Chapter IX

ENVIRONMENTAL SUSTAINABILITY, INTERNATIONAL CO-OPERATION AND THE GLOBAL LIST OF ENVIRONMENTAL PRIORITIES

Global environmental problems are the result of national and local development policies and styles. They can be brought under control only in a context of heightened international co-operation.

1. Environmental sustainability and international co-operation

The United Nations Conference on Environment and Development will be taking place against a background of profound changes in the world. Despite the gravity of recent events in the Gulf, which have introduced disturbing elements at the international level, the rapid détente between the two great powers which have represented the main political and ideological division of the world since the Second World War has been accompanied by a climate of progress towards the free determination of peoples and respect for human rights.

Although the achievements with regard to consolidating the spirit of co-operation in international economic relations and overcoming social problems have not been so marked, there has nevertheless been a certain tendency in recent years to submit economic and social issues of a transnational nature for discussion in multilateral forums, thus complementing a certain propensity on the part of the main developed economies to resort to bilateral arrangements or agreements between a limited number of countries in dealing with such issues.

Examples of this tendency are the multilateral negotiations held within the framework of the General Agreement on Tariffs and Trade (GATT) with the aim of achieving a new international trade order, and the efforts (so far, rather timid) to reshape the financial and monetary order, at least in part, within the framework of the forums associated with the World Bank and the International Monetary Fund.

The United Nations, for its part, has dealt with the issue of international economic co-operation on a number of occasions during the past year. Among the proposals adopted, mention may be made of the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the Developing Countries,[1] adopted at the eighteenth special session of the General Assembly, the decisions adopted by the Second United Nations Conference on the Least Developed Countries,[2] the declaration of the World Summit for Children,[3] and the International Development Strategy (IDS) for the Fourth United Nations Development Decade, adopted by the General Assembly.[4] With regard to the present document, mention may also be made of General Assembly resolution 44/228 convening the United Nations Conference on Environment and Development "in the context of strengthened national and international efforts to promote sustainable and environmentally sound development in all countries".[5]

All these documents have various features in common which are worth noting.[6] First of all, they are marked by a greater degree of consensus on various matters than similar efforts made in previous years. In this respect, there seems to have been some softening of the tone of confrontation and denunciation of the past, which had established a clear gap between the positions of the developed and developing countries.

Secondly, there is an acceptance by the developing and developed countries alike that both the domestic efforts of the former and the co-operation of the latter are indispensable elements for closing the gap which separates them.

Thirdly, there is some degree of consensus on the priority issues which should be placed on the agenda for international co-operation to promote development. Thus, for example, the International Development Strategy for the Fourth United Nations Development Decade lays down six objectives that should guide international co-operation in the 1990s, namely:[7]

An increase in the economic growth rate of the developing countries;

A development process which deals with social needs, seeks to achieve a considerable reduction in extreme poverty, promotes the development and use of human resources and knowledge, and is environmentally rational and sustainable;

The improvement of the international monetary, financial and trade systems in such a way as to support the development process,

The establishment of a sound and stable world economy and sound macroeconomic management at the national and international level;

The decisive strengthening of international development co-operation; and

A special effort to deal with the problems of the least developed countries, which are the weakest of all the developing countries.

The countries of Latin America and the Caribbean, for their part, have steadfastly insisted that the net outflow of resources to the industrialized world continues to be one of the main obstacles standing in the way of the renewed growth of many countries of that region, and that a process designed to reverse that situation, including in particular the treatment of the external debt, should be one of the central aims of international co-operation.[8]

Finally, it may be noted that the scope of the decisions in question has so far been rather limited in terms of concrete commitments. Furthermore, they leave the impression that the issue of economic development has still not been given a central place on the list of priorities of the world community, or at least has not been treated with the degree of urgency that the developing countries desire and the circumstances demand.

If humanity were to assign higher priority to the eradication of poverty from the face of the earth, it could achieve that goal, for it now has the technical know-how, the organizational ability and the financial capacity to make considerable progress towards the attainment of this basic objective of the United Nations Charter. However, this calls for a concerted effort and the determined political will of all the parties involved, both with regard to the actions to be taken in each country and as regards the strengthening of international economic co-operation.

