 heralded a new era where multilateral trade agreements and negotiations would subject countries much greater to the objectives of Northern governments advocating greater and wider "market access" for their corporations. The Uruguay Round agreements of 1993 and the paradigm they represented turned out to be more powerful than the UNCED agreements and products of 1992 and the partnership approach which they promised. Indeed, in the past five years, the liberalisation free-market paradigm, that gained prominence and pre-eminence, has undermined the sustainable development partnership paradigm, which has been sidelined in terms of importance. The market paradigm had strong means of implementation: in the Bretton Woods institutions, structural adjustment can be enforced as conditions for much-needed loans; in the WTO system, the Agreements and rules are enforceable through a powerful dispute settlement system which includes trade penalties and retaliation. In contrast, the partnership paradigm has been deprived of its main means of implementation, which are financial resources and technology transfer.

The main factor for the triumph of the market paradigm is the strong support and aggressive advocacy for it by the powerful countries, and their deliberate marginalisation of the partnership paradigm. Within these countries, the Commerce and Finance departments of government enjoy far greater influence than the Environment or Overseas Aid departments. This has contributed to the far higher priority given in these countries to national and private commercial interests vis-a-vis environment and development concerns.

(b) Depletion of UN's Role and the Expanding Powers of the WTO and Bretton Woods Institutions

In recent years, the Northern countries have also successfully organised the downgrading of the role, resources and influence of the United Nations in social and economic affairs and policies, and simultaneously enormously increased the powers and influence of the Bretton Woods institutions and especially the WTO in determining international economic and social policies. This shift in institutional location of authority is due to the fact that the Bretton Woods/WTO institutions represent the paradigm advocated by the North, and also due to control the North asserts in these institutions in contrast to the UN system where the South is better represented, due to the differences in decision-making in the different organisations.

With the higher status of the market paradigm, sustainable development concerns have been given lower priority. Governments of strong countries have become obsessed with competitiveness of their firms and countries; this has reduced the commitment to improve the environment and change production and consumption patterns. Deregulation has included the weakening of environmental policies (or their enforcement) in many countries. Interest in implementing the development components of UNCED (and of other Conferences such as the Social Summit) has diminished. The means of implementation of the many action proposals have not materialized.

(c) Failure to Regulate Big Corporations and the Move to Widen their Rights

A major reason why the UNCED objectives have not been realised is the fact that the behaviour and practices of the main economic players (that determine production and consumption patterns) have not been brought under any kind of effective framework of accountability and disciplines. UNCED was itself partly responsible for this, as it did not propose any measures for regulating big corporations. In the past few years, the power of big corporations has increased: they control even more of the world's resources and account for a greater share of production activities, distribution, finance and marketing. There has been no noticeable change in their production patterns. The "business as usual" practice has resulted in continuation or even intensification of environmental pollution and resource depletion. Through globalisation of media, their advertising and sales promotions of consumer products and tastes have had an even much greater impact in spreading the kinds of lifestyles and consumption patterns that are environmentally unsustainable.

The regulatory situation relating to TNCs and business in general has worsened greatly in the past five years. The efforts to finalise a Code of Conduct on TNCs were formally killed in 1993, and the agency in charge of the Code, the UN Centre on Transnational Corporations, was closed down. Thus, the main international initiative and institution for establishing guidelines (non-binding at

that) for the behaviour of TNCs, and that would lay down a code of obligations and rights of TNCs and states, have disappeared, and many years of work and negotiations have come to nought. Initiatives in other institutions, such as the Code of Conduct on Technology Transfer and the Set of Principles and Rules on Restrictive Business Practices, both at UNCTAD, marginalised due to the reluctance of the developed countries for their coming into effect.

Instead, there has been a strong opposite trend, which is now dominant, to reduce and remove more and more regulations that governments have over corporations, to grant them increased rights and powers, whilst removing the authority of states to impose controls over their behaviour and operations. The Uruguay Round has already granted far higher standards of intellectual property rights protection to the TNCs, thus facilitating further their monopolisation of technology and ability to earn huge rents through higher prices. There are strong pressures from Northern governments at the WTO to grant foreign companies the right of entry, establishment and national treatment to all WTO member states. Other proposals on competition policy and government procurement would give them further rights of access to business in developing countries. The ability of governments to regulate the operations and effects of TNCs and companies in general is being severely curtailed. Since it is most unlikely that businesses will voluntarily curb their own practices so as to be in line with sustainable development, especially since there is now an intensification of competition, the removal of the rights of states to regulate business, especially TNCs, is a major and perhaps fatal flaw in the international community's attempt to arrest environmental deterioration and promote sustainable development.

