

Chapter 5

ECONOMIC IDEAS, SOCIAL STRUCTURE, AND THE EVOLUTION OF INTERNATIONAL ENVIRONMENTAL GOVERNANCE

THIS CHAPTER MAKES two basic theoretical points. First, it argues that ideas that become institutionalized as governing norms must find some “fitness” with the existing international social structure. This is true because most issue areas that constitute coordination or collaboration problems for states generally exist within a nested set of governing norms that have legitimacy. Second, this chapter argues that new norms may come from a variety of sources, but that these sources must have a basis of legitimacy themselves in the eyes of key actors who participate in, and are affected by, the governing structures they create. The key to understanding the evolution of international governance, then, is to try to gain an understanding of the interaction of new ideas with the social structures—institutionalized or nested sets of norms—they encounter.

Substantively, this chapter argues that economic ideas overshadowed scientific ideas and ecological thought in producing normative compromises at key junctures over the last thirty years of international environmental gover-

nance. In light of the two theoretical points just made, that influence was not accidental. Policy entrepreneurs¹ were most successful at moving a concern for the environment into the mainstream of international governance when they tried to nest environmental norms into the broader international social structure, even as that structure evolved to reflect the now dominant liberal economic order. The result was the compromise of liberal environmentalism. Actors and the ideas themselves certainly mattered. However, the success or failure of new ideas in response to environmental problems must be understood in the context of their interaction with the wider international social structure they encountered and attempted to modify.

Looking back to the origins of international environmentalism, it may seem that a single line of economic thinking inevitably led to liberal environmentalism today. Indeed, many ideas associated with liberal environmentalism received some policy attention as far back as the late 1960s. Their roots go back even further to Pigou's book *The Economics of Welfare*, which suggested that governments should introduce corrective taxes and subsidies to discourage activities that generate externalities.² The basic elements of Pigovian analysis became the foundation for the new field of environmental economics that focused on ways to internalize the ostensibly external costs of environmental degradation.

The late 1960s saw a revitalization of these ideas in the academic literature. For example, in 1968, University of Toronto economist John Harkness Dales's book *Pollution, Property and Prices* introduced the idea that transferable property rights could work to promote environmental protection at lower aggregate cost than conventional standards (Dales 1968; Thompson 1972). By the early 1970s, a number of government and academic studies that contained specific suggestions on how to cost the environment had appeared in the United States, the United Kingdom, and Canada.³ The ideas promoted in those studies ranged from the development of economic incentives to the creation of private property in pollution rights, based on Dales' ideas. As Hahn and Stavins (1992:464) note, "From these two seminal ideas—corrective taxes and transferable property rights—a substantial body of research has developed." That research would eventually have a profound effect on environmental policy.

However, other lines of thought about how to bring economic activity more in line with environmental control had also appeared during this period. The policy literature in the lead-up to the 1972 Stockholm conference contains a number of alternatives that draw on different traditions in economic thinking. For example, some policy proposals advocated an extreme version of command and control, which suited a position on envi-

ronmental problems taken by eco-pessimists. Proponents of this view saw environmentalism as eschewing the left/right, or East/West ideological divide since environmentalists in the West would realize that private property as it then existed would no longer be possible for natural resources. For example, one writer in 1972 noted that “in the United States, for example, one may read articles affirming that one may one day come to the point where all natural resources will have to be state-controlled, if not declared the property of the community altogether” (Caponera 1972:139). During this period, common property ownership and community rights to enforce standards applied to that property were as seriously considered as private ownership schemes.

More recently, Eric Helleiner (1996) has identified a distinguishable “green” perspective on International Political Economy (IPE). This perspective, Helleiner argues, differs in its normative goals and theoretical assumptions from the traditional realist, liberal, and Marxist variants of IPE. In essence, the “green” perspective holds that the world political economy ought to resemble—in Helleiner’s terms—a neomedieval structure, where self-regulating local communities run their own economies, regulated by decentralized institutional arrangements. Under such arrangements, a global civil society would control the worst global environmental problems. The intellectual lineage of such ideas dates back at least to Adam Smith’s descriptions of a decentralized, de-industrial world, and to economic and social thinkers such as Leopold Kohr, E.F. Schumacher (who was heavily influenced by Kohr), and Ivan Illich. According to Helleiner, many contemporary ecological and development economists have noted their intellectual debt to Kohr in particular and to ideas that flowed from his work.

From these observations it should be clear that the story of which economic ideas were selected and how they influenced the evolution of international environmental norms is not simply a matter of which ideas are “better” or which merely existed within a particular community of economists. The reasons why, after thirty years, ideas associated with liberal environmentalism gained a strong foothold must be analyzed historically to see the social and political processes through which that selection occurred. Clearly, the perspective of this book is that economic ideas mattered. This chapter shows which ones mattered and seeks to understand why.

The chapter demonstrates the influence of economic ideas, but not simply as embodied through an “epistemic community” of economists and like-minded policymakers. I have already shown that portraying economists as an epistemic community in the context of global environmental governance would undermine the explanatory power of the hypothesis, which re-

lies on the privileged position of one particular group of knowledge-based experts to explain outcomes. More importantly, the empirical story of the role of economists simply does not fit an epistemic communities explanation: an identifiable transnational group of economists did not emerge to put forward or promote the sustainable development concept or the ideas behind liberal environmentalism. Most of the work by economists occurred in the absence of an organized transnational research program, at least until the move toward liberal environmentalism was well underway. When ideas did flow transnationally, they did so through governmental institutions that, while dominated by the economics profession, could not properly be considered an independent community of experts who had regularized contact, built consensus around an issue, and then promoted that issue independently based on a set of values. If anything, the advent of liberal environmentalism empowered economists in environmental policymaking, but could not be said to have arisen through their efforts.

Understanding what happened in the mid-1980s to move international norms toward liberal environmentalism thus requires looking far beyond the expert communities that studied such ideas. Instead it requires a wider look at ideational influences and how they interacted with powerful international norms.

The socio-evolutionary explanation for normative development put forward below takes this approach. This explanation shows how the ideas associated with liberal environmentalism interacted with an existing international social structure of governance to institutionalize the norm-complex of liberal environmentalism described in chapter 3. I apply the approach by tracing through the economic ideas that evolved into “sustainable development” thinking and eventually became institutionalized as liberal environmentalism. Thus, descriptively, the chapter shows the importance of economic ideas as the ideational basis for liberal environmentalism. In terms of explanation, the socio-evolutionary approach shows why those ideas prevailed over alternatives. It also leads to a better understanding of why international environmental governance evolved as it did since 1972.

SOCIO-EVOLUTION AND GOVERNANCE

Building a theory to map the interactions of ideas and the structures they encounter (however defined) has proven elusive. Whereas a number of

scholars now recognize the utility of examining the role of ideas to explain the content of international governance, they have expressed frustration on two counts: either the literature does not adequately explain why ideas possess a causal power of their own or, if it does, then it fails to explain why some ideas are selected over others (Yee 1996; Blyth 1997; Woods 1995). What bedevils theories of ideas, and especially of how ideas become institutionalized as norms, is how to reconcile the interaction of the sources of ideas with structural explanations, where ideas and institutions are residuals of powerful actors pursuing their interests. Solutions inevitably address how ideas interact with their "environment," usually conceived of as institutions of one sort or another or as constellations of interests.

For example, Garrett and Weingast (1993:176), following Thomas Schelling's insights, make the rationalist argument that ideas create "focal points" around which behaviors of actors converge. The environment in which such ideas must operate is a constellation of actors with given interests. Ideas select from one of multiple cooperative equilibria available to create stable institutions. However, this formulation cannot explain the actual content of governance—or the focal point chosen—because any number of ideas would seem to do. In addition, this explanation remains extremely inefficient, requiring constant reevaluations of changing preferences over time.

For example, liberal or unit-based international relations theory would look to domestic theories of preference formation and change as a necessary step in such an explanation. Institutions then result from a configuration of preferences of states (Moravcsik 1997:537). By ignoring the constitutive aspect of international institutions, however, liberalism misses the potential starting point of using social structure to define why some preferences are viewed as more "legitimate" than others.⁴ An explanation that endogenizes interests to some degree would be more efficient.

