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Intergovernmental organizations and the environment: Introduction

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Many environmental problems have increased in severity during the second half of the twentieth century. Pesticide use has increased, species have become extinct, soils have become depleted. While environmental problems have proliferated, so too have intergovernmental organizations intended to address them. In 1972, the UN Conference on the Human Environment explicitly put the environment on the international agenda and laid the groundwork for the establishment of an intergovernmental organization: UNEP. Fifteen years later, the Brundtland Commission's 1987 report, *Our Common Future*, highlighted an increased appreciation for the intersectoral nature of environmental problems and emphasized the close relationship between economic development and environmental concerns (WCED 1987). In 1989, the General Assembly established the UN Conference on the Environment and Development (UNCED). After two years of preparatory committee meetings in Nairobi, Geneva, and New York, this conference convened at the heads-of-state level at the Earth Summit in Rio in June 1992. One important result of UNCED was the establishment of a high-level coordinating and agenda-setting Commission on Sustainable Development (CSD). The CSD was mandated to pursue the integrated agenda of development and environment identified by the Brundtland Commission, further defined at the Rio Summit, and set out in Agenda 21.

The chapters in this section examine the history, mandate, and activities of three intergovernmental organizations that have been active par-

ticipants in the formation of the global environmental agenda. UNEP is the oldest and core UN agency with a specifically environmental mandate. The CSD is a relatively new international environmental organization, founded in response to the new sustainable development agenda set by UNCED. Finally, the World Bank is an influential international organization whose core mandate is not concerned with environmental protection, but whose activities have a major effect on prospects for the international coordination of environmental protection. The chapters examine how the mandate, the configuration, and the resources of each organization have influenced its ability – as well as the collective ability of intergovernmental organizations in aggregate – to address global environmental problems. While each chapter evaluates one organization individually, the larger purpose of this collective undertaking is to evaluate whether existing organizations together meet the need for a coordinated approach to protecting the global environment.

Theoretical context: Evaluating international organizations

The field of political science has produced a variety of theoretical insights that are applicable to the cases discussed here. This section provides a very brief overview of some definitions and concepts that are central to the discussion that follows.

Basic definitions

Political scientists make distinctions among harmony, deadlock, coordination, and cooperation (Oye 1985). As Oye argued, harmony exists when parties carry out activities unilaterally that are in their individual interests and that result in mutual benefit. Deadlock persists when parties choose policies in their individual interests that result in conflict regardless of what others are prepared to choose. Both outcomes can explain many instances of what is taken to be ''cooperation'' success and failure that is incorrectly attributed to coordination and cooperation. Real coordination implies that although parties share a common interest in an outcome, they would not achieve that outcome without some conscious act of mutual agreement (as when traffic rules specify which side of the street cars drive on). Finally, real cooperation denotes that parties have worked together to accomplish something and that divergent interests have been taken into account and collective action problems overcome. As the tasks undertaken by the organizations discussed in this volume are considered, it will be useful to take note of the extent to which they reflect simple harmony or simple discord, or, in more complicated ways, codify or formalize coordination or create the conditions for the more difficult task of cooperation.

Another distinction of significance for this discussion is that between institutions and organizations. Oran Young makes a strong argument for keeping this distinction clear at all times. Institutions, as defined by Young, are ''social practices consisting of easily recognized roles coupled with clusters of rules or conventions governing relations among the occupants of those roles'' (Young 1989, 32). This definition is very broad. Examples of institutions, according to this definition, include both treaties and less formalized understandings among individuals or nations that guide behaviour. He defines organizations, on the other hand, as ''material entities possessing physical locations (or seats), offices, personnel, equipment, and budgets.'' Young notes that an organization is often created in tandem with the creation of an institution – of which it may constitute a subset or which it may be responsible for administering – but that both institutions and organizations may also be free-standing. Furthermore, he points out, it is important not to assume automatically that all international cooperative arrangements must be embodied in or accompanied by an organization. Indeed, some purposes are best achieved by means of a decentralized regime that is not administered by a single organization – or, indeed, by any organization at all. As the organizations discussed here are considered, one should be aware of how they are interrelated with institutions. The relationship is clearest in the case of the CSD: the organization is specifically intended to promote adherence to the more general institution of Agenda 21 and the other commitments signed at Rio. UNEP has been an active agent in forming institutions itself; however, it cannot really be said to be the creature, instrument, or implementing body of any single overarching institution. Finally, the World Bank as an organization is clearly not part of any specific environmental regime. It is a creature of the international economic regime, broadly conceived, that was established at Bretton Woods. Despite the collapse of the Bretton Woods system, its goal of trade liberalization and the promotion of economic growth worldwide continues in part through organizations, such as the World Bank, to which it gave rise.

