



ENVIRONMENTALLY AND SOCIALLY
SUSTAINABLE DEVELOPMENT

Work in progress
for public discussion

Partnerships for Global Ecosystem Management

Science, Economics and Law



Proceedings and Reference Readings from
the Fifth Annual World Bank Conference
on Environmentally and Socially
Sustainable Development

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Preface

Beginning in 1993, each autumn the World Bank Group, under the auspices of the Vice Presidency for Environmentally and Socially Sustainable Development (ESSD), has convened an international conference on a theme related to advancing environmentally and socially sustainable development. The fifth conference (ESSD5) in 1997 was cosponsored with two other Bank Group entities, the Learning and Leadership Center (LLC) and the Economic Development Institute (EDI).

The theme for the 1997 conference was the scientific, legal, and economic requirements of global ecosystem management. Although international agreements are but one element of addressing global environmental issues—such as the loss of biodiversity, climate change, desertification, ozone depletion, and water degradation—they play a crucial role. It is essential that they reflect the best available scientific knowledge, that they embody the most sensible economic analysis to advance the most cost-effective means of achieving the desired results, and that legal arrangements responding to these agreements create a level playing field and opportunities for innovation in the marketplace.

The conditions of our global ecosystems reflect the aggregate of local practices and national policies. These practices and policies manifest themselves locally, nationally, and regionally in many ways, including urban air pollution, the degradation of water, and the loss of agricultural pro-

ductivity. Therefore, the bulk of the work required to respond to international environmental agreements must be done at the subregional, country, and local levels. In this context ethical questions of equity across societies and responsibilities between the rich and the poor nations must also be addressed.

The objectives of the ESSD5 conference were to engage external experts and Bank managers and staff; to provide a unique opportunity for major professional groups to interact on the requirements to link scientific, economic, and legal solutions for global ecosystem management at the country level; and to promote understanding as to how best practice and innovations can be used for shared ecosystem management in sustainable development planning.

The main results of the conference presentations, workshops, and dialogues were: a better understanding of the roles and relationships among global systems regarding national sustainable development plans, national legislation, and macroeconomics; access to examples of best practice and innovative processes; contributions to the content of country development strategies; and assistance to development practitioners in better assessing the global connections of their work.

*Ismail Serageldin
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Welcoming Remarks

Ismail Serageldin

President Wolfensohn, distinguished guests, ladies and gentlemen. It is a pleasure and a privilege to welcome you to the Fifth Annual World Bank Conference on Environmentally and Socially Sustainable Development (ESSD5). It is a timely event. This is the year of Rio+5. It is the year in which we are preparing for Kyoto and rethinking many of our global and national commitments.

Fresh reminders of the urgent need for attention to local matters—and understanding of how linked they are to national, regional, and global issues—have come to us from pictures of the fires in Indonesia. The need is upon us to develop a better understanding of the science that undergirds these events—from El Niño to greenhouse gases and climate change that bring rains and floods to parts of the world—and to understand them and link them with the management of human beings. Many other indicators—malformed and dying frogs, rising insurance rates, warning signals everywhere—demonstrate that the time is upon us to change our behaviors.

So what do we do? Before we start, there is something we must do: listen to the voice of someone who inspired us, guided us, and warned us for many years, and who was instrumental in creating the momentum leading to Annual World Bank conferences on environmentally sustainable development. It is with great pleasure that, on behalf of President James D. Wolfensohn of the

World Bank and my many colleagues, we dedicate this entire week's events to his memory.

I am talking about a man who has meant so much to so many of us: Captain Jacques-Yves Cousteau.

Five years ago when the first of these conferences was being organized, the late president of the World Bank Lewis Preston asked me who I thought could best catalyze that event. I told him that I wanted a man of passion and compassion, a man of broad knowledge and deep conviction, a man of science but also a man of action, a man who was a teacher as much as a learner. He looked at me and asked, "Is there such an individual?" I said, "Yes, there is Jacques-Yves Cousteau." He replied, "How right you are." And Lew Preston personally introduced Captain Cousteau as the keynote speaker at our first ESSD conference.

