

Developing Ideas

A Bimonthly Digest by IISD



January/February 1999

Issue 16



Ten Hot SD Issues for the Millennium

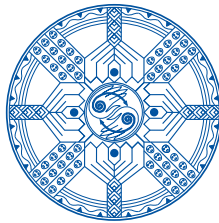
Developing Ideas is a bimonthly publication of the International Institute for Sustainable Development.

Our aim is to provide a digest of the hottest ideas shaping the international sustainable development dialogue every couple of months. The information contained in *Developing Ideas* is gathered from formal and informal surveys of opinion-leaders and literature in the field. IISD's Information Centre serves as a clearinghouse for major referenced materials. This information is supplemented by contributions and insights from IISD's global network of partners. IISD is a UNEP Collaborating Centre for International Environmental Assessment, Reporting and Forecasting.

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ISSN 1025-6636

Printed on recycled paper, 20% post-consumer fibres, using soy-based inks.

Editorial

What are the major sustainable development issues facing us as we head into the next millennium and are we making any progress in addressing them? In this issue we change from our usual format to present a list of what IISD thinks are the 10 hot sustainable development issues. The first thing you will notice is that the issues are not new, but they are still vitally important. Unfortunately, despite occasional victories, progress toward sustainable development has been shaky since 1987 when the Brundtland Commission published *Our Common Future*, an UN-sponsored report often considered the major treatise on sustainable development.

Each of the 10 issues is briefly described from a sustainable development perspective—why it is compelling and why urgent action is needed. The first five articles—Consumption Juggernaut, Bottom-line Production, Megafootprints, Trade Blocks and Risky Existence—summarize the forces that derail sustainable development, the everyday human activities that cause rapid and far-reaching change. The next set of five articles—Biodiversity, Freshwater, Food Systems, Climate Change and Human Health—show how these forces affect both us and the natural world and why urgent responses are essential now.

The last two articles—Better Governance and Financing Change—examine solutions that although sweeping in approach can potentially make a big difference. Both, if effectively implemented, could move the sustainable development agenda ahead quickly.

Sustainable development issues are complex and inter-related. While effort has been made to digest them into short, pithy articles, it consequently is not possible to give them the comprehensive treatment they deserve. We have, therefore, provided many references and Web site addresses for those who want more detailed information.

Please send me any comments. I would like to hear from you.

Managing Editor,
Marlene Roy

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United Nations Development Programme. *Human development report 1998: Consumption for human development.* New York, NY: UNDP, 1998.

von Weizsäcker, Ernst Ulrich, Amory B. Lovins and L. Hunter Lovins. *Factor four: Doubling wealth—halving resource use.* Earthscan, London, 1997. 224p.



PBS. Affluenza home page. <http://www.pbs.org/kcts/affluenza/home.html>

1. Consumption Juggernaut

Consumption continues to climb despite efforts to promote simpler lifestyles by those in affluent countries. And much of it can be attributed to demand for products and services that are above those needed for a secure life. Indeed, KCTS/Seattle and Oregon Public Broadcasting, the producers of a recent television program on the topic, observed that North Americans have become so addicted to the material world that they are plagued with “an epidemic of stress, overwork, waste and indebtedness caused by dogged pursuit of the American Dream,” an affliction they aptly named “affluenza.” The film noted that increased consumption is not making Americans happier. Even so, the desire for the average American’s materially rich lifestyle is spreading to a growing middle class in other parts of the world. They want the same products and conveniences as people in the world’s highest-income countries.

But, how can these new consumers engage increased consumption when ecosystems are already overwhelmed by current consumption? Indicators show that the environment cannot continue to support nor absorb and convert the mountains of waste produced by high-consumption lifestyles. Continued growth is not possible; resources are not available in the amounts needed. But the alternative—no growth or economic contraction—is equally unpalatable. People and governments alike equate it with recession and unemployment—something to be avoided. And, even if overall consumption is reduced in wealthy countries it does not automatically mean there will be more for the millions living in poverty. Stark statistics from the United Nations Development Programme’s (UNDP) 1998 *Human Development Report* on consumption illustrate the disparities. “Globally, the 20% of the world’s people in the highest-income countries account for 86% of total private consumption expenditures—the poorest 20% a minuscule 1.3%.” It is no longer a question of high-income vs. low-income countries, either. Many poor also live in North America and Europe—more than 100 million according to the UNDP—and many lower-income countries have their share of wealthy and middle-class citizens.

