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Editor’s Note

The Journal of Public and International Affairs (JPIA) is the only national journal for graduate students working in public and international affairs, and as such serves as a unique forum for the views of future scholars and policy makers.

This issue marks the increased involvement of contributing editors from schools other than the Woodrow Wilson School. Editors from thirteen APSIA schools—and from the University of California at Berkeley and the University of Michigan at Ann Arbor—helped gather papers for the journal. With the help of this national editorial board, the journal received almost 150 submissions, nearly three times as many as last year. Seven of these editors then, quite remarkably, took the time to travel from as far away as Ottawa to Princeton to help make a first cut of papers in a blind selection process. A final, blind selection process winnowed the papers for publication down to eight. A ninth essay was added with the inclusion of the annual APSIA award-winning paper.

We have been both surprised and delighted by the large number of papers on the environment that we received this year. Five of these papers were selected for publication, a testament to the relevance of environmental issues to public and international affairs students. In anticipation of the United Nations Conference on the Environment and Development scheduled for June 1992, this issue of JPIA examines several international and domestic dimensions of environmental policy. Our environmental section explores issues ranging from the UNCED conference itself, to development policy and conservation, and environmental challenges facing countries as diverse as China, Brazil, and Russia.

Change is another consistent theme in this edition of the JPIA. The end of the Cold War has led to changes not only in the international order, but in the internal dynamics of countries all over the world. A comment on the need for a dynamic approach to security studies leads off the journal, followed by articles on American foreign policy toward Africa, the European Community response to war in Yugoslavia, and the United States’ response to secessionism in different regions of the world.

We would like to thank our many editor-travellers. We never imag-
ined we would get this kind of support and help. *JPIA*’s successful
growth over the last two years also would not have been possible
without the support of Kay King, the executive director of APSIA. Kay
and her assistant, Karen Farmer, were crucial in the process of building
support for the journal among its most important constituency—the
APSIA deans—and have also been helpful throughout the process.

*JPIA* has also benefitted from the support of three important people
at the Woodrow Wilson School: Michael Stoner, who has given his time
and talent to the Journal with no payback, except more work and busier
weekends over the last two years; Dean Ingrid Reed, who was instru­
mental in gaining financial support from Princeton for our efforts; and
Dean Richard Roper, who was the first person to help us think through
the process of turning the journal into a national effort. All three will be
leaving Princeton this spring. To thank Michael Stoner, Ingrid Reed,
and Richard Roper, we dedicate this issue of the journal to them.

Funding from the Nathan Cummings Foundation will allow *JPIA* to
devote next year’s edition entirely to environmental issues. We would
like to thank the Cummings Foundation and to notify potential con­
tributors now that we are encouraging submissions on this topic for the
next edition.
Security Studies in the New World Order: A Comment

David J. Karl

The basic changes occurring in world affairs have left the international relations discipline with a palpable sense of being overtaken by events. The disconcerting effect of contemplating the prospects for scholarship when the future appears so radically disconnected from the past is especially evident in security studies, where the Cold War's passing has given new impetus to efforts to reorient the field's scholarly agenda. Of course, calls for redefining concepts and priorities in security studies are nothing new, but the momentous sweep and rapidity of world events in recent years have thrust the issue to the fore once again.

Although the novel issues and conundrums brought forth by the post-war U.S.-Soviet rivalry heavily shaped security studies in its early years, the field is now well-equipped on the whole to make the transition to a world where the Cold War is only prologue. Many of the field's current directions are pertinent and readily adaptable to the research challenges that will arise in the future. In short, neither new beginnings nor extensive retooling is necessary. This essay attempts to substantiate such a claim by broadly sketching some of the evolving features of the international security landscape. On the basis of this assessment, several items meriting a prominent place on a future research agenda are then outlined, and connections are drawn between this agenda and current research efforts.

As a starting point, this essay takes issue with a currently fashionable school of thought that contends that the prominence accorded in security studies to nuclear deterrence and weapons is inordinate and should be supplanted by a more extensive spectrum of concerns. Suggestions vary as to how this is to be accomplished, but in the aggregate they are directed

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toward expanding the field's paradigmatic base beyond its politico-military dimension to incorporate issues bearing on economic, societal and ecological well-being (see, for example, Booth 1991, Haftendorn 1991, and Buzan 1991).