What is required, then, is to move beyond a rationalist approach that views ideas as simply intervening variables between given interests and behavior. The constructivist literature in international relations presents one alternative. It recognizes that interests themselves are derived, at least in part, from an existing normative or social structure in which actors participate (Dessler 1989; Wendt, 1992, 1994; Wendt and Duvall 1989; Kratochwil 1989; Busumtwi-Sam and Bernstein 1997). Constructivism focuses especially on how actors' interests derive from their "identities" (as sovereign states, or members of communities, and so on). In so doing, it emphasizes the constitutive dimension of norms, wherein norms do not merely regulate behavior, but define social identities and practices. Such practices are

prior to individual action in that they define the range of meaningful if not conceivable behavior. However, constructivist writing to date has generally lacked a clear theory of how new ideas interact with the existing social structure. Such a theory would identify the process through which ideas become institutionalized as norms—in other words, how norms and social structure evolve.

A few international relations scholars, influenced by the “new institutionalism” literature,⁵ have begun to address this interaction between ideas and social or institutional structures. For example, Steve Weber (1994) has argued that the creation and function of the European Bank for Reconstruction and Development can be better understood in reference to its “institutional” environment rather than its “technical” environment. The Bank, he argues, developed from a shared set of ideas and purposes of states in Western Europe (around the state, democracy, and market economics) and pushed “the ideas and consensus around them substantially further as part of an effort to extend east an ideational and institutional foundation for multilateral cooperation” (1994:2). He draws on organizational theory and the new institutionalism to suggest that the norms and functions of the Bank were less dictated by efficiency and means-end rationality (the technical environment) and more by their “social fitness” with existing institutions and political economic norms existing in Europe:

Organizations in an institutional environment are judged by the appropriateness of their form; they compete for social fitness . . . and they are rewarded for establishing legitimate authority structures and procedures more than for the quantity and quality of what they produce. Ends and means are not treated separately, so that proper procedures and a “rationale”—an account that makes what the organization does understandable and acceptable within its social context—are the basis of legitimacy (1994:7).

Similarly, Jeff Checkel makes the case that changes in Soviet foreign policy under Gorbachev were made possible by a confluence of factors that included a reformist general secretary, a group of entrepreneurial purveyors of new concepts and ideologies, and “institutional and political settings that at different times either constrained or enhanced [entrepreneurs’] ability to influence policy” (1993:273). What these two studies have in common is that neither explains outcomes as merely dependent on the introduction of new ideas interacting with a set of existing interests in a ra-

tional manner. Rather, the normative context—or social fitness—of new ideas plays a key role.

Here I take the basic insights from studies such as these and from constructivism, to push the idea of “social fitness” further. What is required, I argue, is a clearer specification of social structure and a method to think about how ideas interact with that social structure—in other words, the selection process—to see the means through which some ideas get institutionalized as norms while others do not.

In contrast to the rationalist approach to ideas, I propose a *socio-evolutionary* approach that focuses on how ideas interact with existing norms, which are based in intersubjective understandings among actors. The explanation thus begins not with actors or state interests (as do liberal and rationalist explanations), but with systemic social structure. The explanation argues that three factors determine the selection of new norms: *the perceived legitimacy of the source of new ideas; fitness with extant international social structure; and fitness with key actors’ identities at various levels of social structure.* By identities I mean both their status as agents as constituted by international social structure and their socioeconomic identities generated domestically which they project in their international affairs, such as their view of legitimate political and economic order as reflected in domestic institutions. I discuss each of these three factors in turn.

The approach is “evolutionary” because it identifies a selection process based on the interaction of ideas with their environment that has some parallels to processes of natural selection.⁶ Ann Florini has thus described the acceptance of new norms as follows:

Given two contested norms, one may be more prominent in the norm pool, more compatible with other prevailing norms, and/or better suited to the existing environmental conditions than the other. If so, that one will become more frequent in the population relative to the other (1996:369).

This analogy should not be carried too far, however, since unlike natural selection, the evolution of norms is a conscious activity that, while manifested in practices, exists in the minds of actors who engage in those practices. Human beings engage in purposeful action and self-reflexive thought. To quote Anthony Giddens, “every social actor knows a great deal about the conditions of reproduction of the society of which he or she is a member . . . institutions do not just work ‘behind the backs’ of the social actors who produce and reproduce them” (1979:5). Thus the process I iden-

tify does not simply result from survival or success of some traits over others that occurs independently of actors' understanding of them.

Hence a key component in normative evolution is the ability of purposeful actors to gain legitimacy for the ideas they promote through legitimating institutions, that is, institutions viewed as appropriate or legitimately engaged in the task at hand (the first causal factor identified). Therefore, I do not contradict the claim of the epistemic communities literature that legitimacy of knowledge claims can be an important causal factor. However, by focusing on the institutional basis of legitimacy, my explanation highlights that legitimating institutions do not necessarily reflect expert knowledge. The focus on processes of legitimation also avoids dependence on random variation or mutation as the source of change in my theory.⁷ Thus, the mechanism of change has no direct parallel in evolutionary theory. It is the mixing of purposeful action and social structure that requires mapping.⁸ So while I borrow the concept of fitness and modify it to mean *social* fitness, new ideas in the minds of actors and the legitimacy they can gain for such ideas are the drivers of change. They are not random ideas, but attempts, in essence, at the social construction of reality.⁹

Second, the "socio" part of the approach is the recognition that norms interact with a "social" structure of existing institutionalized norms that have already become legitimated; they exist intersubjectively as social facts and obligate because of agreement of members of the relevant community.¹⁰ The process of institutionalization involves the nesting of norms, that is, when they become linked with other norms that express similar values, interests or goals (Busumtwi-Sam and Bernstein 1997). The key to the selection process is *social* fitness with already institutionalized norms, which constitute the "environment" new norms encounter.

The basic contours of social structure can be described in order to identify general patterns of institutionalized norms in the international system. These institutionalized norms, in essence, make possible meaningful action (Bhaskar 1979; Giddens 1979). Structuration theory and constructivist international relations scholarship emphasizes that social structure results from the interaction of practices of the units it comprises. Once institutionalized, however, those practices exhibit structural qualities in that they legitimate practices consistent with their logic and marginalize all other practices that pose a challenge (Doty 1997). Social structure evolves in response to new norms while it also reproduces practices (of states and other relevant actors) that new norms attempt to alter. In this way, social structure constrains and enables the entrance of new

ideas. Norms that do result from this interaction must not only come from “good ideas,” but must draw on rules and resources enabled by existing social structure.

The content of international social structure can be conceived of as *institutionalized* norms ordered in a hierarchy of prioritized values that coordinate and define international interactions. This formulation follows from a number of scholars who make reference to levels of norms.¹¹ Although authors conceive of levels in various ways (for example, by functional domain, general versus specific institutions, and so on), viewing them as arranged in a hierarchy is useful in order to depict social structure as an authority relationship. As a source of authority, social structure is also a structure of governance. In other words, political authority rests on the institutionalized norms that constitute social structure and thus define which political institutions and practices are viewed as appropriate. Social structure constitutes a hierarchy of authority in that norms at deeper, or more fundamental levels condition or make possible (constrain and enable) other less fundamental institutions (Wendt and Duvall 1989:64).

This constitutive aspect of international norms and rules has important implications for the study of international institutions. It means they do not simply rise and fall in response to the will or interaction of preexisting states (Ashley 1984). Rather states and institutions are both constituted by a normative structure that, in a sense, goes all the way down.¹² Moreover, the institutions that rationalists tend to focus their analysis upon themselves are enabled by norms that constitute states as actors who can negotiate treaties or cooperate to create them in specific issue areas (Dessler 1989). Hasenclever et al. (1997:158–159) sum up this argument based on early constructivist scholarship:

The norms and rules that make up the institution of sovereignty define intersubjectively who can lay claim to the status of an actor in international politics and what rights and duties each actor bears in principle. Without such norms and rules it would make no sense to speak of either illegal intervention or legitimate self-defense. . . . Similarly, the norms and rules specifying the legal principle of *pacta sunt servanda* [treaties must be served] define what counts as a treaty and determine the conditions under which a treaty has to be regarded as binding the future volition of the participants. . . . And this is more than a semantic statement: in the absence of such rules, practices such as treaty-oriented negotiating or treaty-stabilized cooperation would not exist as well.

Following from these arguments, international social structure can be thought of as consisting very generally of three basic levels, with more fundamental norms at deeper levels than less fundamental norms. At *level one* are the fundamental norms of identity—the deep structure of the system—which identify who or what the primary actors are. Constructivists generally agree that norms that define “who counts as a constitutive unit of the international system” are the deepest (Ruggie 1998:20; Kowert and Legro 1996:467–468). In the contemporary period, constitutive norms have institutionalized sovereignty as the organizing principle of the international system and identified states as the sole repositories of sovereign authority.