Solutions must lie outside the economic growth patterns established by the industrialized economies of North America and Europe. Indeed, the UNDP is advocating growth that is pro-environment and pro-poor. Other organizations such as the Wuppertal Institute are promoting more efficient use of resources. Wuppertal maintains that per capita material flows in OECD countries could be reduced by a factor of four (*Factor 4*) by increasing efficiency by doing more with less using our present technologies.

2. Bottom-line Production

In 1995 *Multinational Monitor* magazine published a list of the “World’s Top 100 Economies,” which included both governments and corporations. Mitsubishi ranked 22nd and General Motors 26th. Fifty-one companies made the list versus 49 countries, leaving little doubt that business has garnered considerable power and influence during expansion of the market system in the 1990s. Similar conclusions can be drawn from other data sources. Researchers at the Institute for Policy Studies found that the world’s top 200 corporations had sales that equalled 26.80 percent of the world’s GDP in 1992 rising to 28.30 percent in 1995. Corporate Watch reports that the number of transnational corporations leaped from 7,000 in 1970 to 40,000 in 1995.

Business organizes and drives production processes that transform both the natural environment and communities. And although business needs to make a profit, decisions about production and technology and, consequently, the way resources are used are often based solely on the bottom line—the difference between the cost of production and revenues. Herein lies the problem: companies account for their internal costs but do not fully account for external ones like pollution or community-health problems. Thus, the full costs to the environment and people are not reflected in product pricing so that consumers are fully aware of the true environmental and social costs of consuming products.



Elkington, John. *Cannibals with forks: The triple bottom line of 21st century business.* Gabriola Island, BC: New Society Publishers, 1998. 407 p.

Kerr, Robert, Aaron Cosby and Ron Yachnin. *Beyond regulation: Exporters and voluntary environmental measures.* Winnipeg, Manitoba: IISD, 1998. 98 p.

Business has been changing production processes and accounting methods to meet regulatory and consumer demands. A 1998 survey of business executives in industrialized countries conducted by Arthur D. Little Inc. found significant progress in traditional environmental areas such as pollution prevention and energy efficiency. In addition many companies are discovering that it simply makes good business sense to accommodate new consumer expectations for pro-environment products and services. As a result some companies are actively pursuing more sustainable practices—using environmental management standards, design for the environment, corporate environmental reporting (CER) and so on—on their own. And while some, like CER, are gaining ground, more innovative approaches like the triple-bottom-line methodology—full-cost accounting that includes economic prosperity, environmental quality and social justice—have yet to be broadly adopted.



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Arthur D. Little Inc. *Sustainable development and business survey, 1998.*

http://www.arthurdlittle.com/thought_ldrshp/tl_service/strategy/sus_dev_survey.html

IISD Solutions for Business
Web site: <http://iisd.ca/business>

3. Megafootprints

More than one million people are added to the world's cities each week and by the year 2000 over a half of the total world population will be urban. There are now 22 megacities—urban centres with more than 8 million people—versus two in 1950. Growing urban populations require infrastructure—housing, sanitation, transportation and reliable water supply—to ensure an adequate quality of life. In developing countries rapid urbanization over the past 15 years has had severe environmental, human health and economic impacts. In Manila, for example, the estimated 1 million cars clogging city streets (and accounting for an annual \$51 million in wasted fuel because of gridlock) is expected to double by 2002. In high-income urban societies, congestion, sprawl, the growth of urban ghettos and feelings of alienation are common.



In Depth

United Nations Centre for Human Settlements. *An urbanizing world: Global report on human settlements 1996.*

New York: Oxford University Press, 1996. 557 p.

Consider also the immense pressure put on the environment. Researchers Bill Rees and Mathis Wackernagel have developed the ecological footprint concept—the area of land needed to provide the necessary resources and absorb the wastes generated by a community—to highlight the impact of cities on the environment. London, UK serves as a good example: the ecological footprint of that city is 120 times the area of the city itself. They estimate that a typical North American city with a population of 650,000 would require 30,000 square kilometres of land—an area roughly the size of Vancouver Island, Canada—to meet domestic needs alone without even including the environmental demands of industry. In comparison, a similar size city in India would require 2,800 square kilometres.