As the functions these three organizations serve are considered, as well as the areas they fail to cover, it will be helpful to keep this distinction in mind. In particular, it may be the case that some of these functions clearly require an actual organization to carry them out, whereas other goals might best be achieved by a decentralized institution.

Institution-building with and without hegemony

One perspective on international cooperation is the realist perspective. Many realists would argue that the term ''international organization'' is an oxymoron. International politics among equal sovereigns is, according to some views, essentially anarchic. Given the sovereign indepen-

dence of the component states, what must be studied is how states are either dominated and thereby organized or not dominated and thereby disorganized.

Realists describe a world defined by anarchy and characterized by a constant struggle for relative gain among states (Grieco 1990). In this world, cooperation can emerge only when there is a hegemon, one state with sufficient power to create and enforce it. If a cooperative international system serves the interests of the hegemon, then the hegemon will bear whatever costs are necessary, including the costs of coercion, to perpetuate cooperation. Thus, hegemony produces a situation in which one state is powerful enough to maintain the essential rules governing inter-state relations, and willing to do so.

States do, however, share some interests. The analysis of a complicated world in which states share some interests and are not dominated by concerns for relative power belongs to two principal schools of thought inspired by a more liberal outlook on world politics. The first, functionalism, studies the ways in which states organize themselves to promote cooperation, establishing regimes and institutions which serve the limited common purposes that states are willing to acknowledge. In the functionalist paradigm, international organizations are seen as agents, forums, or instrumentalities of states' interests. The second approach, neofunctionalism, notes the equally obvious fact that international organizations are actual organizations with budgets, headquarters, staffs, and, most notably, their own set of interests. Moreover, the gap between states and international and transnational organizations (IOs and TNOs) is not as vast as international law would make it appear. How many heads of state would not trade their influence, budget, and degree of autonomy with those of the World Bank, the International Monetary Fund, or even General Motors? International organizations are themselves actors with interests and agendas. Like a state, an international organization can grow or decline; like a state, it can dominate, facilitate, or collapse. Robert Keohane's book, *After Hegemony*, argues in this vein that states can achieve cooperation without a hegemon. When states are enjoying peace and relative compatibility of interests, they may establish institutions that help them to maintain good communication and the tools for successful cooperation even at a later point when interests diverge and new challenges arise (Keohane 1984).

Functionalist and neofunctionalist perspectives on cooperation

Functionalism considers states to be the primary actors of significance, and organizations to be forums or instrumentalities of states' interests. Functional theories of cooperation assert that actors have both common

and competitive interests and organizations are the instruments through which states pursue their interests in coordination and cooperation. Within this framework, it is possible to identify the conditions under which these organizations are most likely to be successful. Organizations will succeed if they have clear, fixed purposes; if there are high returns on expertise; if clear property rights can be delineated; if there are coherent constituencies with clear interests; and if problems are simple and divisible and yet connected. The functionalist perspective on international organizations is well illustrated in some of the insights of game theory and economics.[1]

The classic works of functionalism, including David Mitrany's *A Working Peace System* (Mitrany 1966), were discursive treatments of how positive and negative interdependence (''spillover'') could create a need for increasing the scope and capacity of international cooperation. But formal analogies sharpen the logic underlying the functionalist thesis. The most famous story illustrating the problem of functional organization is George Akerlof's ''Market for Lemons.'' The market for used cars is a market for ''lemons'' – the American slang for a malfunctioning automobile. Buyers tend to assume that used cars are lemons (patched-up and painted wrecks) and consequently are willing to pay very little for them. Sellers who own good cars are consequently unwilling to sell because they do not receive the fair and true value of the car. Thus only lemons are put on the market; and sellers who would like to sell and buyers who would have liked to buy a valuable used car are left disappointed by market failure. If only there existed a reliable rating agency that distinguished the good used cars from the lemons, argues Akerlof, all would be better off (Akerlof 1984).