There are various reasons for believing that the United Nations Conference on Environment and Development offers, among other aspects, a fresh opportunity to advance towards profounder and more specific action in connection with the agenda of international economic co-operation issues. To begin with, humanity as a whole has gradually become aware of the danger of real ecological disasters. In other words, both individual incidents (the escape of toxic gases in Bhopal, India; oil spills in the ocean and the coastal area of Alaska; the accident at a nuclear power plant at Chernobyl (USSR)) and the danger of irreversible ecological damage that can affect the whole of humanity (climate change, depletion of the ozone layer, loss of biodiversity) now have an immense capacity to mobilize the views of governments and society, especially in the industrialized countries. To this has been added the ecological concern stemming from actions relating to the war in the Gulf. There is also an awareness that these phenomena do not respect

frontiers and that multilateral agreements and actions are therefore called for in order to solve a common problem: no less than the survival of our planet.[9]

Secondly, this capacity to mobilize opinion, added to the marked awareness that exists of the need to face a common problem, has the potential for spreading to other areas of human activity. Thus, it is not possible to separate the environmental dimension from that of the economy, since most of the environmental risks are the outcomes of economic and social phenomena: irrational exploitation or unchecked consumption of natural resources, the disposal of the wastes of such exploitation and consumption, population pressures on finite resources and the destruction of the environmental heritage that belongs also to future generations in order to satisfy the demands of the present. These phenomena exist not only in opulent societies with a high degree of development but also, for very different reasons, in societies where situations of extreme poverty still persist and millions of human beings contribute to the plundering of resources because of their imperative need to survive. Consequently, as the Governments recognized when they adopted resolution 44/228,[10] the issue of environmental protection cannot be considered in isolation; it must be placed in a much broader economic, social, political and institutional context.

Thirdly, tackling development and the environment in an integral manner increases the justification for broad agreements between the industrialized and the developing countries with regard to co-operative efforts at the world level. The developing countries can play an important part in helping to relieve some of the great global environmental problems (many of them, it must be admitted, due to the patterns of production and consumption of the industrialized countries).[11] In reality, the developing world as a whole, and Latin America and the Caribbean in particular, will attend the United Nations Conference endowed with considerable assets, in view of their impressive natural resources, their biodiversity and their whole ecological heritage in general, which means that they could contribute to the effort to regulate the world's climate. The developed countries, for their part, have the financial resources and technology needed to facilitate the use of these assets in favour of environmentally sustainable development. All this could form the basis for a major co-operative effort.

2. Negotiation of global environmental problems

In its resolution 44/228 of 22 December 1989, the United Nations General Assembly listed a number of environmental issues which will also necessarily form an integral part of the debates to be held in the United Nations Conference and all the preparatory activities for it. These issues, which concern in particular the deterioration of ecological systems that go beyond national frontiers, naturally also affect the countries of Latin America and the Caribbean.

The examination and discussion of these types of problems must be based on criteria, fundamental elements and principles aimed at the identification and search for options to strengthen international co-operation. Although these problems have very special characteristics, this does not justify treating them in isolation. In other words, the negotiation of agreements on these issues calls for approaches that take full account of the real economic, political and social conditions of the region.

2.1 *Some criteria for the negotiations*

In order to facilitate the negotiations to be held in connection with the United Nations Conference on Environment and Development, the countries must adopt certain criteria. These are basically of three types: firstly, those concerning resource *allocation* or reallocation; secondly, those involving *resource flows*, such as for example those connected with the compensation that should be given to the victims of environmental degradation caused by others, and also those which refer to the financing of activities aimed at incorporating the environmental dimension into the development process; and thirdly, those connected with the close

association that exists between the negotiations on debt, financing, trade and the environment.

With regard to the allocation criteria, there are circumstances where improvement of the environment and proper natural resource management call for the reshaping of the very bases of development, including new investment practices and reallocation of production inputs. This is so, for example, when some countries are obliged to reallocate their resources in order to help solve certain environmental problems such as the greenhouse effect or marine pollution.

The criteria on the reallocation of resources by those causing contamination may assume greater importance than the issues of compensation and financing, especially for the developing countries. If the countries of the region ignore the need for the reallocation of resources by the polluters, there is a risk that, within the short term, they will be exposed to still greater pressures to use up their resources, they will suffer a net loss of their comparative advantages and they may be open to an "environmental retaliation" which may take the form of conditionalities of a technical nature. Changes in the styles of consumption and investment of the developed countries fall within this category.