At *level two* are norms that specify the minimum conditions for the co-existence of sovereign states. Level two norms specify the basic obligations owed to the society of states as a necessary and reciprocal requirement of membership. Norms at this level impart a particular social meaning to sovereignty. In other words, these norms perform the primary function of defining and stabilizing property rights by specifying how actors who claim the status “sovereign” are differentiated from other similarly constituted actors and how they may or should act.¹³ For example, these norms specify the sovereign equality of states, rules of nonintervention and nonaggression, property rights of states and jurisdiction, and diplomatic immunities. They also specify derogations from absolute sovereignty required for coexistence. In the contemporary state system, the key norm at level two is the notion of general and diffuse reciprocity. That is, all states are to be treated essentially alike, and enjoy the same rights and responsibilities. The norms of reciprocity and multilateralism, embedded in many less fundamental institutions, thus fall at this level.

Finally, *level three* norms constitute and regulate social relations differentiated functionally—by activity—as actors collaborate and coordinate activities to manage interdependence and solve collective action problems in specific issue areas, such as international commerce or environmental management. Such institutions by definition limit the *autonomy* of state action, but rest on state *authority* at deeper levels of social structure.

The exact content of each level is less important than the argument that social structure as a whole functions to arrange rules and institutions in terms of who/what is empowered to act, how they may act, and the range of actions they may legitimately take in pursuit of interests and objectives.

New ideas in one issue area are more acceptable if they “fit” with other norms at level three that govern related issue areas where functions may be linked or interdependent. In organizational theory, Zucker (1991:105) has

referred to this process as the “contagion of legitimacy” where norms become linked in networks of related functions so that changes in one necessitate changes in others; thus change is resisted. For example, in this case, new ideas about environmental practices are more acceptable the more compatible the fit with norms that govern interactions in related issues, such as trade norms embodied in the GATT/WTO. Contestation results when they do not. Indeed, much of the contestation over global environmental norms occurs at this level. Although a social structural explanation cannot determine for certain the outcome of that contestation, agreement on norms that conflict with other norms governing related issues at level three is likely to be more difficult and less coherent, and agreements that do result are often shaped by existing norms.

However, fitness also requires compatibility with norms at deeper levels. The formulation of international social structure here means that level three norms must be compatible with norms at levels one and two for social fitness to be easily achieved. For example, the evidence will show that evolving norms of sovereignty and multilateralism favored some forms of global environmentalism over others. Social structure affects barriers to entry and exit, political capabilities and external legitimacy claims. It favors some actors and identities over others, and thus shapes and shoves self-interest, which becomes defined in ways consistent with favored identities, and the ways to get what one wants within the social structural setting.¹⁴ Seen in this light, the evolution of environmental norms demonstrated in earlier chapters can be seen in the context of their fitness or competition with norms at various levels of social structure. The important point here is simply that new norms are likely to face much greater contestation if they are incompatible with deeper norms, such as those that specify core actor identities.

For the purposes of my socio-evolutionary explanation, I am not proposing a full-fledged theory of social structure. Rather, with this general notion of social structure in mind, I argue that its basic contours can be identified at any given time to identify the context in which new ideas must interact. Thus, while recognizing that systemic social structure itself is constantly evolving owing to the interaction of practices of actors (mainly sovereign states¹⁵, but other actors as well), that structure can be held constant for the purposes of analysis and identified as the “environment” that new norms face. In other words, social structure, at any given time, has a determinative content (norms and institutions), which can be gleaned through careful historical analysis and informed interpretation.

Because norms constantly face contestation, social structure is not completely determining. Actors make choices, constituted and regulated by

rules afforded them by social structure, which may delegitimize as well as legitimate norms and institutions. In recognition of this co-constitution of agents and structures, the final explanatory factor identified—compatibility or incompatibility of new norms with state identities—is brought in not as an entirely independent variable from social structure, but to highlight that agents' identities and interests simultaneously constitute and are constituted by social structure. For example, state interests derive in part from their "identities" as sovereign states, or members of communities such as "developing countries" or the "G-7," which then contribute to how these actors understand their interests. In addition, some fit with domestic political and socioeconomic organization among relevant states (their internally generated identities), and the way they project those values internationally, is also required since international social structure in the sovereign state system privileges states as actors (Ruggie 1983). A focus on social structure does not negate the role of domestic factors. However, even when interests are defined by reference to internal factors, they are also mutually constituted in a context of interaction governed by rules. The analysis can therefore remain primarily at the social structural level since I make no claims about the ultimate source of internal identities for the purposes of this explanation.

Power therefore plays a role in the reproduction and transformation of social structure, although not as traditionally measured by material capabilities alone. Rather, power is exercised in the context of an existing normative structure that reflects practices of actors constrained and enabled by that structure: agents operate within systems of rules that empower them and endow material resources with meanings and uses (Wendt 1994). In other words, power matters, but norms contextualize power relationships; they are the media through which actors decide on the appropriateness of practices and engage in contests over those practices. In this vein, John Ruggie (1983) argues that one must examine how power (capability) and social purposes become fused to project political authority, thus contributing to the formation and maintenance of international governance structures. In a normative structure that privileges sovereign states, the introduction of new ideas still depends in part on congruence with their social purposes. If identities of states change for domestic reasons, those changes can produce contestation within international social structure. Shifts in social purposes in major states may therefore signal changes in social structure more broadly.

It follows that social structure is *emergent*: agents act reflectively and "can produce instabilities that generate the propensity for self-organization" into

new self-reproducing structures.¹⁶ This process is especially likely when new problems or circumstances arise. Any social structural explanation is therefore limited in its ability to predict in the mechanical sense, that is, to specify generalizable antecedent conditions for particular outcomes because that structure itself evolves historically. However, by providing *reasons for action*—collective intentions and aspirations, legitimate behaviors, and so on—the general contours of social structure can be identified and held constant as described above to establish the available set of rules and resources on which actors can draw to construct new meanings (Ruggie 1998:16–22; Yee 1996). As the content of social structure changes, so too do the conditions for new norms to gain legitimacy. In this way, ideational change is contingent on social structural factors, and may lead to unintended consequences.¹⁷

Applying the Explanation

The remainder of the chapter shows that a socio-evolutionary explanation better accounts for the shift in environmental norms than alternatives already examined. Applying a socio-evolutionary explanation involves tracing through attempts to introduce ideas that linked environment and development, showing that actors promoted those ideas through legitimating institutions, and assessing how extant social structure selected some ideas over others and shaped the norms that were institutionalized toward liberal environmentalism.

Empirically, I show that economic ideas overshadowed scientific ideas and ecological thought in producing normative compromises at key junctures in the evolution of the environmental norm-complex over the last thirty years. Following the pattern delineated above, economic ideas that became influential largely did so within key institutions that, owing to their legitimacy, disseminated those ideas to member governments and other international institutions. Specifically, policy entrepreneurs working through the OECD and Brundtland Commission played the most significant role in generating economic ideas that brought environmental concerns into the mainstream of international governance. The OECD also identified the compromise—the fit with international social structure—that would eventually form the basis of agreement at UNCED. Policy entrepreneurs succeeded best at moving a concern for the environment into the mainstream of international politics when they nested environmental norms into the broader international social structure,

even as that structure evolved to reflect a new consensus on a liberal economic order.

Without these ideas and their nesting within key institutions, environmental governance was unlikely to have developed as it did and agreement on norms would have been more difficult and less coherent. Legitimacy of ideas mattered, but not simply in the way an epistemic communities hypothesis would suggest. In this way, the separation of economic and scientific ideas highlights the way a socio-evolutionary explanation avoids privileging particular ideas in advance, as the epistemic communities literature does with the argument that a single community is granted legitimacy based on its claim to authoritative and policy-relevant knowledge in a given issue area. In this case, that would leave the compromise of liberal environmentalism unexplained. Although an epistemic community is potentially a source of new ideas in both explanations, the difference comes in the starting points, and thus the main causal mechanism at work, in that a socio-evolutionary approach begins with social structure, through which ideas are selected, whatever their origin.

I have already presented much of the empirical detail for this explanation in chapters 2 and 3. To avoid repetition, below I elaborate on key events in the evolution of environmental norms only to provide evidence for the socio-evolutionary explanation, and refer back to earlier empirical details as appropriate.