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International Council for Local Environmental Initiatives Web site: <http://www.iclei.org>

United Nations Centre for Human Settlements (Habitat) Home page:
<http://www.undp.org/un/habitat/>

OneWorld Guide: The City.
<http://www.oneworld.org/guides/thecity/index.html>

Planners are faced with enormous challenges in providing a secure environment that meets the needs of both people and natural systems. And cities are not self-contained entities. Their problems and solutions are part of and impinge on those in other jurisdictions, putting even more pressure on already over-burdened local governments.

4. Trade Blocks

In the 1990s a new dimension was added to the marketplace: environmental concerns now figure prominently in international trade. But they are fuelling trade disputes and influencing who trades what with whom. And developing countries depending on exporting their resources are feeling the effects, as environmentally motivated trade barriers become more common.



In Depth

Cosbey, Aaron. *Trade and sustainable development: The global picture.*

Presented at “Trade Policy and Environmental Agreements: Developing a South African Response” Johannesburg, August 21-22, 1997.
<http://iisd.ca/trade/southafrica.htm>

Trade and environment are linked in various ways. Differences in environmental legislation at the national and local levels can create an uneven playing field among trading partners. When the actual environmental costs of production (e.g. pollution costs) are not included, the product price may be lower than that of a foreign competitor that has had to integrate such costs into its product pricing. This type of competitive advantage can result in the non-enforcement or even lowering of existing regulations. Conversely, market demand can favour ‘greener products’ which encourage improved environmental performance.



Virtual Ideas

IISD's Rio+5 special focus report: Trade and sustainable development. Prepared for the Rio+5 Forum, Rio de Janeiro, 13-19 March 1997.
<http://iisd.ca/trade/tradedoc.htm>

IISD's Trade and Sustainable Development Web site
<http://iisd.ca/trade/default.htm>

Protected markets can also cause environmental damage by sheltering polluting domestic industries. Occasionally, they can prevent the import of certain products. For example, the Multi-Fibre Arrangement (MFA) limits the import of textiles and clothing from developing countries to developed countries. Canada's participation in the MFA costs Bangladesh more than Canadian official development assistance bound for that country.

Developing countries need trade to develop sustainably. More open foreign trade would free resources to invest in environmental protection, cleaner and more efficient technology, transmission of higher environmental standards and so on. But they will only be successful if they also increase environmental protection efforts. Consider, for example, the growth in South East Asia during the 1980s and 1990s that was paralleled with a rise in deforestation, acid rain and carbon dioxide emissions.

5. Risky Existence

According to the 1998 *Human Development Report*, more than one billion people are unable to meet their basic food, shelter and clothing needs. Their deprivation is more complicated than lack of money: it also includes powerlessness and vulnerability to unforeseen shocks and stresses. In the past, the majority of these people were subsistence farmers, but the World Bank estimates that currently most of them live in cities.

Poor people have developed complex livelihood systems to reduce their risk. The skills and abilities of the entire family are pooled; everyone does what he or she can to survive. The situation is especially acute in low-income countries where there is no social safety net. Here, people often work in the informal sector, the category of work that goes uncounted by government statisticians. Sources of support vary: many people rely on part-time and short-term jobs and other income-generating activities such as scavenging, home gardening, hawking and selling craftwork to achieve a basic existence. Prospects for the future do not look promising. An analysis by the International Labour Organization shows that 675 million new jobs are required in the next decade if full employment is to be achieved, with most of them in developing countries with young populations. That is more than the entire labour force of industrialized countries in 1990.

Livelihoods and jobs depend on labour-intensive growth and investment to increase income security. But well-being also depends on access to health services and education, personal security and freedom to make choices. The challenge for development planners is to increase well-being for poor people without putting further stress on ecosystems. One proposed solution is the development of sustainable livelihood systems, based on the knowledge and experiences of poor people themselves. Here, success depends on the development of new methodologies such as appreciative inquiry, which can empower poor people by building on their current achievements, coupled with new methods of including poor people in the decision-making process, such as participatory media.