The "environmental retaliation" could operate through the control and management of technological change. If the production technology of the developed countries emphasizes the heavy use of some natural resources such as forests or minerals of which they do not have an abundant supply, or which they have decided to conserve, then the pressure on the countries which do possess those resources could become very intense. The importance of this fact can no longer be overlooked, precisely because Latin America and the Caribbean is a region with an abundance of natural resources. *It is therefore urgently necessary to make an evaluation of the areas where there could be potential pressure on resources.* Such an evaluation should quantify the effects of alternative technological changes and also their impact on the comparative advantages of the region. It would also permit the identification of those activities in developing countries which call for the reallocation of resources. In this respect, whatever the negotiating criteria adopted, it is essential to take account of *all* the dimensions involved, i.e., "reallocation", "compensation and financing" and "association".

There are various approaches that could be adopted in negotiations: one of them is the principle that ***the polluter pays the bill***. Thus, the nation generating most of the pollution affecting, say, the air or water of another country must pay for the damage done.

This principle has various advantages. One of them is that if the measures designed to reduce contamination permit the reallocation of resources in favour of "clean" technologies, this will improve the quality of the environment. On the other hand, it may be that such measures do not provide for the reallocation of resources, in which case the most likely result will be an increase in pollution. Moreover, the limited application of this principle may cause the effects of contaminating policies applied in the past to be overlooked.

The question of compensation, as a negotiating instrument, gives rise to a number of queries which can only be answered after further research: why compensate? how much? for how long? what are the best forms of compensation? Before even trying to suggest how to answer these queries, however, attention must be drawn to certain limiting factors. The most important of these is that the starting points for the parties involved in the negotiations may be very unequal when the existing volume of contamination is very large, the stock of resources is seriously depleted, or the reserves of such resources are very low.

In all these situations, the party seeking compensation is at a marked disadvantage. Where there is accumulated contamination, the compensation should exceed the "pollution flow", since it is also necessary to compensate for the accumulated prior damage done. The difficulties lie in the translation of these phenomena (pollution flows and prior accumulation (or stock)) into monetary values, and in the problems that arise when there is more than one polluting agent. Lack of information (especially on the part of the complainant) is a serious hindrance When stocks have been

depleted, the problem for the party seeking redress is how to calculate what could be considered a "fair" value for the damage done. Such a figure will naturally be higher than the potential market value, since it must include not only the value of the stock but also the opportunity cost of future use. These costs are generally growing and very substantial.

2.2 *Some global environmental issues*

All the items on the agenda of the Conference are of importance to the region. Here, however, we will only refer to a limited number of global environmental problems, viewed from the Latin American and Caribbean standpoint, with the aim of showing how necessary it is to integrate the proposed solutions within the broader context explored in preceding chapters. These problems are the following: the greenhouse effect; the contamination of seas, oceans and coastal areas; loss of biodiversity, and the transport of wastes across national frontiers.

2.2.1 *The greenhouse effect*

It is a well-known fact that the burning of fossil fuels, industrial emissions (CFCs and halons), deforestation, fermentation processes in the course of agricultural activities and the use of fertilizers all contribute to the accumulation of gases in the atmosphere. According to a number of measurements, these phenomena are causing an increase in the mean surface temperature of the earth, and this in turn is changing the world climate and raising the mean level of the oceans.

In 1988, the region contributed some 13% of the total world emissions of carbon dioxide of biotic and industrial origin, and its contribution to the greenhouse effect, at least in this respect, was between 6% and 7%. This is a relatively low but nevertheless significant contribution to the global problem. The countries of the region should therefore join the efforts being made by other nations (especially the developed countries) to mitigate this problem. Consideration should consequently be given to alternative options, such as increasing the use of hydroelectric power in total electricity generation and developing reforestation programmes.

In so far as the countries of the region help to relieve the problem, they will be doing a service to the planet as a whole. Action should be taken to quantify the benefits provided by these efforts, since their implementation will also call for considerable resources, which means that the necessary financing must be made available for the region to be able to make its contribution to global environmental sustainability.