(d) The Failure of Political Leadership

The recent years have also seen the weakening of political leaders in almost all countries in their attempts or ability to address environment, social and development issues. In the North, the political leadership has followed the rationale of the need to maintain competitiveness in a globalising world to place environmental and social concerns much lower on the list of priorities. Instead, these governments are meeting the demands of their corporations to promote liberalisation and to champion their interests domestically and internationally. Thus, at international negotiations, whether at the WTO or at the UN, Northern governments promote proposals that widen the rights of TNCs, whilst blocking or diluting principles and points that are made on behalf of development.

In the international arena, Southern governments are individually and as a group generally inadequately prepared for negotiations, compared to the Northern governments. Despite the dramatic expansion of the importance of international organisations and processes in determining national policies, the political leadership and bureaucracy in most developing countries have not put adequate human and financial resources in preparations for international negotiations. As a result, they often find themselves at a very weak end of the negotiations. This can sometimes lead to their being unable to effectively promote their points, and to having to agree to other points that are detrimental to their interests. Such a situation is particularly dangerous when the negotiations involve legally-binding agreements, as in the WTO.

Many political leaders and bureaucrats may privately agree that the present state of affairs on environment and development is negative and requires drastic reforms. However they go along

with the big tide of liberalisation and of catering to the demands and interests of the business elite. Many have declared that they are unable to change the situation, and that the forces of liberalisation and globalisation are too strong to counter. The political capability and will to fight for environment, development and a cooperative model of international relations seem to be lacking all over the world. This of course leads to the question of who, if not the political leaders, are going to take effective action to promote sustainable development.

(e) Public Responses and the Potential for Reasserting Sustainable Development Priorities

Despite the rather bleak picture, there are also positive developments in recent years that keep the hopes for sustainable development, and the spirit of Rio, still alive.

These developments include:

- The still influential role and substantial resources of the United Nations system, despite its budgetary crisis and the attempts to blemish its image. The UN enjoys popular support, mainly because of its socially and environmentally positive positions, and its efforts to promote international cooperation. The partnership paradigm represented by the UN is thus still very much alive where the public are concerned.
- The series of World Conferences organised by the UN and its agencies in recent years has had a positive public impact in highlighting a wide range of global problems, and provided opportunities for a focusing on the existence of the problems, their causes and proposals for action. This has had significant influence on the public, on citizen groups and the media, on the thinking and policies of national governments and on the staff of international organisations. They have produced valuable information and important experiences of having to seek consensus from different viewpoints being put forward by different categories of countries and people. They were also opportunities to advocate or reassert approaches and views that are counter to the dominant liberalisation/globalisation thinking. Thus they have built a useful foundation which can contribute greatly to future work and activities.
- The past few years have seen continued and in some cases strengthened activities of citizen groups that represent alternative approaches and paradigms to promote social and environmental causes. Particularly positive has been the increased networking and collaboration among the groups in North and South, and a cross-fertilisation of interests in different issues, including environment, development, human rights, women's rights, culture and social problems. The emergence of global civil society, advocating alternative viewpoints at international fora and to international institutions, is an important development that can monitor and help shape the globalisation process. This remains a significant hope for the promotion of sustainable development.
- The weaknesses, inequities and limitations of the globalisation model based on free-market interests are rapidly becoming evident. This has led to growing criticisms of the paradigm by influential members of the political, business, journalistic and academic establishment. The leaders and opinion makers of the system are themselves increasingly questioning and

criticising the dominant policies and their effects. As the "consensus" on the orthodox approach breaks, the need to reform the globalisation and liberalisation process will become clearer.

The time is thus ripe for a "paradigm shift" away from a model based on competitiveness, greed and market expansion (without care for social development or the environment) to the sustainable development approach, premised on cooperation and international partnership, stresses the rights of people, and balances economic activities with social and environmental goals.

VI: REVIEW OF THE UN GENERAL ASSEMBLY SPECIAL SESSION (JUNE 1997) TO REVIEW UNCED

A UN General Assembly Special Session (UNGASS) was held on 23-27 June 1997 (with another week of preparatory meetings previous to that) to review the overall progress achieved in the implementation of Agenda 21 (the programme of action adopted by the Rio Earth Summit) in the five years since the UNCED. The Session was also known as "Earth Summit + 5."

