The Environment – Protection and Progress

by

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PROTECTING THE ENVIRONMENT IN THE EMERGING ASIA-PACIFIC

1. Miracle, Crisis and Environment

The environment has been a casualty of both the Asian crisis that began in mid 1997 and the so called miracle that preceded it. The years of rapid economic growth have brought some real progress for many of the countries in the region. However, the "miracle" also disguised a rundown in environmental resources. In many Asian cities, air and water pollution levels are well above world averages. Rich natural resources in forests and the seas have also been severely degraded. Growth has also been co-related to intensive and in many cases inefficient increases in energy, water and other resources.

In the crisis, the slow down in growth initially slowed environmental degradation. However, there have been lapses in compliance, a lack of focus and political will, and a sentiment that environmental protection is a luxury that cannot be afforded. On balance, these factors have made the region more susceptible to environmental degradation.

Turning to cheaper alternatives did not help. Nor did the problems of the poor - both those newly made poor and those made poorer. For example, landless and jobless people often turned back to the land. However, without redistribution, secured tenure and sufficient resources, this led in some cases to the conversion of forests and other nature reserves. This is of course understandable as a last resort against poverty but damaging to the environment.

Harder to justify was the environmental degradation visited during the crisis in response to even weaker state control. The fires in Indonesia in 1997 and 1998 are an example of this.

While climatic factors played a part, the main impact was and is still caused by large forest and plantation companies that clear land with fire. Although this is illegal, there has been no political will and administrative capacity to enforce the law. Instead, corruption has kept many official eyes closed.
In the example of the fires and haze, it is therefore not poverty and the crisis that cause environmental degradation. Instead, the major impact comes from large and well funded companies. The poor in Indonesia instead suffer the consequences.

This points to the problem of the environment not as one of absolute scarcities but as a question of distribution. Elites can and do manipulate access to resources to their advantage. The crisis compounds the problem but is not the cause.

2. Going Forward: Recovery or Transformation

What is likely as we emerge from the crisis? The consensus view is that the worst of the crisis is over for most of the countries in the region. Some indicators suggest a sharp V of downturn and recovery. Markets this year have been unstable and, in many countries, reforms seemed to have slowed. We might do well to remember that in the English alphabet, V is followed by W.

More than that, coming out of the crisis and facing increased competition in the global market place, you might suggest the region will be charactised by the next alphabet, X. That is, some companies, sectors and even countries will go down and not up. Others will go down and up. Still others will go up and keep going up. There will be increased diversity, winners and losers. In this regard, the idea of a "miracle" in which all prospered is unlikely.

We should be cautious therefore about speaking about a "recovery" as if the crisis was a blip on the screen and everything is now back to where it was. My sense is that in politics, society and economics, something is broken that cannot be fixed. It may therefore be more appropriate to hope and work not for a recovery but towards Asia's transformation. This difference would be very important for the environment. For if we go back to old patterns of growth, much of Asia will again experience environmental degradation. As such, whether it is miracle, crisis or recovery, the environment is part of the toll.

There are considerable reasons to be pessimistic about environmental protection as Asia again moves forward. There are however some positive factors that should be noted. Arguably, the driving forces or better environmental protection have been strengthened both in the countries of the region and the international context.

3. The New Drivers: Good Governance and Civil Society

The world movement for improved environmental protection has come from many different sources. The driving forces have included ethical and religious beliefs as well as the immediate and visceral reaction to large and well publicised environmental disasters that have killed or severely affected human and animal life. The environmental movement has been driven by a growing science that has begun to uncover the complex interdependence and possible fragilities of life on this shared planet. It has been driven by the simple and basic need of many to obtain safe and sufficient access to the most fundamental resources of food and potable water. The drive for better environmental protection has also come through different players and institutions, such as the mass media, small groups of citizens and local communities, government leaders, non-governmental organizations, businesses, indigenous peoples, and international organizations.

There are a number of factors that suggest that Asia's way forward can combine economic recovery with environmental protection, rather than having to choose one or the other.