LIMITED SUCCESS: ECONOMIC IDEAS, THE NORTH-SOUTH DIVIDE, AND ECODEVELOPMENT

The story of attempts to bring environmentalism into the mainstream of the international agenda demonstrates the repeated influence of economic ideas, but with varying speed and success. However, many of these economic ideas were not fully accepted until the advent of sustainable development thinking. When ideas succeeded, entrepreneurial leaders such as Maurice Strong, Mustafa Tolba, Jim MacNeill, and Gro Harlem Brundtland were necessary to pull those ideas together in legitimating institutions. When they did not fit with dominant social structures or make headway within legitimating institutions, those ideas failed to become institutionalized.

Beginning with Stockholm, recall that it was development and environment economists, not natural scientists, who first introduced the environ-

ment/development linkage that Stockholm Secretary-General Maurice Strong recognized as a requirement to get many developing countries to participate. These ideas responded to developing states' fears about an emphasis on lifeboat ethics or no-growth philosophy implied in studies such as *Limits to Growth* (de Almeida 1972; *Founex Report* 1972:12–13, 27). In particular, developing countries worried that trade barriers would be erected under the guise of environmental protection.

As mentioned in earlier chapters, Strong convened two key meetings in 1971 of small groups of “experts” to respond to these concerns. It was the second meeting, primarily of developing country economists in New York, that he called “the single most influential meeting in terms of my development of the agenda” (the first meeting at MIT was described in chapter 4).¹⁸ According to Strong, the New York meeting specifically aimed to bring development onto the Stockholm agenda. As former head of the Canadian International Development Agency, he had already decided that environment and development needed to be linked, but asked economist Barbara Ward to convene a group of “developing country economists and thinkers to really address these issues.” As he put it, “it didn’t take a genius to figure out that through the development process that we affect the environment, and only through improved management of the development process that we can actually address realistically environmental issues.” The New York meeting of economists started the process of giving that environment/development linkage intellectual content and legitimacy, especially in the developing world:

I was world champion right from the beginning of the whole need to integrate environment and development. That was my whole thesis for coming into it, my first speech to the preparatory committee made that clear. Now, mind you, that was a simple conceptual approach. I needed to put flesh on the bones and I needed a lot more professional guidance and professional help, and I of course went out to seek that. I’m not saying that I invented that, I mean that was such a logical thing. But I did in fact re-orient the entire Stockholm agenda [from the focus on pollution only, under Swiss scientist Jean Moussard].

Thus, it was the New York meeting that really allowed Strong to formulate ideas that would get developing countries interested in Stockholm, and could be considered the beginning of the evolution of ideas toward what eventually became sustainable development thinking at the level of international discourse.

Social structural factors, however, set the context for such efforts on the part of developing countries. At that time, developing countries' group self-identities, as reinforced through organizations such as the Group of 77 (G-77) and the UN Conference on Trade and Development (UNCTAD), reflected a view of the liberal economic order as structurally exploitative of them. These identities reflected in part their relative positions in the world economy, but also rested on shared historical experiences of colonialism and ideological commitments to economic theories such as dependency that gave a coherent, intersubjective, understanding of global order (Krasner 1985:53–60). Hence norms that underlay developing country positions stemmed from these identities and were reflected in a more general program of development goals. Developing countries, or experts from those countries, formulated and expressed these goals in relation to the environment in two more formal meetings in the lead up to Stockholm: the November 1971 Second Ministerial Meeting of the G-77 in Lima, Peru and the meeting of development experts in Founex, Switzerland. Founex, as mentioned in chapter 2, made a much more direct impact on the Stockholm preparations and, according to Strong, “it arose directly out of the [smaller] meeting . . . in New York,” which also provided Founex’s intellectual foundation.

Founex’s significance is worth reviewing. First, the report it produced demonstrated that developing countries were concerned about environmental problems, but were deeply suspicious of how the international community would deal with such problems if treated in isolation from development. Second, the report differentiated the environmental concerns of developing countries from developed countries. Finally, it presented environmental concerns in the context of a set of international norms consistent with developing country concerns, in particular those expressed in the Strategy for the Second Development Decade. For example, it emphasized the sovereign control of developing countries over their economic development and their own resources (*Founex Report* 1972:11, 22). In brief, Founex juxtaposed development and environment, showed skepticism for Northern concerns over global environmental problems when local environment and development problems related to poverty seemed far more important, and demonstrated a general antagonism toward a liberal economic order that appeared to unfairly disadvantage developing countries.

This combination of ideas meant that the economic ideas contained in Founex were unlikely to forge a global consensus acceptable to the North. Nonetheless, Founex forcefully demonstrated the need to reconceptualize the new international environmental agenda if a truly global consensus on action were to be achieved. Many of the economic ideas contained in

Founex persisted in various developing countries and cooperative fora right up until UNCED. For example, economic concerns expressed in the 1991 South Centre report show remarkable similarities to those in Founex. Many developing countries at UNCED, however, moved from those positions toward the consensus around norms in the Rio Declaration. Had new concepts not developed to forge politically acceptable linkages between environment and development, environmental governance might not have progressed beyond this North versus South, environment versus development stalemate.

The concept of ecodevelopment promoted at UNEP under Strong's leadership in the 1970s constituted the first real attempt to create a unifying set of ideas around environment and development. It in many ways came closest to the kind of synthesis that Haas's scientific ecologists might have desired. However, this attempted "marriage" of ecology and economy did not come from the science of ecology *per se*. Notably, as I pointed out earlier, Strong credited Ignacy Sachs, a French development economist, with giving the concept intellectual content, although ecological ideas clearly had an influence.¹⁹ However, the concept did not translate into great success in shaping governing norms (Caldwell 1990:202–204; Adams 1990:51–56).

Earlier I detailed the practical problems with ecodevelopment. However, another problem was that the concept itself was redefined from UNEP's attempt to fit ecodevelopment into a program that broadly promoted economic growth, into something more radical (Moffatt 1996:10). Robert Riddell's (1981) influential reformulation of ecodevelopment in his book of the same title—the most commonly cited on the topic—shows a much deeper suspicion of economic growth. It views growth through global economic expansion and industrialization as almost inevitably perverse in that it benefits already wealthy nations and small elites in developing countries. Furthermore, it perpetuates poverty, unemployment, overuse of resources, economic dependence, and a host of other social, economic, and environmental problems that hurt the majority of people in developing countries. The subtitle of Riddell's book—"Economics, Ecology and Development: An Alternative to Growth Imperative Models"—reveals the general orientation of his thought, which, although not hostile to growth *per se*, emphasizes "progress more than growth" (1981:149). Progress can be achieved, he argues, through administrative and social reform that includes population control, increased self-reliance at the individual and community levels, improved nutritional quality of food intake, and various other small-scale and local development initiatives. These programs should aim to fulfil local needs, and the achievement of social and economic goals in the con-

text of resource conservation and environmental protection.²⁰ Growth through economic expansion, large-scale capital investment, and liberalized trade is thus inimical to ecodevelopment as formulated by Riddell. This radicalization of ecodevelopment did not sell well in developing countries, leading politicians and industrialists did not support the concept, and the proposals appeared to many as idealistic and impractical (Moffatt 1996:11; Adams 1990:55–56).

Strong attributes this lack of success to the more general negative reaction in developing countries to ecodevelopment's apparent ecological focus. As Strong put it:

I suppose there's still a sense in which many people regarded the word "eco" more in its ecological than in its economic sense and the word sustainable appealed more to the sort of outright development constituency. The word "eco"—we never succeeded in getting it across as a synthesis of the two ecos. Rather it seemed to come out more on the ecological side. . . . I think in effect sustainable development sold better in the development side of the constituency (author's interview).