The session, which was convened at summit level, was attended by the Heads of States and Governments of many industrialised countries and several from the South, but with the heads of major developing nations pointedly keeping away.

The Session was generally regarded as a failure, as it was clear that the main cross-cutting commitments on financial resources and also to a lesser extent on technology transfer had not been met by the Northern countries. At the UNGASS and its preparatory meeting (the Fifth Session of the Commission on Sustainable Development held in April 1997), it was clear that the North was not willing to make any meaningful new commitments. Thus, UNGASS was bogged down mainly by differences between North and South countries. Besides this central conflict, there was also little progress to report on the global environmental front. Instead, there were several reports, from the CSD Secretariat, from UNEP, and from NGOs, that the global environment has continued to deteriorate, with forests still being lost at a rapid rate, fishery resources being depleted, and a new threat of water scarcity looming in the near future. UNGASS was also unable to bring forth improved commitments for action to reduce Greenhouse Gases and the threat of climate change.

UNGASS had the main objective of producing two documents: a "Political Statement" and a Programme of Action. On the final day, the Assembly did adopt a 'Programme for the further implementation of Agenda 21'. However, the failure of UNGASS to give a much needed boost to the Rio Spirit or to the implementation of UNCED agreements was most obviously manifested by the failure of the governments to conclude the 'Political Statement' despite a desperate attempt lasting till 5.00 a.m. on the morning of the last day. The week-long Summit-level meeting of the General Assembly thus ended in a political impasse, without any gloss or effort to sweep failures under the carpet. The General Assembly President, Ambassador Razali Ismail of Malaysia, and the Bureaus of the Assembly decided on the morning of the last day to abandon further attempts to negotiate the 'Draft Political Statement'.

The Special Session was bogged down by time-consuming discussions on many points relating both to development and to the environment. The disagreements were along North-South lines (especially with regard to issues of aid and trade), along North-North lines (particularly over climate change, but also on aid), as well as over issues (particularly forests) where there was no clear North-South demarcation.

But the main focus was the failure to agree on a Political Statement -- a document which had been intended to be a kind of 'clarion call' by political leaders to the world public, pledging action to make up for shortfalls of the last five years and promising to do better in future. It was to have been a kind of follow-up to the 'Rio Declaration'. Three drafts of this statement had been prepared by the Chair (Mostafa Tolba of Egypt) and Vice-Chair (Ms Linn Locher) of the Commission on Sustainable Development. Negotiations began on 16 June on draft 2; and on 23 June on draft 3 (by which time it had grown respectively to 8 pages and 26 pages).

On the final night (26 June), a session of the Committee of the Whole chaired by Tolba was intended as a last-gasp attempt to pull all the elements together. Instead, it concluded at 5.00 am of 27 June with only half the document read, and several disagreements even on this first half. Indeed, more and more square brackets (signifying disputed texts) were being placed on many paragraphs, and tempers were getting frayed as it became evident that the race against the clock was being lost.

On 27 June morning, the UNGASS Bureau concluded there was no point continuing with the exercise, and decided to abandon the political statement. In its place was put a simple and uncontroversial six-paragraph 'Statement of Commitment' that became a preamble to the UNGASS's sole document, the 'Programme for further implementation of Agenda 21'.

Failure to reach agreement on the political statement was partly blamed by delegates on the lack of time and partly on a lack of skilled and effective steering of the process in the Committee of the Whole. But perhaps most significantly the failure reflected the real political gap between the North and South that had grown wider since the Rio Earth Summit. The two-week CSD session in April and the one-week UNGASS (with an extra preparatory week just before it) were just unable to bridge this divide, which had become too big over the past five years.

Another decisive factor was the determination of the General Assembly President, Razali Ismail, not to be caught up with the 'seminar organiser's syndrome' of portraying the Session (or the events since Rio) as a success when it was not. 'Our words have not been matched by deeds,' he said at the last plenary. And, earlier he told a press conference that the Session had been an 'honest attempt' to appraise the results since Rio and there was 'little attempt to sweep things under the carpet or put a gloss over something that was not there'.

Among the most controversial sticking points at UNGASS were financial resources and trade and environment; and the sectoral issues of forests and climate change.

By and large, a long shadow was cast over the UNGASS process by the failure of the industrialised countries of the North to live up to their commitments of finance and technology transfer. Participants, including many of the heads of state and government in their General Assembly

addresses, decried the reality of aid decline contrary to the Rio pledge of the Northern countries to increase aid to 0.7% of GDP.