The first of these factors is the search for good governance. Asia has come to realize that economic performance is twinned to social and political conditions. In many countries, poor governance -- cronyism, corruption and collusion -- failed to exert economic discipline and created many of the underlying factors of the crisis. In many cases, such as the Indonesian fires, environmental degradation in South East Asia has been linked to "KKN" practices. Elites collude with agencies of the state to monopolize access to natural resources such as forests and land.

Together, these elites and businesses over exploit the country's natural resources for personal gain, without regard to longer term sustainability. The state's gain, moreover, in terms of taxes and payment for the use of the land, is relatively small. In some cases, there are even state incentives given to promote the unsustainable exploitation. In many cases, the over-exploitation leads directly to harms that are suffered by local populations. These harms include severe floods, or smoke haze, or soil erosion, or the expropriation of lands they have traditionally used. This has been strongly evident in the case of Indonesia. It is also true of a web of legal and illegal logging that links the countries of Indo-China and Myanmar. Weak systems of governance and those that are closed to participation and opaque to inspection have tended to be mired in unsustainable practices that overexploit environmental resources.

The lack of good governance is also a factor in environmental protection. As the Indonesian fires and haze demonstrate, cronyism, corruption and collusion are often a large part of the problem and prevent the effective enforcement of laws. The rich, powerful and well connected will bend the laws and administration to their own benefit. As such, if countries are able to continue with domestic reform and strengthen good governance, this would improve both the economics and the environment together.

In that search for good governance, civil society has become an important factor. This is both at the international level and within different Asian states.

Civil society in many Asian countries was subdued in the years before the crisis. From a variety of reasons, Asia has witnessed the gradual emergence, since the 1980s, of an increasing environmental consciousness among the people of the region. In the pre-crisis days of rapid growth, they were often shut out and marginalized. National development plans were instead given priority.

The crisis has however seen a rise in civil society almost across the region. In some countries, such as South Korea and Thailand, they have combined with reformist governments. In Indonesia, they have been among the forces that have brought 32 years of Suharto's rule to an end. Only a minority of countries in the region remain closed to civil society such as Vietnam, Laos, Myanmar. In others, there is mixed or incremental progress.

In some cases, civil society has served as a proto opposition or have allied themselves with the political opposition. In many more countries, civil society groups have stood independent, ready to work with governments where necessary or ready to criticise leaders who fail.

Civil society is a wider concept than NGOs and environmental NGOs. But in a number of countries, even in pre crisis Asia, environmental NGOs have been among the most active elements of civil society. The reality is that environmental groups have often been at the vanguard of civil society movements. As such, they are likely to play a significant role in the drive for good governance.

Of course civil society is not a panacea. Nor is democracy. Indeed, many of the new democracies in the region are in transition and are facing considerable difficulties and challenges. If however these democracies can consolidate their support and govern effectively, the quality of governance is likely to improve. With it, environmental protection too stands to improve. In the Asia that is emerging, it is increasingly possible that civil society -- while retaining its independence -- will work with political groups and governments who are working for reform. Cooperation, rather than opposition, may become the norm.

4. International Civil Society

There has also been a real growth in international NGOs that push for greater environmental protection. Events in the late 1990s demonstrate the continuing and increasing strength of such non-state international actors. The case of the Brent Spar witnessed Greenpeace and other NGOs forcing Shell to change its plans for the disposal of this oil platform. The 1999 WTO Ministerial meeting in Seattle was disrupted by NGOs and other protesters, including those who felt that increased trade would harm the environment. Such headline cases demonstrate the increasing ability of NGOs and civil society actors to cajole large and powerful transnational companies and even block governments.

The role of NGOs and civil society in the international community has also widened beyond environmental issues. Within the region but even more so in North America and Europe, sectors of society have voiced disquiet over the adverse costs of globalization. Many focused on the outflow of jobs, from their developed and more expensive economies to cheaper centers of production in Asia and elsewhere. Additionally, others voiced concern of the accompanying social and cultural costs in environmental pollution and degradation, or the lack of protection of human and labour rights, and the exploitation of vulnerable sectors of the populace, such as undocumented migrant workers, women and children. Globalization threatened, in this analysis, a “race to the bottom”.