6. Biodiversity

A massive extinction unparalleled since the age of the dinosaurs is now underway. Species that will never exist again are being lost at an alarming rate. The IUCN-World Conservation Union's 1996 *IUCN Red List of Threatened Animals* reports that even though they track only a small portion of Earth's species the number of those that are endangered is astounding: it amounts to one in every four vertebrate species. Why is this happening? And, what does it mean for human life?

Ecosystems, for example as coral reefs, wetlands and tropical rainforests, form the complex web of life on earth. A healthy ecosystem is biologically diverse and better able to withstand shocks and stresses from climate change, pollution or



In Depth

Ekins, Paul and Manfred Max-Neef, Manfred, eds. *Real-life economics: Understanding wealth creation*. London, UK: Routledge, 1992. 460 p.

SID PIED Workshops on Civil Society and Sustainable Livelihoods held in Asia, Sub-Saharan Africa, Latin America and North America. *Towards sustainable livelihoods*. Rome: Society for International Development, 1996. 168 p.



Virtual Ideas

IISDnet—Communities and Livelihoods Web pages
<http://iisd.ca/communities.htm>



In Depth

Daily, Gretchen C., ed. *Nature's services: Societal dependence on natural ecosystems*. Washington, DC: Island Press, 1997. 392 p.

Leakey, Richard and Roger Lewin. *The sixth extinction: Patterns of life and the future of humankind*. New York: Doubleday, 1995. 271 p.

rapid resource extraction. But many are experiencing intense stress and are in danger of collapse from increased resource extraction and waste generation. According to the WorldWatch Institute the main cause of species decline and ecosystem stress is habitat loss because of human activity—deforestation, large dam construction and so on—with over-exploitation of species being the second. The danger to human life is very real: as species and ecosystems decline, the resources that sustain human life are lost.

Meanwhile human systems—institutions, policies and activities—cannot change fast enough to stop the destruction. Past conservation efforts have not been effective enough. And it is still too soon to tell if efforts such as the recently negotiated Convention on Biological Diversity, which started an international process and forum for decisions about biodiversity, will be sufficient. Clearly action is needed on several fronts. Some organizations such as the United Nations Environment Programme are turning their attention to the consequences of trade on the world's biodiversity while many environmental organizations are monitoring species loss, building public awareness and campaigning for sustainable policies.

7. Freshwater

Freshwater is a scarce resource. According to a 1997 Stockholm Environment Institute (SEI) report only 0.007 percent of all freshwater is available for human use. Freshwater sustains life. Yet, freshwater systems are imperilled, which threatens human existence. Everywhere activities such as manufacturing, dam construction, irrigation and water-flow regulation cause pollution, fragmentation and water over-consumption problems. In the process species are lost. For example, 10 percent of mussel species were eliminated in North America and 67 percent of remaining species are at risk, and the Aral Sea in Central Asia has shrunk by half and lost 20 of its 24 fish species.

Water shortages and pollution also cause problems for people, from forced human migration and widespread public health problems to limited economic and agricultural development. The Worldwatch Institute predicts that in China water shortages and distribution problems will have a major impact on global food supply as the competition for water increasingly influences world grain markets. The SEI report *Comprehensive assessment of the freshwater resources of the world* asserts that water use has been growing at more than twice the rate of population increase. They estimate that today more than 1.2 billion people lack access to clean drinking water and 2.9 billion people are without adequate sanitation facilities. These figures are expected to double within 30 years and within 50 years such water disparities will be a major cause of conflict between nations and peoples.

Even though some progress has been made in cleaning up polluted water sources and reducing water consumption much remains to be done. And the pressure on freshwater systems is bound to increase as our numbers swell and demand for freshwater grows.

8. Food Systems

In most parts of the world, grain harvests are declining because of salinization, erosion and urban sprawl. Twelve of the world's 14 major fisheries are threatened. Over 800 million people are chronically undernourished and global demand for food is expected to rise up to 50 percent over the next 15 to 25 years. Sub-Saharan Africa will need to feed three times its current population by 2050. The Panos Institute stated in a 1995 report that "60% of global food stocks are in the hands of private companies, while 70% of world grain trade is carried out by just six companies" and developing country agriculture aid is dropping.