Neither the scientific and development communities around UNEP, nor the economists and other development experts in international development agencies, could produce the necessary North-South consensus or alliances among key state or institutional actors to create a focal point for environmental governance around ecodevelopment. Similarly, the World Conservation Strategy had only limited success in shaping overall governance structures, further demonstrating the limitations that policy-oriented scientists and environmentalists worked under when trying to sell environmental concerns as compatible with development.²¹

Although ecodevelopment failed in large part because of its incompatibility with economic norms at level three of social structure, it also posed a challenge to norms at levels one and two. Its failure exemplifies the difficulty new ideas face in becoming institutionalized when they challenge deep norms of social structure. Along with related strands of "green" thought, ecodevelopment stressed local control of economic activity and decision-making that could diminish the administrative control of the state. Recall that developing countries at Stockholm successfully institutionalized sovereign control over natural resources drawing on deeply institutionalized meanings of sovereignty in the postwar period. Given the limited lasting influence of other NIEO proposals, the legitimation of this norm provides evidence that it stood apart because it fit better with extant international

social structure at the time. Since World War II, level two of social structure has emphasized “negative sovereignty”—that is, sovereign equality and self-determination as reflected in state practice has been defined as freedom from external domination or anti-colonialism (Jackson 1990). In this context, ecodevelopment’s relative failure is understandable, as is the dashed hope of some activist scientists or environmentalists for a more holistic or global approach at Stockholm. Deeper levels of social structure militated against responses that appeared to undermine sovereign authority or centralized administrative control of the state.

The failure of ecodevelopment is an important part of the normative story since the failure of governing norms also gives insight into why others succeeded. As Moffatt (1996:11) colorfully puts it:

One of the positive results stemming from the theory of ecodevelopment . . . was that sustainable development became considered as an alternative way of organizing socioeconomic development in a way which would, as far as possible, result in less harmful environmental practices. Like the parable of the sower, many seeds of these ideas fell on barren ground; some were cultivated as ideological blue or red blooms, and fortunately, one or two seeds were able to flourish . . . [as] in the Brundtland Report.

The theoretical issue is why ideas associated with the Brundtland Report, and norms that followed from it, succeeded where others had failed.

SUSTAINABLE DEVELOPMENT AND THE OECD

The pivotal change in framing the problem of environment and development came from the OECD Environment Directorate. In this case, the OECD acted not simply as a club of rich countries, but as a research organization and policy entrepreneur. Its development of the Polluter Pays Principle (PPP) in the early 1970s created an intellectual basis on which to build future policies (OECD 1975). As mentioned, the spirit of the principle implies the use of market-friendly instruments such as pollution charges and tradeable permits that have been the trend in implementing the PPP in the 1980s and 1990s. Its main purpose is to support economic growth by achieving environmental protection with minimal distortion of markets. The notion of ‘getting prices right’ underlies the principle.

Given the growth-oriented goals of the OECD and other lead institutions of intergovernmental environmental governance (for example, the EC/EU and later the World Bank) the emphasis on growth- and market-oriented environmentalism within those institutions is not surprising. Hence, a focus on the normative environment within the OECD (the organization itself as well as member states) makes the policies outlined in chapters 2 and 3 more understandable. For example, Article 1 of the OECD Convention (signed December 16, 1960 in Paris) commits the organization to policies that aim “to achieve the highest sustainable economic growth . . . and sound economic expansion” of members and non-members and the expansion of multilateral, non-discriminatory trade (OECD 1973a:48). Following these goals, its stated environmental position recognizes “that governmental interest in maintaining or promoting an acceptable human environment must now be developed in the framework of policies for economic growth” (1973a:15).

Indeed, the OECD pioneered many aspects of economic thinking about the environment. These efforts came mostly from its environment committee established in 1970. There, a core subcommittee of economic experts introduced many of the ideas that the OECD council would later adopt and push in member states and at international gatherings (OECD 1973b:23). For example, the subcommittee developed the “Guiding Principles Concerning International Economic Aspects of Environmental Policies,” of which the PPP is a cornerstone. These principles fit within the committee’s primary mandate to “investigate the problems of preserving or improving man’s [sic] environment with the particular reference to their economic and trade implications.” Its guiding philosophy is that only an “expanding economy can provide the resources to meet the higher expectations of man [sic] in his quest for a better quality of life” (OECD 1973b:7–8). Complementing this pro-growth orientation, committee-sponsored work uses cost-benefit analysis as its primary method of evaluating alternative environmental proposals. Its research has concentrated on problems such as how to implement the PPP while maintaining fair competition in different jurisdictions. Current work in the Environment Directorate continues along these lines, and, since Brundtland, especially focuses on the use of economic instruments.²² However, these ideas did not just drop into international discourse or automatically become entrenched in environmental norms. Rather, individuals within OECD had to mobilize these ideas in order to pull the weight and legitimacy of the organization behind the dissemination of those ideas to powerful actors.

Similarly, the ideas germinated within the OECD for varying lengths of time before member states began to shift their policies toward this view of the environment, and thus they cannot simply be seen as deriving from domestic politics of powerful states. The ideas promoted transnationally clearly interacted with policy experiences and socioeconomic changes within member states, but the OECD as a policy organization played a leading role in defining and promoting particular policy responses ahead of the policy transition in member states (Hajer 1995; Weale 1992).

The signal event that brought these ideas into the mainstream of public policy came in 1984 when then Environment Director Jim MacNeill organized the "Environment and Economics" conference. MacNeill felt that part of the reason the decade since Stockholm produced such a poor environmental record was that it focused on "end-of-the-pipe" solutions that were a cost-burden to industry. The Environment and Economics conference meant to provide an economically rational response to such problems. In MacNeill's view, "We laid the intellectual foundations for what later became known as sustainable development in [the] OECD between '80 and '84," and the Economics and Environment conference articulated that foundation.²³ It greatly influenced member governments and business leaders, who were well represented there, in the direction of the OECD Environment Directorate's vision of environmental governance. The conference included high-level participants from OECD member governments, many at the ministerial level (for example, U.S. EPA Administrator William Ruckelshaus chaired one of the sessions). Also present were members of the European Commission, leading academics from the environmental economics community (David Pearce, for example), interested governmental and nongovernmental organizations, trade unions, industry leaders, and prominent individuals including Maurice Strong. The conference was chaired by Pieter Winsemius, minister of housing, physical planning, and the environment of the Netherlands. Recall Winsemius later co-authored, with MacNeill and Taizo Yakushiji of Japan, a major report on this topic for the Trilateral Commission (MacNeill, Winsemius and Yakushiji 1991).

Not only did the conference disseminate its views to powerful leaders in government and industry, it also constituted a learning process for OECD economists. As MacNeill put it, "[The conference] was with the active participation of the economic establishment in the OECD, and you know the OECD is to classical economics what St. Peters is to Christianity. I mean it's the keeper of the keys. And so we had the economic establishment involved and that was essential" for a wider policy impact (author's interview).

In a sense, this process of how new ideas found a fitness within the constraints and opportunities of the normative environment of the OECD is a microcosm of the larger process of normative evolution. Thus, the socio-evolutionary approach taken here clearly has similarities to arguments made in the “new institutionalism” literature to the effect that the “ideas and intellectual outlooks of specialists are filtered through the institutional settings in which they operate. Depending upon the details of a particular organization’s history and sense of mission, these settings can either hinder or promote particular ideas or outlooks” (Checkel 1993:277–278; March and Olsen 1984:739). New ideas about environmental policy put forward in the Environment and Economics conference were also shaped by the organizational goals and norms of the OECD and the economics profession that dominated its work. In addition, with the “economics establishment” within the OECD on board, legitimacy within the OECD as a whole was greatly enhanced.

The findings of the Economics and Environment conference emphasized the desirability of strengthening the role of economic instruments and the reciprocal positive linkages between environmental protection policies and economic growth. Studies presented found that expenditures on environmental protection had actually increased growth, spurred innovation, and increased jobs at the macro level, although losses might be experienced in specific industries. It also found that economic instruments were more efficient, more effective in the promotion of innovation, and more appropriate for environmental policies that had shifted toward prevention. This latter finding was key, as it suggested that not just any form of environmental protection could solve the environment/economy dilemma, but policies that geared environmental protection towards compatibility with economic growth and the operation of the market would (OECD 1985; Jim MacNeill, author’s interview).

These findings, MacNeill said, turned conventional wisdom on its head that said the environment and economy were enemies, and that the best that could be achieved was a balance between the two. He summed up the influence of the conference this way:

We came out of that conference with [the] OECD saying for the first time . . . that the environment and the economy can be made mutually reinforcing. That was a breakthrough conclusion for that organization. It changed the way a lot of people began to think about the environment and the economy. And it was that conclusion . . . that I took with me into the Brundtland Commission in late ’84 when we got started.

And that formed one of the cornerstones, and a very large cornerstone, for the Brundtland Commission's report and its conclusions with respect to sustainable development (author's interview).