They also decried the lack of progress on technology transfer which, as the Tanzanian President Benjamin Mkapa (on behalf of the Group of 77) pointed out, had instead been hampered by the TRIPS (trade-related intellectual property rights) agreement under the World Trade Organisation.

With North-South differences remaining sharp on financial resources, an informal Ministerial group on financial issues (chaired jointly by Dutch development aid Minister, Jan Pronck, and the Tanzanian Foreign Minister) was set up to rewrite the texts on this issue in both documents.

At an informal high-level meeting on 24 June, the key differences between North and South on the financial resources issue became evident. A number of developing countries expressed reservations about the procedure. They were concerned whether the Ministerial group would complicate the negotiations by either dumping or overriding the points already made by the diplomats.

Pronck proposed that the political statement contain a commitment by the Northern countries to 'stem the decline and reverse the trend in ODA', which would send a modest but specific positive signal. And even for countries that could not increase aid (such as Japan), it could be mentioned that aid would improve by targeting it for poverty eradication and environment.

The Japanese delegate admitted it was a difficult moment for Japan as the government was downsizing, and this included aid. In future, its ODA would continue to decline. When it came to choosing between aid to Japan's aging population or to ODA, the choice was clear and Japan was not in a position to give any assurance (of an ODA increase).

Several developing country delegates expressed concern about the proposed wording, which they felt watered down or covered up the reality of the collapse of aid. An Asian country delegate commented sharply that the words being proposed would be a retreat from Agenda 21. The reality of aid decline was very disappointing, and now Japan was admitting its aid would go down further. 'Though you may try to raise the spirits here, we are really very disappointed,' he said. 'We had put our trust in the words agreed to in Rio but very little has materialized. I suggest we put time-bound targets for aid, for the years 2002 or 2003 and so on. Otherwise, developing countries are fed up with this situation. Maybe only at the end of the next millennium will there be an attempt to reach the 0.7% aid target.'

The Tanzania Minister said in taking stock of Rio's successes and failures, it was important to solve the problem of commitments not being met. 'If we say there should be a reversal of the trend, what is the assurance this will take place? We will just go on to another meeting and again conclude there is another decline.'

Another Asian country representative said on one hand aid had declined whilst on the other hand developing countries were also facing a tightening up of aid conditions. 'The donors must allay the fears of developing countries that this is not another opportunity to avoid the ODA discussion. Aid

is shrinking, on top of that we are asked to follow more conditions on the aid and also that it be used for leveraging other funds.'

Several countries were also concerned that the North was intending to retreat from the Rio aid commitment by emphasising the need for new and innovative financial mechanisms such as private investment, environment taxes and subsidy reductions. They were cool to the proposal by the US and Norway (in the draft Programme) to form an intergovernmental process or panel on finance that would look into implementing the report of the CSD's working group on finance (whose lifespan had expired). These developing countries were concerned that eventually the Northern countries might only focus on the innovative financing mechanisms proposed in the report, whilst ignoring or diluting those aspects of the report on their meeting their ODA commitments.

The debate came to a head late on 26 June night when the Dutch and Tanzanian Ministers presented a five- paragraph text on financial issues for the political statement. It stated that 'international cooperation and provision of ODA continue to have a crucial part' in mobilising resources, and that 'we reconfirm and recommit' to the Rio objectives of fulfilling the 0.7% target. The statement also regretted the overall downward trend and would have the developed countries undertake to make the utmost efforts to 'halt and reverse' this downward trend by the end of the century.

It also mentioned a target of 50% reduction in poverty by 2015 as a key priority for aid. It stressed the importance of proper domestic policies and mobilising domestic policies towards sustainable development patterns, and the catalytic role of ODA in mobilising domestic private investment towards sustainable development, and in attracting foreign investment.

After Pronck presented the text, a number of countries (including India, the US and Venezuela) expressed reservations. Pronck warned that if there was to be a renegotiation, the EU (which the Netherlands represents) would not be able to hold to the text's position but would take a tougher line.

Tolba announced that the whole text on financial issues would have to be re-looked at again, taking his own original text as the basis and referring also to the Dutch-Tanzania Ministerial text. It was clear that many more hours would be needed to have even a semblance of consensus on a political text on finance.

