
Integrating Environmental Considerations into Economic Policy Making: Institutional Issues. By Economic and Social Commission for Asia and the Pacific. New York: United Nations Development Papers No. 21, 2000. Pp. 141.

The concern for environmental protection has become especially important in the last two decades, particularly after the publication of the Brundtland Report in 1987 which focused on the importance of achieving sustainable development as a global challenge for policy makers and governments alike. The book builds on this theme of environmental protection by presenting and discussing the results of four synthesis papers; three subregional papers which have focused on institutional arrangements and mechanisms in different regions (South Asia, Pacific Islands, and East and Southeast Asia); and one paper on Nepal, the Philippines and Fiji. It also reports on the institutional gaps present and provides technical assistance insights for integrating the environment into economic policy-making in line with the goals of sustainable development.

The main ideas contained in the book are refreshingly simple and yet stimulating in terms of its approach towards integrating institutions with environmental protection. Basically, they can be summarized as follows. First, the existence of institutions (institutional mechanisms) is important for implementing successful environmental policies. Second, successful policies depend on the ability of government ministries and administration to effectively co-ordinate and co-operate with one another. Third, policy success is dependent on enforcement mechanisms, of which an important prerequisite is efficient monitoring. Finally, international agreements play an important part in influencing environmental policies in a country.

A central theme is that the success of environmental policy statements (intentions) depends on translating such statements into policies that can be effectively implemented. In turn, implementation depends on the types of institutional mechanisms that exist in a country to

facilitate such an action. Institutional mechanism is defined as both formal and informal rules and norms which are “in place to define and enforce the rules and policies of the government” (p. 3). Subsequent chapters expand on these and other inter-related ideas in a very clear and logical manner.

The introductory chapter provides brief background information on the physical and economic characteristics of countries in the Asian and Pacific region. The different types of environmental problems existing in these countries are discussed with the link between environmental degradation and the functioning of an economy pointedly underscored.

In Chapter 2, the importance of general policy statements in terms of their “environmental concerns” quotient is discussed, by examining for evidence from documents such as the country’s constitution, legislation, development plans, and development policy statements, strategies, and visions.

Chapters 3 and 4 then examine issues related to environmental management, co-ordination, and co-operation among government and administrative entities in the various countries. The importance of feedback from selected public representatives, the private sector, and non-government organizations (NGOs) is recognized as an important aspect for implementing and integrating environmental goals with economic ambitions.

Different aspects of monitoring are discussed in Chapter 5, notably the techniques of monitoring, standards, shortcomings in present approaches, and suggestions for effective measures.

Enforcement mechanisms are then discussed in Chapter 6. Fragmentation, irrelevance, and contradictions in environmental legislation are reported as some of the major shortcomings present in policy implementation. The slow litigation process is another weakness. Importantly, the non-excludable and non-rivalrous characteristics of environmental benefits have worked against incentives and created inertia for particular individuals to take legal action. Overall, the chapter reports that enforcement measures in most countries have to be further improved by the design of better enforcement mechanisms

incorporating a mix of command-and-control measures and market-based instruments.

Chapter 7 discusses the challenges facing the Asian and Pacific countries in terms of the implementation of international agreements and offers suggestions to overcome obstacles that prevent co-operation. The role of international agreements in influencing domestic policies or in inducing an acceptance of higher environmental standards for developing countries is also duly recognized. Factors such as lower levels of financial, human, and technical capacity have affected the capability of some countries to adhere to international standards. As such, it was recommended that various forms of assistance should be available to ensure that such disparities do not form obstacles to implementation.

The future challenges facing the various countries are then discussed in Chapter 8. The chapter points out that the perception of incompatibility between economic and environmental goals needs to be changed. Such goals have to be pursued jointly and within the constraints of sustainability, to ensure that the benefits of economic development last beyond one generation. Changes in such perception need first to be accompanied by changes in the institutional structure to formulate and implement the ensuing policies.

Environmental policy-making is a complex exercise; its outcome is influenced by an interaction of political, economic, social, and institutional incentives and forces operating in a situation where trade-offs are difficult to quantify or sometimes even to identify. The various chapters in this book have captured the nuances of this interaction in quite a capable and systematic manner. A framework for operationalizing environmental policy-making from a conceptual to practical plane is also provided. This is a welcome departure from some studies that merely dwell on rhetoric without any practical suggestions for environmental practitioners. Environmental economists operating from a New Institutional Economics (NIE) perspective would also be heartened by this publication. The recommendations in this book are laudable in that

it specifically recognizes the importance of institutions in influencing subsequent environmental outcomes; specifically that of property rights and transaction costs in influencing behaviour. Clear guidelines have been provided to policy-makers on how to weave environmental goals into economic planning. However, a more detailed discussion of the cost-effectiveness of defining and enforcing institutional structures in the various countries would have been useful as this would serve to illustrate the incentives or disincentives that governments and bureaucrats face in implementing particular environmental policies. For development economists, the book has unwisely chosen not to provide a clearer operationalization of the concept of sustainable development defined in terms of either specific targets or policy objectives but rather relying on the definition provided by the Brundtland Commission (World Commission on Environment and Development, 1987). This could be interpreted as an astute move avoiding a potential hornets' nest, whenever such operationalization exercises are rigorously attempted. However, this slight oversight fuzzes some of the subsequent discussions of environmental policy-making in relation to sustainable development for the want of a clearer operationalization of this concept in the first place.

REFERENCE

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