In situations of coordination, therefore, where states have symmetrical interests in pursuing a common good or avoiding a bad, reliable information alone can be sufficient to ensure coordination. Organizations that provide reliable information are valued and necessary, and so such organizations are created. For example, knowing the true value of the used car would enhance the prospect of more and better sales; and developing countries that can purchase non-polluting technology for the same price as a polluting technology will presumably do so as long as they can be assured that the costs are truly the same and the environmental benefits are positive. Providing this information is one part of UNEP's technical advisory mandate.

Where states have common interests but also incentives to defect from common strategies, or where the interests shared by a number of states may have distributional consequences that differ, then states may have a long-run interest in establishing organizations that sanction short-run defections (by reputational or material losses such as aid conditionality).

Sometimes assigning property rights is sufficient to achieve efficient co-ordination. If all countries have the same right to pollute, licences to pollute can be sold internationally to those industries that find clean-up most costly and the funds can be used for sustainable development in countries whose clean-up is less costly or which are below their n-ational quotas. An organization that monitors and enforces this pollution market would be effective and valued, just as the used car buyer would have benefited from a reliable rating agency with the power to penalize cheating.

Finally, many common purposes require infrastructure – research, monitoring, training, conferences – and sharing the expenses on a regular basis would allow this to be created, especially when no country benefited enough individually to make the cost worthwhile, thus overcoming the ''free-rider'' problem in creating infrastructure. Organizations in the functionalist view improve coordination and cooperation and themselves grow in competence, authority, and budget through ''spillover.'' As Mitrany (1966) argued, successful cooperation that furthers common interests in turn creates incentives for more coordinated and cooperative activity.

Neofunctionalism, which evolved from functionalism, highlights international organizations as actors in their own right, possessing their own interests and agendas. From this perspective, initially developed by Ernst Haas, the budgets, headquarters, staffs, and – most notably – the interests of organizations themselves affect the ways in which international interactions play out (Haas 1968). In the neofunctionalist view, an international organization is a hierarchical structure with purposes, direction, and the capacity to change. It may have a constituency and it exists within a constraining environment, but neither of these factors completely defines its purposes or its capacities. Some functional interests are not automatically fulfilled; ''spillovers'' become stalled or even ''drain'' away. From this perspective, an organization's success in fulfilling its mandate may be attributed not only to its instrumental value but also to its ability to build on existing capacity (staff and capital), on the quality of leadership of the organization, on taking entrepreneurial advantage of an opaque and uncertain but pluralist political environment that allows the organization to grow, and on the advantages flowing from experience and time to learn. The influence of the United Nations in the 1960s, for example, would be seen from this perspective as being due not to its utility to the great powers but rather to the inspirational leadership of Secretary-General Dag Hammarskjöld. Similarly, UNEP's survival far off the beaten international track in Nairobi can be attributed not only to its third world constituency but also to the effective coalition-building of Mostafa Tolba, who led the organization for 16 years.

Almost all international organizations should be evaluated first by their instrumental value: they would not exist but for their instrumental value to states. But many would not survive but for a capacity to innovate and grow. And they would not meet global needs were it not for an ability to innovate beyond the lowest common denominator of currently perceived state interests. Thus both the functionalist and the neofunctionalist perspectives can provide helpful insights into the activities of and challenges facing international environmental organizations.

Insights from cooperation theory: Start small; start with the easy; interact face to face

A variety of insights into the functioning of international environmental organizations may be derived from game theory studies of cooperation and bargaining. One area into which some interesting recent studies provide insight is that of the optimal size for an organization or an agreement in its early stages of development. George Downs (1998) employs a simple model to demonstrate that the number of actors party to an agreement at its outset is likely to affect how deep that agreement will be in the long term. In particular, he shows that if the number of parties is small at the start, they can achieve an agreement that is deeper than it would be if there were more parties to the agreement, and that the deepness of the agreement will then persist as more parties join. The lesson of this model is that it may be best to "start small"; it may be best to focus on achieving a relatively deep agreement among a small number of states than to worry initially about including a large number of states in the agreement.