In this way, the conference played a major role in shifting the way governments, business, and the economic establishment at the OECD thought about environmental issues and the best ways to address them. In particular, the conference cemented the view, at least among key elites in the North, that economic growth and environmental protection could be compatible.

MacNeill's later role as secretary-general of the Brundtland Commission—Gro Harlem Brundtland picked him based on her contact with MacNeill while she served as Norway's representative to the OECD Environment Committee—ensured these ideas would gain further legitimacy. In addition, the Brundtland Commission could shape those ideas to find synergies with other norms then dominant in multilateral activities between North and South. Asked whether his work at the OECD had a big influence on the Brundtland Commission's work, MacNeill responded: "Oh, well I know that! I mean I brought it into Brundtland and I was primarily responsible for Brundtland, so sure, it had a big influence there" (author's interview). He also said the ideas influenced industry through groups such as Stephan Schmidheiny's Business Council on Sustainable Development.

MacNeill did more than just carry ideas, he wrote a detailed agenda for the Commission that would be distributed to all participants. However, the original version contained two agendas—the "standard" agenda, which fit with traditional approaches to conservation and environmental protection, and the "alternative" agenda, which—although it contained many other facets—fit generally with the OECD findings already listed. The other key innovation in the "alternative" agenda was to take a sectoral approach. That meant looking at environmental problems in the context of the economic sector as a whole in which they occur, rather than looking at a particular environmental problem (for example, natural resource issues such as deforestation or pollution issues such as acid rain) in isolation. A sectoral approach would, for example, examine the problem of climate change in the context of the energy and transportation sectors, and tropical forests and biodiversity would be approached from their common sources in agricultural, forestry, trade, and aid policies (MacNeill 1984:17–27).

In what was arguably the most significant decision of the Commission, it decided to distribute a version of the report to those making submissions that contained only the "alternative" agenda. That agenda then formed the intellectual basis for Brundtland's version of sustainable development.²⁴

Asked why the Commission had not settled on some other terminology, such as IIASA's "sustainable biosphere," MacNeill said that it represented simply an updated version of the standard environmental protection agenda. As such, it would have led to proposals not much different than the World Conservation Strategy, which he felt just tacked development on to a resource management agenda. In contrast, "If you read [*Our Common Future*] you'll find that we begin with growth and the growth imperative. And we talk about the environmental consequences of that and we raise questions about the sustainability of growth. . . . So our point of departure is not the environment. It's the imperatives for growth" (author's interview). This selection process by MacNeill and the Commission helped to ensure that ideas embodied in the "alternative" agenda would dominate. In other words, it ensured that economic growth would from then on be at the core of global environmental governance.

The influence of the OECD on the Brundtland Commission admittedly worked somewhat in the way the epistemic community literature would predict. However, key actors who carried ideas were policy entrepreneurs, not primary researchers. More importantly, the ideas adopted rested less on consensual knowledge and more on institutional backing where legitimacy existed for the policy areas Brundtland would address thanks in large part to the groundwork laid by OECD. Policymakers took notice when the OECD, viewed as highly legitimate and appropriately engaged in economic matters, supported the environment. The UN backing of the Brundtland Commission provided added legitimacy for those ideas to gain a wider government and nongovernmental constituency in the North and South.²⁵ Organizations such as UNEP and IUCN had greater difficulty in gaining legitimacy for their ideas beyond their environmental constituencies.

At around the same time as the release of the Brundtland Commission report, many domestic environmental policies underwent changes that incorporated ideas consistent with the report's findings, even if actual implementation of such ideas has been uneven. For example, Weale and Hajer discuss these changes as a move toward "ecological modernization" and away from the previous conventional wisdom that the balance between the economy and the environment was a zero-sum game.²⁶ Most of these changes in domestic policies followed on the heels of the Brundtland Report, although strict causality would be difficult to determine as many of the changes occurred virtually simultaneously with the report's findings, and some occurred earlier. Nonetheless, Brundtland did provide a legitimating set of policy norms and responses to environmental problems that seemed to respond to the failures of policies in the 1970s. For example,

Weale notes that a large number of OECD countries began to recognize that old environmental problems continued, despite expensive regulatory measures, while new environmental concerns, particularly transnational issues, gained greater prominence (Weale 1992; Hahn and Stavins 1991). The responses advocated by the Brundtland Commission helped to re-frame environmental policy discourse in a way that states and various interested publics found palatable as responses to such problems.

Although Weale (1992:31) points to a large number of domestic socio-economic factors that contributed to these changes in domestic policies, he also notes that “the argument emerged, most notably in the Brundtland report, that environmental protection to a high level was a precondition of long-term economic development,” and that domestic reforms drew from these new ideas of ecological modernization articulated therein:

This body of ideas became appealing to many members of the policy elite in European countries and international organizations during the 1980s. . . . Part of its appeal, I conjecture, is that it has the potential to break the political stalemate between the clean air advocacy and the economic feasibility advocacy coalitions. Once it is recognized that pollution control can itself be a source of economic growth . . . then the balance of argument in terms of economic feasibility is tipped toward clean air rather than away from it (1992:79).

These new ideas thus “fit” relatively well with general economic goals of relevant states and also responded to a growing public concern. This discussion should not imply that the approach taken here better explains the actual direction of environmental policies in any given country than factors identified in alternative approaches to explaining domestic policy. Rather, it simply shows that the norms promoted by Brundtland found a fitness with the social identities and purposes of states around this period. As I will show presently, those social purposes themselves also began to undergo changes that coincided with changes in the international political economy as a whole.

THE “FIT” WITH SOCIAL STRUCTURE

The Brundtland Commission process coincided with a period of change in the international political economy and domestic economies in many

countries. Internationally, remnants of New International Economic Order (NIEO) discourse still existed within the United Nations system, but any serious negotiations over an NIEO had already ground to a halt by the early 1980s. In this context, the Keynesian-style compromises described in chapter 2 reflected somewhat the broader normative shape of North-South dialogue in the mid-1980s. However, by 1987 when the Brundtland Commission released its report, those norms were already losing legitimacy. These changes in the international political economy in the late 1980s created an enabling environment that encouraged one particular path from Brundtland, reinforcing the legitimacy of the parts of the report most consistent with liberal environmentalism. The line of thought on which Brundtland based its core findings clearly legitimated this pathway, but the shift in economic norms created a particular social structural environment that selected how Brundtland would be used.

The key change that nearly coincided with the release of the Brundtland report occurred primarily at level three of international social structure, evidenced by changes in developing country identities away from consistency with NIEO goals toward, in many cases, identities more consistent with full participation in a liberal economic order. As described in chapter 3, these changes in the late 1980s, epitomized by the “Washington Consensus” to combat developing country debt, created a hospitable normative environment for WCED’s ideas that formed the basis of liberal environmentalism. The general trend toward the retreat of the state from the economy, opening financial markets, promoting free trade, and acceptance of market forces as the main engine of economic growth gained wide acceptance in North and South alike, even in many formerly socialist economies.²⁷ I am not attempting to explain this shift in economic norms, only noting that given the broad experience of these changes at the global level, they would be difficult to derive from domestic preferences alone. Indeed, this change in social structure is an important story in itself that others have attempted to explain elsewhere.²⁸ For the full picture, one would need to combine the stories of the switch from Keynesianism to monetarism in economic policy in OECD countries, policy convergence in the European community, and the spread of the policy consensus through the developing world and the former communist bloc at the end of the Cold War.²⁹ The important point for the argument here is simply that such changes occurred, altering the social structural environment with which ideas about environmental action would interact. Most notably, the changes in social structure helped legitimate the framing of the environment *problematique* agreed to in Rio.

Interpretations of sustainable development during the lead-up to Rio emphasized elements consistent with these social structural changes. Recall that G-7 summit statements, later OECD environmental policy proposals, EC and EU environment programs, and a number of statements from international environmental gatherings demonstrated the impact of these ideas on future environmental policy research and programs, both domestically and internationally.³⁰ It should be noted that many of these research programs focused heavily on market mechanisms and fit with liberal economic norms that promoted growth. Thus, they emphasized the pathway from the Brundtland Commission report most consistent with the research generated at OECD.³¹ MacNeill's own work in the period between Brundtland and Rio further entrenched this particular pathway to Rio with his influential report to the Trilateral Commission (MacNeill, Winsemius, and Yakushiji 1991).