Even if this high hurdle were cleared, a fierce dispute would surely arise over another two lengthy paragraphs on trade, environment and development, originally drafted by Tolba and Locher. The G77 were seriously concerned about the wording in many parts of this section. At about 3 a.m., Tolba proceeded to get the Committee to do another reading of the draft political statement, starting with paragraph one. Each paragraph elicited even more disputes. As the session ended at 5 a.m. it was quite clear the political statement was in deep trouble.

Within hours, the decision to abandon it was made, so that the full attention of the delegates could be focused on the Programme, to reach consensus on the several issues still under dispute. The most difficult of these were the cross-sectoral issues of finance and trade and the sectoral issues of climate change and forests. The last of these were cleared only at night, and allowing time for the

various amendments to be printed, the Special Session's final plenary could finish adopting the several amendments only past midnight.

Despite the failure of UNGASS to reignite the flickering Spirit of Rio, there was at least some honesty in the intergovernmental process in admitting the failure. At a press conference on the final day, the UN General Assembly President Razali Ismail (who had presided over UNGASS) suggested that the overall result was 'pretty sobering' and it was now time for non-government actors to go to the grassroots and apply pressures on governments to live up to their commitments.

Non-governmental organisations, media and many delegations viewed the outcome as a symbol and manifestation of the failure of the Special Session. But the real failure was the inability of governments to agree to make new commitments on cross-sectoral issues that are more binding (with target benchmarks, for example) than what they signed on at the Earth Summit in Rio de Janeiro five years ago. Without such commitments, a high-level Political Statement would have had neither teeth nor credibility, given the already dismal record of non-implementation of Agenda 21 on the two most important issues of the North providing increased financial resources and transfer of technology to the South.

A political statement, with fudged language to get consensus, might instead have increased the level of cynicism, further eroding public confidence in the post-UNCED and now the post-UNGASS process. It is better to have no political statement at all, rather than a weak one putting on a brave but false front. Better to openly admit that governments have failed to reach a new political compact, than pretend everything is alright.

That seemed to be the position of Razali Ismail, Malaysia's Permanent Representative to the UN, who presided over UNGASS Summit session. His statements at the press conference were revealing not only on what transpired at UNGASS but also on the state of play at intergovernmental level on the whole area of environment and development five years after the Earth Summit.

'I think the overall result is pretty sobering,' he told the press conference, after announcing that there would be no political statement. 'When the expectations we have as diplomats are placed in the context of the absence of political will, then you have a problem. This is what happened in the discussions on the political statement.'

Razali said although disappointing, the fact that there was no political statement sent out a certain message: how difficult it was to formulate such a statement when in reality there had not been enough progress on some of the key issues over five years. 'Let us call a spade a spade,' he said. 'When over the five years (since Rio) there obviously have not been enough things done, then in that context the impasse that came out of the political statement reflected that.'

Nevertheless, he added, the issues that would have been in the political statement would appear in the Session's document, 'Programme for the further implementation of Agenda 21', where there were 'some satisfactory results' which should be taken account of.

He said: 'This special session should go down as a very honest attempt to appraise the results of how far we have gone on Rio,' said Razali. There was very little attempt to sweep things under the carpet or gloss on something that was not there. All the delegates went into it without any stars in their eyes; they looked at what was there and not there. And that was why you saw divisions... and you saw that situation reflected in the impasse on the political statement. I am happy with that - that we didn't go for the gloss, but went for the real thing. We now have an honest appraisal in the document... Let us call a spade a spade.'

Razali said there were some very good aspects to the Session document. On forests, the issue of an international agreement is promoted, although without a specific timetable.

'On finance, there is language that appears to be a plus on the overall situation of declining Official Development Assistance (ODA), that agrees to recognise the decline and take steps to reverse it. The target of 0.7% has been recommitted to by developed countries. This is very important to LDCs. It is clearly important to underline that the idea of replacing ODA with foreign investment or anything coming from the private sector is not acceptable. We were quite clear about that.'

Razali added that an important feature of this UNGASS was to bring in the non-governmental sector into the plenary of the General Assembly. (Several NGO representatives had been invited by the General Assembly President to speak at the Assembly plenary session, the first time that NGOs had been invited to do so, especially in the presence of heads of states). Razali said: 'This is a milestone, it is recognised in the Statement of Commitment... I am particularly happy to see youth, farmers, women's organisations and indigenous people being there at the special session, making their points together with governments.' When journalists persisted on asking why it wasn't possible to agree to a political statement, Razali replied that when an attempt was made to encapsulate everything in a shorter document, the gap between what was promised at Rio and what was not done on the ground could not be filled.