A related insight from cooperation theory is that it may be important to start with the tasks that are easiest. Solving a simple problem may allow countries to lay the foundations for later, more difficult work; coordination may serve as an avenue into cooperation.

Empirical studies on cooperation suggest that the simple fact of face-to-face interaction also increases people's ability to agree with one another. In an experiment where individuals are allowed to talk with one another before beginning to bargain on an assigned problem, their probability of agreement rises even if they are not allowed to discuss the actual subject of the bargaining exercise. What this may imply for international environmental organizations is that just creating forums for conversation on international environmental problems may make it easier for countries to reach agreement on measures requiring international coordination. So to whatever extent an international environmental organization fosters or encourages or catalyses conversation among representatives of countries that need to cooperate in order to achieve environmental goals, it is

worth having those organizations. This mitigates the force of the complaint that a lot of organizations never accomplish anything, people in them just talk a lot. It may be that this very talking is central to whatever environmental protection successes have been seen.

Lessons from enforcement: Do not over-police

Game theory analyses of cooperation also provide some interesting insights into the problem of enforcement. In *Optimal Imperfection*, for example, George Downs and David Rocke (1995) discuss the ways in which enforcement mechanisms affect those countries that do adhere to an agreement but then have to discipline a defector from the agreement. They point out that enforcement is costly for those having to discipline the defector. Thus they may be likely to avoid engaging in agreements from which they expect there will be defection. Downs and Rocke consider the hypothetical case of three countries that are polluting a body of water. Two of the countries want to agree on a pollution abatement treaty, and they expect to have the capacity to adhere to the agreement. They have to decide whether they should include the third country in the agreement. Downs and Rocke show that if there is significant uncertainty about the third state's future capacity to adhere to the agreement, it may be better for the two states that are confident in their own capacity to go ahead with a bilateral agreement and let the third country simply be a free-riding bystander. The reason is that if the third country defects, the other two will have to punish it. In this hypothetical scenario, the only means of enforcement available to them is to stop adhering to the agreement themselves – that is, to become polluters of the body of water themselves. What this means is that by including the third country in their treaty, they might end up collectively producing more pollution than they would if the treaty were bilateral. Obviously it will not always be the case that increasing pollution of one's own will be the primary possible means of punishment; but the example can be extended in various ways to other sorts of punishment – the point being that states must undertake costly measures in order to adhere to enforcement provisions, and that they must take this into account when they decide whether they might want to join an agreement. This has an effect on the utility of including enforcement measures in international environmental agreements.

According to the ''managerial'' perspective, enforcement provisions are seen as being largely irrelevant: as long as violations are due to a lack of state capacity to adhere to an agreement, which appears to be the case in the majority of examples, the threat of punishment will not significantly affect the likelihood of defection. The ''transformationalist'' perspective takes this view to an extreme. Going beyond the view that the enforce-

ment provisions may be irrelevant, theorists in this tradition suggest that enforcement provisions may actually be counterproductive because they may make states reluctant to join agreements. Thus it is premature to claim that organizations and individuals responsible for forging environmental agreements should actually avoid including enforcement provisions.[2]

Questions

The following overarching questions run through the chapters in this section and are addressed further in the Conclusion to the section. Do intergovernmental organizations adequately cover the range of global environmental challenges? In what way can and should the role of these organizations be enhanced? How do the organizations discussed here interact with one another to cover the map of global environmental problems? Are there inefficient overlaps – areas where organizations duplicate one another's efforts? Are there synergies, where multiple organizations are tackling the same problems in different and complementary ways? Finally, are there gaps that all these organizations fail to cover?

Most basically, do the organizations discussed here, in combination with those mentioned briefly in this chapter, have the potential to solve the major environmental challenges that face the international community? Are there clear ways in which these organizations can and should be strengthened? Or is there a need for a different sort of international organization – a global environmental organization that would perform a role analogous to the WTO's role in regulating trade?

Notes

1. See Keohane (1984), especially chapter 6, "A Functional Theory of Regimes."
2. George Downs (1998) concludes that enforcement provisions may not be necessary in order for an agreement to be worthwhile; but that, on the other hand, there is not good evidence that the inclusion of enforcement mechanisms is actually counterproductive.

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