During the subsequent five years Captain Cousteau and I worked very closely together; his thoughts and concerns are reflected in all the events of this week. The main event on global environment was one that he suggested last year as a potential focus for this year's events. The ethics event to be held this week is precisely a result of Captain Cousteau's convictions.

The education event planned for the end of the week was also scheduled at his behest. When he was with us last year we organized, at his request, a meeting with presidents of universities in the

Washington area on this topic. This week's events are the results of his drive for that meeting.

The indicators event for specialists dealing with measurement was another of his desires: that we pay close attention to improving our understanding of what is happening in the environment. Last but not least, there is nothing more closely identified with Captain Cousteau than the coral reefs event.

It is instructive to note the breadth of his commitments and how far almost every event this week has been affected by his input. Therefore it is only fitting that we pay homage to him by dedicating this week's events to his memory. But rather than say words on his behalf, let us hear from Captain Cousteau in his own inimitable voice. Ladies and gentlemen, I give you Jacques-Yves Cousteau.

[Videotape shown.]

It is now my pleasure and honor to invite President James D. Wolfensohn of the World Bank Group and Madame Francine Cousteau of the Cousteau Society to come to the stage. President Wolfensohn will be presenting to Mrs. Cousteau a plaque on behalf of the World Bank Group. It reads:

The legacy of Jacques-Yves Cousteau is powerful and unique. He was the world's tutor, dedicated to engaging us so that we might rejoice in the diversity of life and better understand the requirements of our planet to support life.

He took us with him under the seas that we might better know their wonder and see for ourselves how we have abused their bounty and shorelines.

He challenged us to look beyond ourselves to the sky and the universe so that, struck with all, we would consider our obligations to one another, to other species, and to our Earth's fragile atmosphere.

He helped us to meet our brothers and sisters in remote forests and on the shores of threatened lakes and rivers. He said that to ignore the wisdom of these ancient people is to deny hope for a humane future.

He encouraged us to rejoice in our cultural diversity as much as to value our planet's biodiversity. He counted our ever-growing numbers. Deeply concerned, he spoke about potential of overwhelming our own sustainability and that of other species.

He challenged us to assume our responsibility to the rights of future generations, to declare our commitment to protect their interests.

He was optimistic. His hope was in the power of the new generation, children and young people, that they will serve as fresh eyes and uncompromising voices for our obligations to one another and this planet's future.

There is much we can do to honor this noble heart. His poetry and graceful images remain with us. But we must honor his work in our work, and we in the World Bank who have benefited from his wise counsel in these last five years will work with the Cousteau Society and so many others to pursue his dream of better tomorrows.

The plaque is signed by James D. Wolfensohn, President of the World Bank Group.

Summing up

Ismail Serageldin

Thank you all for being with us today during these stimulating presentations. Let me move on to a few other observations, the first of which is that a passerby commented, "It is surprising the number of Egyptians associated with global environment. There is Dr. Tolba and there is Dr. El-Ashry and there is you." I said, "Well, you ain't seen nothing yet. The Executive Secretary of the Montreal Protocol is Amma Al-Reeny, another one."

Perhaps it has something to do with a long-lasting concern for our country, which is so dependent on the quality of environmental management. Many of you may not know, for example, that from the Egyptian tombs of the pharaohs there is a statement from a supplicant to the gods saying: "I have not killed; I have not lied; I have been kind to my parents; and I have not polluted the Nile waters. Therefore, I am worthy to enter into your domain."

It seems that the concerns we discussed today go back a long way, and many of us on the contemporary scene are trying to find ways of reminding our compatriots of that wisdom that Justice Weeramantry said has existed in so many traditions, going back thousands of years.

My friends, today we are starting a unique event. As all of you know, this is a special time. It is a special time not just because of this year's Kyoto meeting to agree on an international protocol to reduce greenhouse gases, but because it is Rio+5. It is time to take stock.

We started the day with inspiration from Captain Jacques-Yves Cousteau, who challenged us to open our arms and welcome the additional population—but noted that to do so, we will have to modify our behavior. It was a major challenge, and several of the speakers have referred to it. The President of the World Bank, in honoring Jacques Cousteau, committed us to honor his work in our work. And he committed us to deal with these issues in a supportive fashion, as we do in the national and local dimensions and also at the global level.