'So there was clearly a sense of frustration. In the General Assembly, you saw Ministers saying they had not done many things. European Ministers said, yes there has been a terrible decline in ODA, there should be a reversal. But when you want to cobble everything together as a consensus, one or two countries would not allow it to be put together.'

Asked what would happen in the coming years, Razali replied: 'This is a kind of wake-up call to the UN. First, we have to recognise that the bane of international cooperation is that governments cannot maintain commitments, not just on resources, but on doing things over the long haul. Somewhere, other constraints come into the picture. We have learned that what we said very enthusiastically five years ago that we would do, that we would implement, that we would honour, has not really been done sufficiently. This is something that has bedevilled international relations. The UN must learn from this.'

Razali said the United Nations must also be made to deal with the hard-core issues of economics. 'The UN is at the moment dealing with the soft aspects of economics: environment, development policies, debt, drugs, refugees. But it is not given a place to deal with the hard core economics

issues: trade, identification and mobilisation of resources. We should look at these as we have a playing field that is not level.'

Asked whether he meant the United Nation's mandate should be broadened to include trade, and why it should be done when there are already institutions like the World Bank and the WTO dealing with them, Razali replied: 'That is the sad fate of the times, that we have a United Nations that is only operating within a certain perimeter, while other institutions have bigger portfolios, dealing with issues that make a difference to the developing countries. If only the decisions of the UN were able to impact on decisions taken in the WTO or in the World Bank on issues dealing with trade imbalances, then the UN begins to gain in importance. But if whatever we decide here is given only a marginal reference point, then the UN becomes that much less. To me as an activist of the South this is not satisfactory at all.'

To a question as to what had happened since Rio that made it impossible for an agreement to be reached at the special session, Razali replied: 'Yes we reached our zenith of enthusiasm and commitment to sustainable development and the environment in 1992. Since then, many other things have distracted our attention from that. Since then a sense of parochialism has spread over much of the developed world, that has affected the willingness of those countries to make available funds, resources, ODA, technology transfers.'

Asked whether he would 'wake up the States to do something urgent', Razali said he knew what he could not do. But, he added, this is an occasion when the NGOs could go back to the grassroots and 'push and agitate for more sincere, honest implementation of all the aspects of the agreements at Rio. I think that the idea of conferences, both for governments and for NGOs, is almost over... There is no point talking among yourselves... It is time to go around and say, "We will not elect you if you don't do this or don't do that." That is when the NGOs apply leverage; and this is the right time for it.'

VII: CONCLUSION

The events at UNGASS were certainly a useful indicator for the status of the environment and development condition at inter-governmental level, five years after UNCED. As the UN General Assembly President stated, the state of affairs is "sobering."

It is clear that the "partnership" between North and South so much touted at Rio has been very much eroded. Not only has the link between environment and development, never strong even at Rio, been much weakened; even the pure environment issues that so worried the world in 1992 have been downgraded by governments, even by Northern governments in their own societies.

As put forward earlier, the forces and pressures of globalisation and liberalisation have marched ahead in the five years since Rio, and to a large extent these have overcome the goals of sustainable development that had seemed clear in 1992. Ironically, even as the Rio Summit brought public awareness on environment and development to new heights, it also marked the high point of this

trend, following which the official concerns for these issues went downhill, to be replaced by the priorities of trade, commerce, economic competitiveness and enlarging market share.

Citizen groups and social movements have always been in the forefront of the fight for both the environment and social justice in development. Many of them had also invested time in the UNCED and post-UNCED processes, in the hope that their concerns could be better heard and taken into account through the global-level meetings and agreements.

However, it has become clear that the Northern governments are placing less importance on environment and development issues at global level. It is ironic that in the push towards UNCED, the Northern governments were taking the lead, and Southern governments had been reluctantly brought into the process. Five years later, it would appear that Southern governments are rather more interested in the CSD and post-UNCED processes, at least in the development aspects of these, whilst there has been an erosion of interest on the part of the North.

In any case, as pointed out by Razali Ismail, the governments have shown that the official global environment and development process has reached a political impasse. It is unlikely to make general progress, if left to the governments. Thus the activist role of citizen groups and social movements has become all the more important, in raising public awareness, in generating public opinion, in arousing the demands and actions of ordinary people, so that environment and development become burning issues and are raised higher on the national and global political agendas.

(Undated)