Some see biotechnology as the solution. Proponents maintain that genetically altered plants are disease- and pest-resistant and can increase the commercial value of agricultural products.



Virtual Ideas

Convention on Biological Diversity.
<http://www.biodiv.org/>

United Nations Environment Programme.
<http://www.unep.org/>

World Resources Institute Web site on biodiversity.
<http://www.wri.org/biodiv/>



In Depth

Stockholm Environment Institute. *Comprehensive assessment of the freshwater resources of the world.* Geneva: World Meteorological Organization, 1997. 33p.



Virtual Ideas

Stockholm Environment Institute Web site information on freshwater
<http://www.sei.se/cfwa/w97front.html>

Sustainable Developments report on the International Conference on Water and Sustainable Development
<http://www.iisd.ca/sd/water/sdvol13no4e.html>



In Depth

Pinstrup-Anderson, Per, Rajul Pandya-Lorch and Mark W. Rosegrant. *The World food situation: Recent developments, emerging issues, and long-term prospects.* Food Policy Report. Washington, DC: International Food Policy Research Institute, 1997. 36 p.



Virtual Ideas

Convention on Biological Diversity Web site on a Biosafety Protocol.
<http://www.biodiv.org/biosafe/>

McKibben, Bill. "The future of population: A special moment in history." *Atlantic Monthly* (May 1998): 55-78.
<http://www.theatlantic.com/issues/98may/special1.htm>



In Depth

Rayner, Stever and Elizabeth L. Malone, eds. *Human choice and climate change*. Columbus, Ohio: Battelle Press, 1998. 4 v.



Virtual Ideas

Centre for Science and Environment. Climate Change Web site.
<http://www.oneworld.org/cse/html/cmp/cmp33.htm>

IISD Earth Negotiations Bulletin coverage of the UN Framework Convention on Climate Change process. <http://www.iisd.ca/linkages/climate/climate.html>

Weathervane: Digital Forum on Global Climate Policy.
<http://www.weathervane.rff.org/>



In Depth

Martens, Pim. *Health and climate change: Modelling the impacts of global warming and ozone depletion*. London, UK: Earthscan, 1998. 176p.

World Resources Institute *et al.* *World resources 1998-99: Environmental change and human health*. New York, NY: Oxford University Press, 1998. 369 p.

Given the estimated near doubling of the world's population before it stabilizes next century, genetic engineering may be the only means of producing sufficient food. However, opposition to biotechnology is building: people are urging a halt to genetically engineered foods until the implications can be better understood. The potential risks to biodiversity and human health posed by so-called living modified organisms (LMOs) are massive. Biosafety—ensuring the safe transfer, handling, use and disposal of LMOs and their products—has become a key concern, especially where unlabelled LMOs cross national borders. For example, the European Union has stopped importing LMOs. In an attempt to regulate trade in LMOs, international negotiations are continuing on a Biosafety Protocol to the Convention on Biological Diversity and through the Commission on Genetic Resources for Food and Agriculture at the UN Food and Agriculture Organization (FAO).

9. Climate Change

Human-induced climate change is one of the gravest threats yet to the continued existence of people and the earth's many ecosystems. Last year is being coined as the "year of severe weather events" as regions were pummelled with hurricanes, floods, typhoons, wildfires and ice storms. A year earlier in Kyoto industrialized countries accepted the evidence for human-induced climate change and vowed to reach emission reduction targets laid out in the then newly minted Kyoto Protocol. However, implementation of the Protocol is posing significant challenges partly because it requires an unprecedented level of collaboration between governments, the private sector and the public.

Climate change highlights issues of equity. Most industrialized countries have high per capita greenhouse gas (GHG) emissions and need to reduce their consumption of fossil fuels as well as conserve and improve carbon sinks like forests and wetlands. Developing countries, whose per capita emissions are generally much lower, are concerned with meeting the immediate energy needs of their people rather than reducing their emissions. Overall emissions are rapidly rising in some developing regions, but their future participation in the Kyoto Protocol is expected.