How to do that? This question was the beginning view of the thematic partnerships that came up so many times in today's discussions—partnerships that need to be linked in terms of scale, cutting across the local, national, regional, and even the global levels. We also have to think in terms of the multiplicity of actors who must be brought together in international bodies, national governments, local governments, private sector, public sector, civil society, informal groups, community-based groups—for none of this can be done by any one actor alone. These are among the themes that arose many times.

But we did keep the discussion focused on those three pillars that we tried to address—science, economics, and law. Under science I believe that Bob Watson's presentation helped to highlight the links among the global environmental issues, and to stress that they cannot be separated. We all knew something about the fact that they

are interlinked, but Bob did a good job of really describing how these links operate and reminding us that many of these global issues are aggregations of local and national actions that need to be taken, both in terms of policy and practice. We are all accountable at the local and national level in terms of redressing these global issues. They are not somebody else's business.

Addressing science, Peter Doherty reminded us of its advantages in defense of human health and of the need to bring science to bear on environmental problems. He specifically talked about biotechnology. I would remind many of you that a special Associated Event on Biotechnology and Biosafety, in which we will have a very distinguished group of people addressing these issues takes place later this week. In many ways it is important that we bring to bear the understanding of science on all of these issues, and then frame that understanding within a context in which informed decisionmaking can take place.

The second pillar, economics, was addressed by Joe Stiglitz. He highlighted several points, of which I would like to repeat two or three for your consideration. First, he stressed the need to internalize environmental and social costs in the valuation of investments and national accounts. He talked about efficiency, using instruments from economic incentives, such as joint implementation and training, the polluter-pays principle and the user-pays principle. We need to address these issues of efficiency, but we also must address equity, and this is not always easy. Equity issues are hard ones; they pose problems.

We have heard several times today about levels of carbon emissions. If we were to compare the relationship between the United States and India, if my figures are correct, the U.S. emits roughly seven times as much carbon as India, and on a per capita basis Americans emit 24 times as much as Indians; but India's emissions are growing at a faster rate. If we look at the efficiency of use for which we are paying with these emissions per unit of gross domestic product or gross national product, India is three times less efficient than the United States.

So technology sharing, the ability to increase efficiency, must go hand-in-hand with equity, and equity must take into account the many factors comprising the reality of the problems we are dealing with.

On top of that we had a lot of questions about the need to engage the private sector. Jim Wolfensohn, Caio Koch-Weser, and others talked about amounts invested by the public sector, by international agencies such as the World Bank, and by the private sector. Private-sector flows are running, we have been told many times today, as much as five times those of all official development assistance. This is a major issue. It does not mean, as Mohamed El-Ashry reminded us, that conditions are automatically moving in an environmentally friendly or socially responsible fashion. The question, therefore, is: what sort of economic incentives do we need to make this happen?

This is one of the key instruments by which transformations must take place, if these partnerships will bring everybody together in a way that enables the private sector to respond. The private sector has the power to respond through fiscal frameworks and trade regimes that would, if motivated by the public good and equity considerations, redress some of the market failures implicit in the absence of the internalization of these environmental and social costs. Not an easy task but an important one.

To make that happen, the GEF is an essential instrument. We have just been reminded not only of the role and scope of the GEF and the principle of incremental costs, but very rightly Mohamed El-Ashry observed that the GEF is very much seen as a litmus test by the developing world, to see whether the industrialized world has a substantive commitment to these issues. I would hope that we can, in fact, fulfill that commitment, because I see the GEF as a central piece of the future in dealing with global environmental issues.

What about the tremendous disparity between private- and public-sector funding? How about it? Are we becoming marginalized, we who are active in the public domain, those who claim to be concerned about the public good? My answer is not at all. Let me use a metaphor. The difference between the DNA of a human being and a chimpanzee is about 1 percent. So the question with public financing flows is not their total volume in comparison to private sector flows, but rather how well they are deployed. Are they indeed the equivalent of that critical 1 percent difference in the DNA, or are they just more of the

redundant DNA that would make no difference at all?