At the same time, there is the rise of an international” or “world civil society”. The idea of an international civil society is wider, including NGOs but also networks of scholars and individuals, trade unions, religious and other voluntary organizations, research institutes, media. This “society” is not confined to any state, but relies upon the global telecommunications of media and the internet as well as the supporting symbols and values of such systems. Some counterpose the concept of “globalization from above” that

favoured the movement of capital and multinationals, with "globalization from below", by which networks of citizens organized themselves for common cause, across borders.

The growing international consciousness of NGOs helps to spur the globalization of norms, especially human right and environmental norms. In addition, coalitions between international and local NGOs create commonalities of language and philosophy. Interestingly, in Asia, the process of globalization of norms is generating a common critique of globalization primarily based on what the UNDP calls the "grotesque gap" between winners and losers. In the future, civil society in Asia is likely not only to call for better environmental performance and protection of human rights but also for new economic and social policies, which promote equity. There will be a struggle between forces seeking to withdraw from and those seeking to reform the processes of globalization. It is also likely that trans-Pacific environmental partnerships and NGO coalitions will blossom in the next decade based not only on ethics but ecological self-interest.

Asian policymakers will feel a range of external pressures on policymaking. On the one hand, they will be pressed to not unilaterally raise industry standards for fear of loss of foreign investment. On the other hand, they will be pressed to accept standards set by the U.S. or Europe as conditions of market entry. Environmental issues will continue to be on the agenda for global and regional trade diplomacy—and NGOs or international civil society will press to have their voices heard.

4. The Tools of Pressure

Means of pressure are used to promote greater environmental protection and sustainable development. One of these tools is the use of consumer boycotts, or the threat of such boycotts. A second and connected tool for NGOs and civil society in promoting environmental protection is the use of international standards, such as the ISO14000. This seeks to evaluate the product's content, production method and use for their impact on the environment and to guide management processes within the producer to minimize their impact. A third tool that is used is to seek control through the laws of the home country of transnational companies, where the laws of the host country provide no adequate remedy. For example, in the 1980s, litigation was brought against Union Carbide in the USA, its home country, for toxic pollution caused by a plant in India. Access to finance is a fourth important tool that can be used to try to affect the behaviour of developing countries and transnational companies in environmental protection and sustainable development. For countries, international finance by the World Bank and other inter governmental agencies now comes with conditions attached. These conditions go beyond economic terms, narrowly defined, to include environmental impact assessment and mitigation. Increasingly, social impacts and governance issues are also considered in loan approval. Private international finance is also taking similar approaches. Banks, insurance companies and accounting firms have also come to see how the lack of proper environmental protection has to be factored in as possible future liabilities.

With these tools and the broader coalition between environmental and other interests, the driving forces at the international level that push for sustainable development have been growing stronger.

5. Business and sustainable development: Corporations, Ethics and Efficiency

There is a sense that corporations face new rules on their conduct. After decades of highly publicized industrial disasters, management groups have begun to internalize environmental concerns. Markers of this change in mindset include the spread of codes of conduct, such as the principles adopted by CERES (the Coalition of Environmental Responsible Economies) and the work of the Business Council for Sustainable Development. More than two-thirds of larger US corporations now have codes of business ethics, many of which include the environment.

Some have begun to look at longer-term phenomena, such as global climate change, to see how they can anticipate and help take precautions to prevent the consequences (Wilson). In a number of instances, and particularly in Europe, companies in a particular industry have come to see the benefit of concluding voluntary and self-regulating environmental agreements.

Increasingly, companies have also been able to reframe environmental concerns as questions of efficiency, leading to systemic efforts to reduce waste and resource use, while increasing productivity. This shows a striking shift in corporate mindsets, from reactive thinking that sees environmental regulations only as an increased cost, to proactive thinking that sees them as challenges to innovation and reasons to improve productivity.