In an even greater sign of just how far the normative shift reached, UNCTAD, the ideological center of demands for a NIEO in the 1970s, began in 1991 to work on greenhouse gas emission trading, and issued a major report on the subject in 1992 as a contribution to its work on the Earth Summit. As discussed in chapter 3, this reflected a broader normative shift within the institution and among its member governments, both toward a greater acceptance of liberal economic regimes and a greater attention to the environment. The 1992 "Cartagena Commitment," for example, explicitly reinforces the main Brundtland Commission finding on the compatibility of growth and environmental protection, and its analytic work supported the view that trade and sustainable development can be made mutually supportive (United Nations 1993:para. 39; Arda 1996:81). Its work on market-based solutions continues, including its organization, along with the Earth Council, of the Greenhouse Gas Emissions Trading Policy Forum to provide support to interested governments, corporations, and NGOs to launch a plurilateral GHG emissions market. It also coordinated research within the United Nations system on design and implementation of an effective Clean Development Mechanism for the climate change convention. More broadly, it continues to conduct focused research and support policies that promote positive linkages between liberalization, economic growth, and sustainable development.³²

Economists often played a major role in influencing such programs, research, and policies through their analytic work, but became empowered by liberal environmentalism as much as vice-versa. As norms around liberal environmentalism gained legitimacy, policymakers and political leaders enlisted environmental and other economists to formulate specific

policies that fit with the new-found legitimacy for growth-oriented environmental policies.

The U.S. case provides an excellent example. Project 88, mentioned briefly in chapter 3, came about not through the initiative of Robert Stavins, the Harvard economist who headed up the project, but through Senators Timothy Wirth (D-Colorado) and John Heinz (R-Pennsylvania). The two senators saw an opportunity to bring greater legitimacy to ideas that had been promoted already, with only limited success, by nongovernmental groups such as the Environmental Defense Fund. As Wirth put it:

Senator Heinz and I thought that economics was pervading everything else during the Reagan era and a lot of other issues were being looked at through an economic lens and why should environmental issues be excluded from that? . . . environmental issues could not exist in a vacuum (author's interview).

Wirth approached Stavins shortly thereafter, not vice-versa. Stavins is even more blunt about the legitimization process that was central to getting new ideas accepted:

I think it's easy to forget that because the political landscape has changed so tremendously in regard to [market] instruments in the intervening years. . . . We had to be careful about how we approached this. After all, economists had been pushing these ideas for 30 years and the political process had been ignoring them. So it wasn't enough to just present the ideas. It's not the ideas that mattered. What really mattered was the framing, the packaging. . . . The most important article in the newspapers that led to the breakthrough of getting attention was by [columnist] Peter Passell in *The New York Times*. . . . [Passell wrote that] it's not so much what it says, but who said it. And when [Passell wrote that] who said it was important, he wasn't referring to Stavins, he was referring of course to two senators, a Republican and a Democrat. He makes it very clear in the article and that was what was of critical importance (author's interview; Passell 1988).

Stavins noted that even in the United States, where the compatibility of the market and environmental protection had been pushed throughout the 1980s, the ideas still had to be framed in a way to gain consensus from the environmental and, in the U.S. case, the non-Republican constituency. In *The New York Times* article referred to above, Passell (1988) drove home the

importance of Senators Wirth and Heinz's support for Project 88 when he wrote: "Their imprimatur confers a new political legitimacy on economists' ways of thinking about environmental problems." Similarly, the Brundtland Commission was able to frame issues, and gain publicity for that framing of environment and development, in a way that would find consensus within a very wide audience beyond the elites who interact with the OECD.

Project 88, as initially conceived, aimed at domestic environmental policy, and was not much influenced by the Brundtland Commission report. Nonetheless, because it influenced U.S. policy through the Clean Air Act amendments of 1990 (through tradeable permit schemes for sulfur dioxide emissions, for example), it helped to provide broad-based legitimacy for a more economic view of international environmental policy. Wirth believes that it made the Clean Air Act amendments possible. "Whether it was Project 88 that did it, it's certain that Project 88 legitimized a lot of the things the Bush administration was trying to do" (author's interview). This legitimation carried over into U.S. foreign environmental policy in the lead-up to and, to an even greater degree, following Rio, when Timothy Wirth became the U.S. Under Secretary of State for Global Affairs, responsible for global environmental policy in the Clinton administration. According to Wirth, many of the ideas in Project 88 found their way into the U.S. Environmental Protection Agency, Department of Interior, and the State Department prior to Rio and informed the positions taken there (author's interview).

At the international level, the synergy between ideas in Project 88 and ideas of sustainable development as they had begun to be understood following Brundtland facilitated the building of consensus toward Rio to overcome the North-South divide. In Wirth's eyes, Project 88 is "absolutely" compatible with sustainable development. "Sustainable development all has to do with the attempt to link environment and economics. Project 88, I hope, contributes to an understanding of how you make sustainable development work" (author's interview). Such work contributed to allowing the United States, European, and other OECD countries to go into Rio and, despite suspicions of developing country motives and the development side of the Rio agenda, agree on a basic set of governing norms with the South. Agreement was made possible because sustainable development could mean that a liberal economic order and environmental protection could be perceived as compatible.

Although projects such as Stavins' and David Pearce's in the United Kingdom were repeated much more in the North than in the South, the

general normative changes in the international economic order meant such ideas could more easily find synergies with the growing domestic consensus among states in the South as well. These changes also acted to disrupt the unifying “developing country” identity of the South and thus their opposition to the liberal economic order as unjust.

In addition to finding synergies with growing domestic consensus among major states in the North and South, sustainable development ideas found support within other UN institutions previously reluctant to incorporate environmental concerns. For example, I have already described the World Bank reforms and its leading role in the GEF. Recall that the Bank’s influential 1992 World Development Report on environment and development, like WCED, argued that massive economic growth (3.5 times increase by 2030) is necessary for achieving other ends, including environmental protection and poverty reduction (World Bank 1992b). Brundtland made it possible for the World Bank to proclaim its new “green” image and still promote market liberalization, private property rights, and market-based instruments to change environmentally damaging behavior.

The socio-evolutionary explanation does not provide the immediate causes of the Bank’s newfound attention to the environment, which evidence suggests stemmed also from environmental groups’ pressure and the leverage they gained through U.S. Congressional hearings in the mid-1980s on the environmental impacts of the Bank’s lending (Rich 1994:136–38). Whereas WCED did not cause these changes in the Bank in a mechanical sense, it played an important normative or enabling role. The Brundtland report legitimated a form of international governance consistent with the Bank’s development philosophy of export-led growth, open markets, and domestic liberalization, while at the same time it provided an opportunity for a response to environmental criticisms of its lending policies. WCED allowed “win-win” strategies, whereby “links between efficient income growth and the environment need to be aggressively exploited” (World Bank 1992b: iii).

Meanwhile, norms at levels one and two continued to militate against the institutionalization of ideas that challenged state sovereignty from above. For example, chapter 3 noted that global management schemes such as those supported by the Common Heritage norm have fallen out of favor. Indeed, the delegitimizing of the Common Heritage Principle (CHP) and the acceptance of its reinterpretation in the 1994 Law of the Sea agreement owed much to social fitness. UN Secretary-General Javier Perez de Cuellar noted as much when he launched negotiations to overcome the impasse in Part XI (the provisions on deep seabed mining) of UNCLOS III that had

scuttled the 1982 agreement. The report of the Secretary-General on the new agreement notes that de Cuellar felt that cooperation had become possible because, among other reasons, the “general economic climate had been transformed as a result of the changing perception with respect to the roles of the public and private sectors. There was a discernible shift towards a more market-oriented economy.”³³ This change in social purposes among many states meant new common ground could be forged on the meaning of the CHP to reinterpret it to be in conformity with market norms. Taken as a whole, the final outcome of UNCLOS III legitimated sovereign control and market principles, thus it reproduced established norms at level two and three of social structure, much as did the agreements at UNCED.³⁴

Other challenges from above have come in the form of proposals to grant more authority to transnational institutions for science or support a more general social movement to increase democratization and common culture at the global level. Indeed, many strands of environmental thought have long supported the creation of a more cosmopolitan world order that limits the role of sovereign nation-states. “In such a world,” Dan Deudney (1993:301) speculates, “the nation-state system [would be] pushed somewhat from the center of world political order.”³⁵ The early impetuses behind global environmentalism, as articulated in even mainstream publications such as *Only One World*, were to push in the direction of a greater sense of planetary citizenry and global stewardship (Ward and Dubos 1972). Instead, as I showed in earlier chapters, actual responses have been consistent with sovereign authority and in opposition to global management (except by sovereign states) or relinquishing control to institutions of science. (Note, norms at level one and two militate against relinquishing of sovereign authority, not of state autonomy, which by definition is relinquished to varying degrees whenever a state enters into an international agreement). As others have pointed out, most of the institution-building in response to global environmental concerns has occurred within the confines of traditional sovereign-state diplomacy (Litfin 1993; Conca 1993). The continued reinforcement of sovereign control is in spite of the observation by many scholars and environmentalists that the state is not the appropriate site for, or source of, effective management of environmental problems.