It is here that we have to design sensible instruments, not only on the economic side, but also on the legal framework side. The instruments should try to ensure that this fragile, scarce resource of public funding is accompanied by a legal framework and a total partnership regime that will enable its impact to multiply many times. That, in turn, would enable it to influence private sector flows so that they do, indeed, become environmentally friendly and socially responsible.

And that is how we arrive at the third pillar, which is so essential: the law. Justice Weeramantry reminded us that these issues are at the center of everything that we should be discussing; that environmental rights are human rights; and that in pursuing them, we should be seeking the wisdom of the ancients. In that he echoed the comments of Captain Cousteau. He reminded us of the common threads in so many traditions: the right of community, the needs of future generations, and the voluntary surrender of a portion of sovereignty for the greater good as the basis of international law—not regulations and sanctions. It is not easy, but it is important that we pursue this way of thinking, for indeed this morning, I think, we have been talking about linking past and ancient practices to our vision of the future.

We must link considerations for people, especially the poor and women, who are carrying the burden of the current inequities, and who are indeed the ecosystem managers at the micro scale, which we have said is the basis for aggregation to the local, regional, national, and global scales. For it is through them and through their welfare that we interface with the welfare of coastal areas, forests, and fields that are so essential in their role of interface between human beings and ecosystems.

In dealing with the law, Mostafa Tolba rightly reminded us of the nature of existing agreements: they are embedded in the view that no nation

alone, or even any subgroup of nations, can achieve an answer to these problems. By their very nature the problems we have been discussing require the collaboration of all of us on this planet. This is important, and it is a powerful thing to remember, since we each have contacts with so many decisionmakers. It is not one against the other; we are all part of this together.

My good friend Henry Kendall, chairman of the Union of Concerned Scientists, keeps saying that we have to remind people that a lifeboat cannot sink from only one side; if it sinks, everybody sinks together. That is not sufficiently understood.

But indeed some of the participants in corridor talks and luncheon talks reminded us of the difference between understanding the long-term underlying trends with which we are dealing and the politics of reaching agreements in international conventions. This is a task, of course, where we need to mobilize public opinion and bring its influence to bear on changing the political will.

Yolanda Kakabadse reminded us of the importance of consultations, participation, and partnership at the national and international levels. On the other side of town we witnessed today the President and Vice President of the United States and a number of Cabinet Members trying to influence public attitudes and forge a consensus around a position that would allow the U.S. to play a major role in advancing the debates in Kyoto.

But these are not just debates for Kyoto. I think the sense of urgency that we must bring to them is upon us. All of us have been struck by the disaster of forest fires in Indonesia. We must remember that it had to do not only with misguided human actions, but also accelerated drought—the El Niño effect.

All of these are topics that we must address again and again. As we become better informed, we can become better artisans of public opinion and help to shape the political will that we say is lacking. For that is not somebody else's job; it is *our* job to make it happen.

Closing Remarks

Moving Forward: From Words to Deeds

Ismail Serageldin

We have come to that moment when we try to reflect on everything that has been said and done in the last two days, and see what we can pull together in terms of common threads. Recall that we started from the very structure and the title of this conference with the three pillars of science, economics, and law.

In that context during our discussions on the law and the legal framework, one issue arose several times today and will surely come up again tomorrow, when we deal with ethical issues. That was the need to recognize that we have to go back to basic principles in dealing with issues like the global environment. We must recognize that some things are beyond what can be regulated or legislated; they call for recognition of basic principles: the public good; responsibility toward others—the voiceless, future generations, other species; and the concept of trusteeship. Justice Weeramantry reminded us of the traditions from which we come, He also pointed out that the basic principles of international law, constructed around the building blocks of sovereign nation-states, involves not forced decisions, but the voluntary relinquishing of some sovereignty by each nation for a perceived greater good. This topic was also explored during the evening panel at American University, where a number of interesting papers were presented.

Are we seeking impossible new agreements? Have we progressed satisfactorily with imple-

menting what agreements we have made? Let us reflect briefly on what has been achieved. We have summarized all of the international agreements that have already been reached (see appendix __), which represent that consciousness, that collective will, to move toward solutions to global problems that we recognize as important. We have shown by such agreements and conventions that the important is not always pushed aside by the urgent or the mundane.