There is a notable trend towards a more widespread practice, with greater standardization; mandatory requirements set by government or the industry itself; independent external verification and environmental benchmarking. This is an outgrowth of business ethics and the recognition of "reputational risk" that a company runs in public opinion that will affect its standing, profitability and sustainability. No longer is the company to be a closed entity, narrowly pursuing the narrow profit calculations of its shareholders and management. Stakeholders in the community and the states that host these businesses are recognized. By such means, civil society and NGOs in Asia can interact with business in a "stakeholder" or partnership model.

6. Lack of Institutions: ASEAN and the Asia-Pacific

Yet while progress can be made by civil society – at both state and international levels – and by corporations, the role of the state will be essential. Yet interstate cooperation in Asia is not well developed. This is especially for the environment. The Asia Pacific Economic Cooperation does not address a broad environmental agenda, not even in areas where economic development and trade overlap with environmental concerns, neither does the ASEAN Regional Forum, which does not focus on environmental security.

As for ASEAN itself, its environmental has been mixed. ASEAN countries have often come under criticism from environmentalists and NGOs, especially concerning tropical deforestation and the member states' lack of conservation efforts. It has become better known for taking a pro-developing country stand, as at the 1992 Earth Summit in Rio de

Janeiro. This emphasized the rights of developing states to permanent sovereignty over their natural and other resources and over development and de-emphasized the concepts of the environment as a global commons and heritage for all humankind. ASEAN countries also rallied to lobby successfully against Austrian eco-labels on tropical timber and recently played a central role in the WTO challenge of U.S. laws prohibiting shrimp imports from nations that do not mandate the use of production methods that safeguard against the killing of sea turtles.

More positively, ASEAN members have taken some steps toward improving environmental cooperation among themselves and with non-ASEAN states. Such steps include environmental programs that evolved through three phases to form an ASEAN Strategic Plan of Action (1994-98). The strategies cover a broad range of environmental.

The effectiveness of such measures, however, suffers from weaknesses in monitoring, assisting and ensuring state compliance. These weaknesses are endemic to the "ASEAN way" and its preference for non-interference in the domestic affairs of member states; for non-binding plans, instead of treaties; and for central institutions with relatively little independent initiative or resources. As such, the ASEAN environmental undertakings may be characterized as plans for cooperation between national institutions, rather than as the creation or strengthening of any regional institutions as a central hub for policy-making or implementation.

More efforts have been made by ASEAN in trying to address the Indonesian fires and haze. Yet while some of the ASEAN ways have changed and strengthened in the process, they have not to date proven effective.

A Way Forward for the Asia Pacific

The Asia-Pacific is a broad and diverse region that has come to only relatively recently appreciate its interdependencies and the potential for cooperation. Economically, the crisis in ASEAN countries was affected by Japan's continuing doldrums and retreat in Japanese demand and capital. It was, on the other hand, partly assisted by the buoyant growth in the USA, as the main export market. In terms of security too, the region continues to depend on the continued presence of the USA in Asia. Much hinges on the triangle of relations between the USA, China and Japan. Regional security is, and should continue to be seen as, interwoven and interdependent.

For the environment, there are clear bases for recognizing the interdependence of the region. The interdependencies relate to (1) the effects of the fires and haze on climate change and biodiversity loss; (2) the root causes of the fires; and (3) opportunities for cooperating to address the fires and haze.

Amidst the crisis, discussion of ASEAN and the ASEAN way has become polarized and perhaps simplified. Some suggest that ASEAN will always be what it is today and nothing needs changing. Others stand for radical change and a sharp abandonment of the ASEAN norms of the past. In the field of environmental cooperation, however, something else is seen. The countries, the region and ASEAN as an institution are changing. That pace of

change is accelerating in response to the crisis of the fires and haze. But the changes are far from radical. Nor is it certain that the existing changes are sufficient to be effective.

ASEAN and the ASEAN way too is not so old or so fixed. While the association is 33 years old, many of its members and initiatives are very recent. There is therefore a real prospect and a need for ASEAN, its norms and institutions to change to be relevant to the times and needs. This has implications not only for the environment, but also for the future shape of ASEAN and also on cooperation in the wider Asia-Pacific region.

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Blurbs:

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