Signatories to the Kyoto Protocol are trying to reach their targets at home. Strategies include an array of methods—mitigation through emission reduction at the source, incentives to business, research into new technologies, taxation and voluntary agreements with GHG emitters to name some. The Protocol also established three mechanisms to encourage international cooperation and action, though it is still not clear how these mechanisms will actually work.

10. Human Health

Extreme disparities in health exist between people in developing and industrialized countries and between the rich and poor everywhere. And environment-based health risks such as vector-borne diseases and chemical contaminants are a major cause. Many communities are still struggling with historic health problems because of lack of clean drinking water and sanitation alongside new health risks such as air pollution and exposure to pesticides brought by rapid growth and agricultural intensification. The poor in high-income countries also can suffer from inferior health. For example, inner-city children often face life expectancies similar to those in India.

The intricate relationship between environment, development, and health is now gaining more attention by researchers and governments. The World Resources Institute and World Health Organization have recently published reports on the topic. One of the main concerns is climate change, which is expected to play havoc with human health as ecosystem boundaries shift and natural systems deteriorate. The expected increase in intense weather events such as floods and droughts is of particular concern. For example, researchers at Penn State University say that the prevalence of waterborne diseases such as cryptosporidiosis could rise with increased precipitation and flooding.

Work is also going on in other areas. Government officials recently reached an international agreement in Montreal for action on persistent organic pollutants (POPs)—chemicals that resist degradation in the environment. Chemicals that disrupt human reproductive hormones—endocrine disrupters—have also surfaced as a primary health risk, motivating a re-assessment of many chemicals by the US Environment Protection Agency.

Solutions

1. Better Governance

The past decade has seen an unusual confluence of events—the end of the cold war, globalization of trade and knowledge, the rise of civil society—that have re-made the political landscape and require new forms of governance. During 1997-98 economies collapsed in many parts of the world, starting a series of tremors felt around the globe. In Southeast Asia, financial crises, forest fires and civil unrest further illustrated the relationships between governance and the sustainability of economic, environmental and social systems. In Russia, millions of rubles were taken out of the country, leaving destitution and grief and an economy mired in corruption. Illicit trade in endangered species and banned CFCs also flourished.

The rapid rate of change and imperatives of sustainable development dictate the building of improved governance structures around the world. There are now literally hundreds of international environmental agreements in place requiring some degree of international cooperation to implement. The world of trade and investment is also becoming increasingly complex. Yet, the disparity between nations and between peoples is huge. Some countries are still struggling with the provision of basic education and ensuring essential needs are met. Others are fighting civil wars. The Commission on Global Governance reported that at least 30 major armed conflicts have occurred in the past few years and that the five permanent members of the UN Security Council continue to supply most of the arms.

Governance issues permeate all levels of decision-making from the local community cooperative to the corporate boardroom and the halls of power at the United Nations. The nation-state now has rivals to its premier position. Non-governmental and for-profit organizations involved in decision-making proliferate. And, this highly integrated global community is demanding transparency and participation in making decisions. Clearly the task at hand is immense. In their 1995 report, the Commission on Global Governance listed five mutually reinforcing proposals for better governance: 1) a global civic ethic to guide governance emanating from global civil society; 2) promotion of security; 3) management of economic inter-dependence; 4) reform of the United Nations; and 5) strengthening the rule of law worldwide.

2. Financing Change

At the international level, the issue of how and who pays for sustainable development has been a major controversy at most major United Nations (UN) negotiations since the Earth Summit in 1992. Low-income countries have generally failed to benefit from the rapid economic globalization of the 1980s and 1990s while at the same time faced with declines in official development assistance. Many have serious debt problems and natural disasters and environmental degradation have further crippled some. Consequently, their ability to implement sustainable development strategies has been seriously hindered.

Governments, development workers and others are raising questions about how to finance sustainable development. Where are the investment dollars going to come from that are needed to propel development in a sustainable



Virtual Ideas

Endocrine disrupters
Web site
<http://www.osf-facts.org/>



In Depth

Commission on Global Governance. *Our global neighbourhood: The report of the Commission.*
Oxford, UK: Oxford University Press, 1995.

Langseth, Petter and Kathryn Galt. *Partnership for governance.* Conference co-sponsored by the Danish Ministry of Foreign Affairs and the Economic Development Institute (EDI) of the World Bank Copenhagen, 31 May 1996. Washington, DC: The World Bank, 1996. 55 p.