Climate change already has a framework convention; we are seeking, in Kyoto, to put some teeth into the protocol. Ozone depletion, which was ably discussed just now by Madhava Sarma and earlier by Mostafa Tolba is, of course, a case of a mature agreement, where we are moving toward the phaseout of ozone-depleting substances. In the case of biodiversity we have moved very far. I think more countries have signed the Convention on Biological Diversity than almost any other international convention. The difficulties are more in linking the science with effective actions and dealing with different regions, particular species, and entire ecosystems.

But that, too, is advancing around the collective will. In terms of endangered species, the CITES convention—with which you are familiar from the stories about elephants and ivory—is an effective agreement, as we all know from its impacts. The Ramsar Convention, dealing with wetlands; agreements on international water-courses such as the Zambezi River Accord, the

Nile River, and many others; the seas and the oceans. We have the law of the seas, but you also have 13 regional sea accords; the hazardous waste convention; the Basel convention, the World Heritage Convention, and many others.

So we are not so much faced with asking for something that is not being done. Rather the challenge is to build on that which has already been done—to deepen the collective consciousness and determine a common ground on which we all can act. Today we carried that perception further. We had four roundtables this morning discussing water, climate, desertification and forests, and biodiversity. Throughout the discussions that were summarized at the end of the morning session, there were common threads. Among these common threads were the need to work together and to find a way of overcoming existing obstacles.

In his summation Rudolf Dolzer referred to Eileen Claussen's summary of nine issues remaining outstanding before Kyoto, and her reminder that we have only 60 days in which to deal with them. I reflected on that and thought again of the wise counsel of Mostafa Tolba yesterday. He reminded us that the way to approach this is to ensure concepts of equity and fairness, not necessarily according to a mathematical formula, but so that the people who participate, who represent the interests of their nations, feel that they are being treated fairly: a concept of inclusion.

For those of you who have not seen it, I urge you to read President James Wolfensohn's speech to the Governors of the IMF and the World Bank, addressing the ministers of finance and the governors of central banks of the whole world, in which he said that *the challenge is one of inclusion*. In international agreements on the environment, many feel excluded: small states that feel forgotten; small states that feel they lack the power or authority to operate on a level playing field. And there are more who are truly excluded, the voiceless in so many states who do not have a say about either policy or agreements.

Yet we do not ask for mathematical formulae. We ask simply for a sense of fairness, and I think that is achievable and understandable by everybody, from the most distinguished researcher to the most ill-educated person. People have an innate sense of when something is fair and when it

is not. What we need, therefore, is to find ways to translate that sense into workable agreements.

Tomorrow we are going to devote the day to discussing ethics. I invite those who will be staying to participate in that debate, because so much of what we have been talking about will come up again: the sense of responsibility, trusteeship for this planet Earth and for future generations. This planet Earth, after all, as the wisdom of the ancients states, is not one that we inherited from our parents; it is one that we borrowed from our children.

That way of thinking offers a profound approach to the issues at hand. If we take that view, we say that nothing is really impossible; everything is possible and within our reach. This afternoon we heard from Alassane Ouattara, who reminded us that there are resources that can be saved, and not insignificant resources—US\$65 billion could be saved. That is about as much of the entire global ODA flow! It is simply a case of waste not-want not.

So it is possible to look for and find resources, if we have the political will. George Olah challenged us to think about imaginative, new solutions and not remain locked into perspectives or prejudices. Whatever the specifics of the particular proposal he presented, he certainly elicited a lot of discussion among us.

The final panel said: "We have talked a great deal about public-private partnerships: what can we do about it?" Sven Sandstrom, in summarizing the contributions of Henry Hatch, Madhava Sarma, and Jemal Kassum, pointed to the mobilization of a profession, the bringing together of the actors to recognize that much is already being done, and to build upon that. All that is true; I salute these efforts, and I think that all of them together give us grounds for optimism that we can move forward from rhetoric to action.