Furthermore, international programs and policies aimed at tackling specific global environmental problems tend to act through states rather than directly on domestic actors or processes. To take one particularly important example, the Global Environment Facility—the primary channel for multilateral lending and aid for environmental protection—reflects the

intergovernmental institutional setting of its three backing agencies, the World Bank, UNEP, and the UNDP. As described in one study:

Each of these organizations was formed through interstate negotiations, and state representatives and interests play a dominant role in their activities. As such, it is the map of states more than any other map that is the spatial frame of reference for decisionmaking by these organizations. This particular state-based worldview is necessarily reflected in the operation of the GEF: the GEF's fourth "operational principle" explicitly states that "the GEF will fund projects that are *country*-driven and based on *national* priorities designed to support sustainable development, as identified within the context of national programs" (Shafer and Murphy 1998:258).

At the same time, Shafer and Murphy note that the environmental problems that GEF funds aim to address cannot usually be defined by state boundaries. For example, biodiversity "hot spots" or regions most targeted for special need of multilateral assistance and urgent attention often do not fall within the boundaries of single states. Like major waterways (such as the Nile or Mekong river basins), these transborder or international areas that fall within the scope of the GEF, as is the case with global issues such as climate change and ozone depletion, are not likely to be best protected by relying on "national priorities" (Shafer and Murphy 1998). According to the explanation presented here, the social structure of the international system reflects deeply institutionalized norms at levels one and two that explain this sovereign state-territorial framing of responses to global environmental problems that cannot be easily overcome.

Hence, it is not surprising that UNCED reproduced norms consistent with the practices of sovereign statehood and control. Although various ideas about environmental governance pose challenges to sovereign state control, attempts to institutionalize such changes have generally failed because of the perception that they threaten the identity and status of some states. Levels one and two of social structure tend to enable only a limited range of responses to global environmental problems.

UNCED OUTCOMES AND LIBERAL ENVIRONMENTALISM

Were the UNCED outcomes themselves completely preordained by the legitimization of liberal environmental norms? The answer is of course no. Any

given set of international negotiations includes competition among specific interests, complex dynamics, and unexpected and nonpredictable events. Nonetheless, the UNCED negotiations clearly did occur in the context of a relatively accepted set of legitimating norms around the concept of “sustainable development” and, I have argued, its legitimation as liberal environmentalism. Much of the legitimation had already occurred within the United Nations system and had been reinforced through multilateral fora such as those listed above and in chapters 2 and 3. The micro processes through which this happens have been described by others with different terminology—Ernst and Peter Haas (1995) describe it as learning, Gunnar Sjöstedt (1994) describes it as building consensual knowledge, and Oran Young (1996), on a slightly more macro level, describes it as institutional linkages. Nonetheless, the underlying phenomenon, I would argue, is the same as coming to use a common, and legitimate set of norms on which governance is built.

At the level of process, the UN system itself reflects existing normative compromises in the international system. The various organizations and actors reproduce that normative structure in their activities, which, after all, depend on support from their state sponsors. Indeed, their legitimacy depends on it. As a UN process, UNCED undoubtedly reflected norms that had made headway within various relevant institutional arrangements within the UN system, and helped to create an environment for the normative compromises produced at Rio. Sjöstedt (1994:82), for example, in looking specifically at the UNCED process, focuses on how what he terms the “UN bureaucratic-organizational culture” colored UNCED consensual knowledge. He notes that activities of relevant functional agencies (for example, the World Bank and UNDP for poverty reduction or the FAO for the relationship between agricultural productivity and the environment) had direct input into decisionmaking and framing of problems. Moreover, the UNCED secretariat called on the expertise within those agencies for issue clarification. As the process unfolded, the relevant agencies often helped fit national reports or particular problems into a conceptual framework and program language understandable within and across UN agencies involved. This institutional culture did not determine the content of particular policies outright. However, observing that culture gives some indication at the level of process of how the existing social structure of international politics gets reproduced on the micro-level, even when it evolves in novel ways such as in the framework of Agenda 21—a creation of the UNCED secretariat (Sjöstedt 1994).

Similarly, learning that had gone on within states and the UN system about sustainable development made the more radical proposals of the

South Centre, for example, seem almost anachronistic or a remnant of the NIEO period. Neither did the South Centre (1991) offer up a coherent alternative to “sustainable development.” Hence, the proposals reminiscent of the NIEO did not muster the unified support necessary to achieve success at Rio. At the same time, norms such as the entrenchment of sovereign control of resources and even more radical proposals, such as a right to development, gained acceptance because they could be framed as compatible with the norms of liberal environmentalism. Meanwhile, proposals to apply the common heritage norm to biodiversity faced strong resistance. It should not be so surprising, then, that even the United States could not succeed in straying from this consensus with, for example, its position that trade measures to protect the environment should be allowed under certain circumstances (Kovar 1993). Liberal environmentalism, to maintain legitimacy, had to support an open international trading system.

Overarching this entire process are dominant norms of international society that the UN system and its components both reflect and reproduce. The ideas around sustainable development set the path to Rio, but their interaction with the evolving international social structure gives the broader picture of how environmental governance changed to institutionalize liberal environmentalism.

CONCLUSIONS

This chapter has argued that a socio-evolutionary approach is more enlightening than an epistemic communities approach to understand why international environmental governance evolved as it did since 1972. It showed that economic ideas were the source of many of the major developments in the normative evolution of environmental governance, but new norms did not simply arise as a result of those ideas, whether or not they were carried by a specific community of experts. Instead, ideas did or did not become institutionalized as governing norms based on their interaction with the existing social structure of international society.

Ecodevelopment failed whereas sustainable development succeeded because ideas around the latter found legitimacy in key policymaking institutions such as the OECD. However, that legitimacy was not enough. Policy entrepreneurs had to use the legitimacy of the OECD to promote those ideas. When they successfully linked those ideas to the Brundtland Commission process, it provided added legitimacy to a wider government and

nongovernmental constituency in the North and South. Those ideas, although many had roots in earlier thinking about environment and development, successfully broke from previous thinking by reframing environmental protection in the language of economic growth. The fitness and interaction with the wider international social structure helped to select a particular pathway from the Brundtland Commission report to liberal environmentalism. In doing so, it entrenched the most significant shift in global environmental policy since 1972—the shift from considering the environment mainly in the context of environmental protection alone to governing norms that now link virtually all global environmental action with liberal economic norms that promote growth.

Disentangling the causal chain of the three factors of ideational success is not easy. For example, UNCED not only reflected an emerging consensus on the proper norms for the international political economy, but may also have played a role in legitimating those norms. The fact that social structure is constituted by practices of actors makes such linear causal thinking inappropriate. Nonetheless, the conditions of entrance for new ideas and norms does suggest causal weight can be attached to the three factors identified in combination—legitimacy of new ideas, fitness with social structure, and fitness with social purposes or identities of major states—and that they reveal a process through which new norms get selected. Since UNCED also promoted some new norms not yet well institutionalized in international social structure, the question remains whether these new challenges will seriously contest existing norms. For example, the increased activity and legitimacy of non-state actors might find openings to gain further legitimacy. Contestation of norms does not cease once they become institutionalized; rather the interaction of practices of actors and the social structure those practices constitute is an enduring condition of world politics.

Theoretically the chapter has attempted to move away from strictly rationalist conceptions of the influence of ideas on international governance to answer some of the critiques raised in the ideas literature. Since the explanation outperformed an epistemic communities explanation in what could be considered its paradigmatic case, it suggests some confidence in its utility for explaining normative evolution in other cases as well. At the least, the socio-evolutionary approach suggests one way to think systematically about the interaction of ideas and their environment, and thus merits further research and refinement. More importantly, the questions it addresses are critical for those interested in understanding the type of world order that institutions promote.