Virtual Ideas

Kaplan, Robert D.
“Was democracy just a movement?” *Atlantic Monthly*. (December 1997): 55-80.
<http://www.theatlantic.com/issues/97dec/democ.htm>



In Depth

de Moor, André and Peter Calamai. *Subsidizing unsustainable development: Undermining the earth with public funds.* San Jose, Costa Rica: Earth Council, 1996.

Myers, Norman, with Jennifer Kent. *Perverse subsidies: Tax \$s undercutting our economies and environments alike.* Winnipeg: IISD, 1998.



Khosla, Ashok. "Perverse subsidies." Editorial, *Development Alternatives*. Vol. 7 (December 1997): 2. <http://www.ecouncil.ac.cr/devalt/nl1297b.htm>

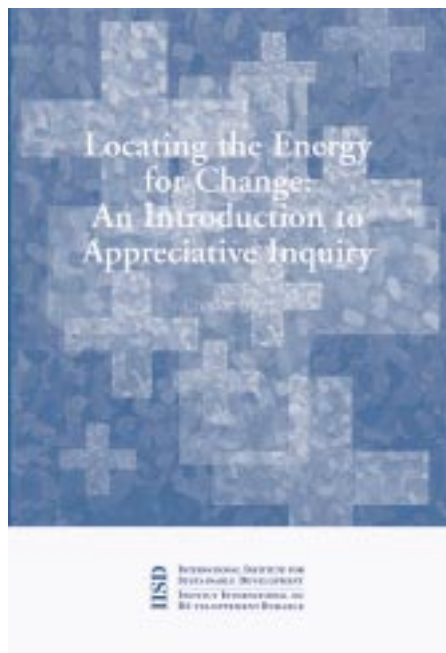
Martens, Jens and James A. Paul. *The coffers are not empty: Financing for sustainable development and the role of the United Nations*. Global Policy Forum, July 1998. <http://www.globalpolicy.org/soecon/global/paul.htm>

direction when many governments are revenue-poor? One proposal advanced in 1972 by James Tobin of Yale University suggested a tax on currency exchange transactions. It is estimated that a tax of just 1 percent would yield \$3.5 trillion US a year, an amount more than 50 times total world official development assistance. Carbon taxes are another possibility. In 1997 the European Union (EU) proposed an international tax on airline fuel, hoping to establish a link in the public mind between transportation options and sustainability. While the proposal was rejected, the EU is looking at applying such a tax at home. Another innovative idea is the Kyoto Protocol's Clean Development Mechanism. Under the mechanism, industrialized countries could get credit for carbon emission reductions by investing in sustainable, energy-saving projects in developing countries.

Eliminating perverse subsidies provides yet another option, especially as many current policies encourage economically inefficient development that is ecologically destructive. A number of market-based instruments can correct such perverse economic incentives. These include fiscal instruments like taxation, tax credits, and subsidies; user charges; market creation such as emissions cap-and-trade systems; and green procurement schemes. In a 1997 Globescan survey of experts in OECD countries, more than 50 percent of respondents predicted that economic instruments would play a major role in furthering sustainability over the next five years, whereas only one in three expected legislation and regulation to play a major role.

New Publication

Locating the Energy for Change: An Introduction to Appreciative Inquiry



Appreciative inquiry is an approach to organizational change based on strengths rather than weaknesses, on a vision of what is possible rather than an analysis of what is not.

In *Locating the Energy for Change*, Dr. Charles Elliott describes the theoretical basis of appreciative inquiry, shows practitioners how to use it, and provides case studies of its application in the developing and developed worlds.

By using the appreciative process, participants identify achievements and reinforce organizational strengths through reflection and goal setting. They establish a shared vision of the future and develop practical strategies for achieving it. This process has been used by large corporations to position themselves for the 21st century. Applied to communities in the developing world, Dr. Elliott shows how appreciative inquiry helps local people empower themselves and think passionately about their future.

Locating the Energy for Change will be of particular interest to development assistance professionals. It offers a way to increase participation, decrease donor dependency and sustain project benefits, enabling local people to be the agents of change in their communities.

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