Another aspect which should be taken into consideration in the negotiations on the ozone layer concerns the role played by the dissemination of technology. There is a tendency to move industries with a high pollution potential to developing countries. Many of these industries are subsidiaries of transnational corporations, which set them up in countries with more permissive environmental legislation than their home countries. It has been clearly demonstrated that the most natural-resource intensive and highly polluting industries are growing more rapidly in the developing world. In the negotiations leading up to the United Nations Conference, account must be taken of the possibility that an attempt might be made to use some ecosystems of the region as research spaces for testing new technologies which might represent a high risk for the environment, or for exploring the potential comparative advantages of the local germ plasm or ecosystem. The feasibility of establishing international legal instruments to impose sanctions on such experiments should be studied.

The maintenance or new installation of highly polluting industries represents a threat to the conservation of the environment. This topic must form an integral part of the negotiations on the transfer of technology.

2.2.2 *Protection of seas and oceans*

The magnitude of the problems connected with protection of the seas and oceans is indicated in resolution 1/20, adopted at the first session of the Preparatory Committee for the United Nations Conference on Environment and Development and entitled "Protection of the oceans and all types of seas, including landlocked and semi-landlocked seas, and of coastal areas, as well as the protection, rational use and development of their living resources".

Although the oceans, including coastal seas, are so vast –covering nearly 70% of our planet– they form a complex and vulnerable environment. Many unique species live in the oceans or depend on them for their survival. The oceans are this planet's primary life-support system. They provide most of our oxygen and moisture and condition our weather patterns. For their part, the seas provide food and recreation and form a means of trade. Without healthy oceans, life as we know it today would disappear.

There is substantial evidence that marine and coastal resources are being mismanaged and abused. All too often, the decisions taken in respect of these resources are dictated by narrow, short-term interests. Such decisions are usually taken without having a full scientific knowledge of the potential long-term adverse effects, or without even caring about those effects. In recent years, there has been an alarming increase in the degradation of near-coastal waters, where marine life is most abundant. Even less is known of the deep-sea environment, which is the home of various forms of marine life, but there is increasing evidence that this environment has also suffered damage.

2.2.3 *Biodiversity: a "tradable" good*

The present structure of international trade has a direct impact on the decline in the variety of biological species. This is due to the insufficient incorporation of data on biodiversity (germ plasm) into international trade negotiations. Consequently, in the process of price formation and in determining the terms of trade, biodiversity is normally viewed as being a free good. It should be clearly understood, however, that it must be treated as an integral part of the natural capital of the countries of the region. As long as such diversity is viewed as a mere consumer good, trading activities will rapidly exhaust the reserves of the region in this respect.

As long as this resource is used in a free and easy manner, there will be no incentive in the negotiations to take measures for its conservation. If mechanisms were adopted to raise the value of this resource and provide for recognition of their ownership in international terms, however, this would be an important factor in their conservation. Biodiversity should therefore be defined as a scarce resource and should consequently be assigned a price which reflects its opportunity cost in both spatial and temporal terms. There is an urgent need to incorporate these dimensions of trade not only through the improvement of existing legal instruments such as those implemented by GATT but also through the possible creation of such other instruments as may be deemed necessary.

ECLAC, in conjunction with regional institutions and other United Nations agencies such as FAO and UNEP, could play an important role in the identification and management of biodiversity. The proposal for the establishment of a committee on biodiversity which is put forward in the next chapter is aimed precisely in this direction.

In this field, the region must start practically from zero. The loss of genetic diversity is an issue which concerns the world as a whole, and since our region is perhaps the richest of all in this resource, it is urgently necessary to incorporate this issue in the areas of international co-operation and the international trade negotiations. This has various implications: for example, instruments must be established to rescue and assign their proper value to the knowledge possessed by indigenous peoples (through ethnobiology), as well as to make fair payment to them for this knowledge. This means protecting the intellectual property of the indigenous population, at present arbitrarily appropriated by modern technological methods. Likewise, it is necessary that the instruments regulating the use and exchange of information on biodiversity provide researchers of the countries of origin of the biological specimens collected with access to herbariums and reference collections located in other countries.

It is also important for these researchers to be assured access to advanced training in biotechnology and synthetic chemistry, as well as access to data banks of genetic sequences prepared on the basis of systematic inventories made in areas of high biological diversity. Finally, another fundamental question is that of co-operation and concerted action within the region and between the region and technologically advanced countries with a view

to the joint development of technology capable of generating products with high added value –especially non-lumber products from areas of high biological diversity– which ensure the maintenance of such diversity, increased income for the local community and suitable respect for their cultural patterns.