The last presentation, by Kass Green, was an exceptional one that brought in an essential dimension that is missing in much analytical economic work, and frequently from international treaties and scientific discussions, which move in averages. Her presentation brought in the physical, spatial dimension. So much of what we have to deal with, in terms of sustainability and the environment, is location-specific. Now we have the tools. Now we have no excuse.

When I studied economics, I decided to take a course on spatial economics, because I came from a physical planning tradition. The first sentence in the course just completely blocked my mind. They said: "Imagine a flat, featureless plain." I replied to the professor: "I can imagine a flat plain, but it is very difficult to imagine it featureless. The moment I see a plain, I start seeing some swaying grass, and birds flying, and mountains and sky."

It is not easy to completely abstract in this way, and we frequently forget that these abstractions, while they are very useful in terms of determining isoquants of equal transport costs in different directions, they are but artifacts of the mind that should not blind us to reality, which is always so variegated and so location-specific. And now, we have the tools, so let us use them.

But again what we are all about, as I reminded you yesterday with Margaret Mead's words, is to move from words to action. The fact that our numbers are small should not discourage us, because our coalition of the caring has history and rationality on its side; so let us act. The premises of action are important to reflect upon, and that is where I would like to spend the next few minutes with you.

We have talked about markets and the morality of actions, and I think that what came across in our discussions and debates yesterday was that markets are efficient instruments and tools. They are not necessarily either moral, immoral, or amoral. It is the law that must embody values, or else it will not be sustained and supported. If, indeed, as Daniel Bell mentioned in his *Reflections on the Cultural Contradictions of Capitalism*, there has been a disassociation of legality and morality, then there is truly no sense of purpose. That which may be legal may not necessarily be fair, or just, or equitable; it is these latter characteristics that can move people and bind them together.

But if societies today lack moral purpose, what is to be done? We need to mobilize people—people such as ourselves, and the NGO movement and civil society—to create the political will that transforms values into action. This is not impossible. Reflect on the abolition of slavery. Those who argued for the abolition of slavery and the slave trade in the early 19th Century were

known as the abolitionists. They did not talk about the need to provide incentives to reduce the levels of slavery. They talked about the fact that it needed to be abolished; that it was morally wrong.

That sense of moral outrage is somehow missing in so many things that we deal with today: the abolition of hunger—800 million people going hungry every day in a world that can afford food. Shouldn't we be able to abolish that? Surely, we should. Why not? Fix the environment on a global, national, regional scale? Why not? Let us reflect on the inspiring words of the late Robert Kennedy, who said: "Some people look at the world as it is and ask 'Why?' I look at the world as it could be and ask 'Why not?'" We must ask: why not?

The issue is one of public education to create that political will. President Clinton's conference across town has contributed to the public education campaign. But we live in a new world, where the technology of massive communication has also contributed to a greater difficulty in the mobilization of that sense of purpose we are talking about. It is a double-edged sword. Yes, technology and pictures allow us to reach millions and millions of people with a rapid and almost immediate presence. But at the same time the complexity and subtlety of messages get lost.

A study by Kiko Adato of Harvard University found the following statistic: The average sound bite on television, statements by presidential candidates in presidential debates, went from 42.3 seconds in 1968 to 9.8 seconds in 1980 to 8.4 seconds in 1992. That is the reality of the world with which we deal—not to mention the 500 channels and the ability to switch off whenever the discussion becomes less than inspiring or the discourse unsettling.

So we have to mobilize public opinion in each nation in the democratic tradition, which is by debating and engaging others; by marshalling the evidence (and that is what we have done); by finding the common ground (which we have done; and by identifying avenues and lines along which we can work—and that is what we have begun to do.

I say begun to do because part of the obstacle that we are dealing with is still the redefinition of the role of the state. Whereas in the legal con-

text the state is still sovereign, and it remains the essential building block of all international agreements—Justice Weeramantry reminded us that all international law is based on the voluntary relinquishing of part of that sovereignty for a greater good—we are still left with the fact that the state, even though it is sovereign in legal terms, is a strange amalgam in reality. It is retreating in its role as “do-er,” both in respect to the expanding role of the private sector and the market, on the one hand, and the expansion of the civil society, on the other.

A dual advance of market and civil society is redefining the role of the state, against a backdrop of globalization, which is making the state both too big and too small—too big to deal with its individual citizens and their local problems in an effective fashion from a centralized level, thus requiring devolution, and too small to have an impact on the broad trends of globalization.

This is where we must revisit what is happening globally. I know that many of the environmental friends and those who are concerned with global issues decry globalization. I would like to read to you the following comment about globalization:

Through its exploitation of the world market, it has given a cosmopolitan character to production and consumption in every country. To the great chagrin of reactionaries, it has drawn from under the feet of industry the national ground on which it stood. All old-fashioned industries have been destroyed. They are dislodged by new industries whose introduction becomes a life and death question for all civilized nations. In place of old wants, we find new wants, requiring for their satisfaction the products of distant lands and climes. In place of the old local and national seclusion and self-sufficiency, we have intercourse in every direction, universal interdependence of nations.

Friends, this quotation is from Karl Marx in 1848. It is not new. It is just the scale that is different. Therefore, it is up to us to ask: what is it that is qualitatively different now from what happened before with trade? What is posing these global problems for us today on that scale?

I think Daniel Bell, again, in his *Reflections on the Cultural Contradictions of Capitalism*, brought out two important points: that a startling sociological transformation took place, which was the shift from production to consumption as the fulcrum of capitalism. This was accompanied by the rise of consumer durables (cars, refrigerators, TVs). Then came the devastating invention of the installment plan, the most subversive instrument of all, because it undercut the Protestant ethic of thrift and saving. Against the traditional fear of going into debt has emerged the new fear of not being creditworthy.

This is a totally different perspective, one in which there is no need to save for the good things of life, because one can buy them and pay later. Marketing and hedonism are all part of the consumption mode. This is frequently reflected in indirect ways when we talk about the differential between emissions in the North and in the South, the differential between the ecological footprint of consumption in the North and in the South.

So what can we do? We have to harness these very same forces for the benefit of the poor and the weak, and that is the challenge of the partnerships that we have been trying to forge. For at the same time that global transactions total over US\$1.3 trillion a day—enough to buy and sell the entire U.S. GNP in a week—that same globalization opens avenues for the weak countries. They no longer need to rely exclusively on their domestic savings; they do not need to sell only in their domestic market; with good ideas they can reach out to the capital markets of the world for investment and sell to the entire world as their backyard.

The World Trade Organization, much maligned in environmental circles, is, in fact, one of the few agreements that has true symmetry. The smallest country, as a member state, can take the United States to arbitration.

So we have a new infrastructure emerging, and it is up to us to recognize that it is now favoring the educated, the nimble, and the powerful. Therefore, if we want to create opportunities and reach out to the poor of the world, making sure that they are included in that globalization, and ensuring that they benefit from it.

I am convinced that it can be done, and I am convinced that the fact that private-sector flows

are so large and public-sector flows so small is not something to be afraid of. It simply requires us to learn to design activities in such a way that the small amount of concessional and grant money that is available is used, merged, and married with the vast sums of private money to create imaginative solutions. The objective is not just to leverage total amounts, but to remove the obstacles and impediments, to reflect the internalization of social and environmental costs in a manner that will bring about the desired actions.

It is not impossible to do that, and I believe that we have come a long way in these last two days in discussing what it is that we should do.

William James has said concepts without precepts are empty, and precepts without concepts are blind. So, we have concepts. I think Bob Watson, in his eloquent presentation, showed us that everything is interconnected, and that sci-

ence is moving inexorably toward giving us sufficient knowledge on which to act. The economists, from Joe Stiglitz on, have mentioned that we can find the right incentives, and today we heard again that we can mobilize the private sector with adequate incentives to work together.

So how can we now mobilize civil society to create the political will that should enable us to move forward on the consensus and the common ground we have created? This precious shared perspective we have: that we are all citizens on planet Earth and that we are all responsible for its future. I believe that each and every one of us must, in events such as this one, confront our shortcomings but also celebrate our achievements, and then go forth with renewed vigor to create a better world.

Thank you each and every one; we have completed this year's ESSD conference.



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