2.2.4 *Transboundary movements of hazardous wastes*

It is estimated that during 1989 some 40 million tons of toxic wastes entered the developing world. According to documents of the United States Environmental Protection Agency (EPA), between 1980 and 1989 the number of notifications by United States companies seeking to export hazardous wastes increased from 12 to 626. A growing proportion of such wastes are being sent to Argentina, Brazil, Mexico and the Caribbean.

It is clear that this question involves elements connected with each of the three central dimensions referred to earlier, i.e., trade, finance and technology. First of all, however, it must be decided once and for all whether or not it is necessary to prohibit trade in this kind of wastes. The 1989 Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal provides for the creation of more powerful regional and multilateral instruments than those now in existence. These would totally prohibit the export of wastes from the industrialized nations to the developing countries. Although this issue has not been considered in the international trade negotiations, it should at least be taken into account in the discussions on financing and technology. At all events, the solution of this problem calls for regional agreements.

Some initiatives which have been suggested in various forums in connection with this issue are:

The establishment of co-operation and co-ordination mechanisms and systems for the exchange and compilation of all data on transboundary movements of wastes, so as to check illegal shipments.

The establishment of mechanisms and systems for the safe repatriation of outdated or banned materials to their countries of origin.

The promotion of regional co-operation with regard to technical assistance and the exchange of information on production methods which generate low levels of wastes, as well as the establishment of regional laboratories to evaluate the hazards caused by such wastes.

There is now an increasing degree of consensus that environmental issues should be dealt with in a manner closely linked with economic and social development. If this consensus is reflected in operational procedures, it will not only facilitate the negotiation of the world's environmental problems but will also –especially in the case of the developing countries– favour the slow but steady consolidation of the bases for sustainable development. The next chapter will deal with this topic.

Notes

[1] See United Nations, *International economic co-operation, in particular the revitalization of economic growth and development of the developing countries* (A/S-18/14), New York, 30 April 1990, especially the annex, which contains the corresponding Declaration.

[2] See *Report of the Second United Nations Conference on the Least Developed Countries* (A/45/695), New York, September 1990

[3] World Declaration on the Survival, Protection and Development of Children in the 1990s and plan of action for its implementation, United Nations, New York, 30 September 1990.

[4] See *Report of the Special Committee of the Whole to Prepare an International Development Strategy for the Fourth United Nations Development Decade* (A/45/41), New York, 11 October 1990, and especially the text of the International Development Strategy for the Fourth United Nations Development Decade.

[5] General Assembly resolution 44/228, adopted on 22 December 1989, paragraph I (3).

[6] These features are also to be noted in the deliberations of the United Nations Conference on Trade and Development. See, for example, the *Proceedings of the United Nations Conference on Trade and Development: Seventh Session. Report and Annexes* (TD/352/vol.1), New York, 1988. United Nations publication, Sales No. 88.II.D.1.

[7] Report of the Special Committee of the Whole to Prepare an International Development Strategy, *op cit.*, p. 20.

[8] See for example: ECLAC, *Report of the Sixteenth Session of the Committee of High-Level Government Experts* (CEGAN), held in New York from 22 to 24 May 1989 (LC/G.1569(CEG.16/2)), Santiago, Chile, 28 June 1989, p. 4; ECLAC, Biennial Report (twenty-third session of the Commission) (LC/G.1630-P), Santiago, Chile, June 1990, and especially resolution 507 (XXIII) entitled "Changing production patterns, social equity and the international development strategy", paragraph 10.

[9] In this connection, in resolution 44/228 the Governments declared themselves to be "deeply concerned by the continuing deterioration of the state of the environment and the serious degradation of the global life support systems, as well as by trends that, if allowed to continue, could disrupt the global ecological balance, jeopardize the life-sustaining qualities of the earth and lead to an ecological catastrophe...".

[10] "... environmental protection in developing countries must, in this context, be viewed as an integral part of the development process and cannot be considered in isolation from it ...".

[11] It has been argued on a number of occasions that the industrialized countries have generated an "environmental debt" as a result of the degradation caused by several centuries of development, which has caused not only global environmental deterioration but also specific damage in the developing countries due to the primary sector activities through which the latter entered the international economy See, for example, UNEP, *Plan de Acción Ambiental para América Latina y el Caribe. una propuesta* (UNEP/LAC-IGWG.VII/4), Mexico City, 29 August 1990, p. 3.