The call to reexamine the field's intellectual capital is timely and deserves serious thought at a moment when so much is in flux in international affairs. Conceptual rigidity, after all, partly explains the languor that befell security studies in the late 1960s and early 1970s. However, there is much reason for doubting on conceptual and methodological grounds whether recasting the field as far away from its traditional concerns as some advocate would actually advance security scholarship (Deudney 1990).

Moreover, there is no substantive cause for assuming that nuclear weapons will be of decreased salience in a post-Cold War world. The nuclear era, until recently coeval with the Cold War itself, will continue long past the latter's demise as the international order becomes nuclearized in the coming decades. While it is important not to exaggerate the present scope of proliferation concerns, it would be naïve to assume that the number of nuclear-weapon states will not increase in the future or that this process holds no significance for international politics (Weltman 1980; Frankel 1990; Chellaney 1991). Thus, in the end, de-emphasizing nuclear security issues as a central research focus in favor of a more eclectic array of concerns threatens not only to precipitate conceptual anarchy but to move the field even farther away from the real-world issues that should be its ultimate touchstone. Far from being diluting, the existing nuclear focus in security studies should be seized upon for the opportunity it presents for sustaining the intellectual vitality and policy relevance that the field has experienced throughout the last decade.

Two specific areas of intellectual activity assume increased importance with the emergence of a nuclearized world order. In both areas, an important body of scholarly work already exists that can be fruitfully exploited. The first task entails a more careful empirical investigation of the dynamics of international politics during the Cold War. The understanding of the causal factors at work in the Cold War's bipolar "long peace" is open to many interpretations, and much more needs to be known of the meaning of the "nuclear revolution" before judgment can be reached of the consequences nuclear weapons hold for the general conduct of statecraft. Particularly, the role of regimes and transnational learning processes in ameliorating U.S.-Soviet relations is potentially one of the most important of the Cold War's nuclear "lessons" that deserves greater systematic study. Fortunately, the progressive declassification of the Cold War's archives is opening up a rich and engrossing vein of evidence that promises to shed much needed light on these and other questions. An expanding data base
on Moscow’s Cold War calculations should contribute greatly to determining whether the Soviet Union actually needed to be deterred by the West and whether Soviet policies in eastern Europe in 1989 are evidence that Moscow had decided to base its security on nuclear deterrence instead of a vast territorial empire.

As insights and causal generalizations are culled from the historical record, a second main task lies in applying, testing, and refining these propositions in the emerging multi-nuclear world. The proliferation of nuclear weapons makes interstate security relationships increasingly complex. The diffusion of unconventional weapons technology to regional settings is proceeding under politico-military conditions that are much more fluid and intricate than the bipolarity of the Cold War. This is all the more so since states often deliberately keep their nuclear programs ambiguous. Deterrence in such settings is generally a problematic enterprise, as states are confronted with interleaving security challenges. Although the Middle East is usually noted as a case in point, South Asia provides a more well developed example. The pending nuclearization of the Asian subcontinent threatens to create a situation for which there is no Cold War historical analogue: the geographic concentration of at least four nuclear-armed states—Russia, China, India and Pakistan—sharing disputed frontiers and a recent history of violent conflict (Chellaney 1991; Joeck 1989).

The nuclearization of already complex regional security environments poses acute policy problems about which governments need counsel, and it provides fruitful possibilities for scholarly innovation and cumulative research. Discerning factors idiosyncratic to the Cold War’s dynamics from those more universal to security relations among adversarial states will be increasingly important. Will the U.S.-Soviet experience with nuclear weapons essentially be replicated as the world’s “nuclear club” acquires new members? Is the existential confidence some scholars invest in nuclear weapons as the ultimate self-help security devices rightly placed? Or are the political uses states put to nuclear weapons more dynamic and nuanced, as a growing body of historical research seems to indicate (Trachtenberg 1985; Blechman and Hart 1982)? How do divergences in political traditions and domestic structures affect the conduct of nuclear statecraft? Does the conduct of such statecraft assume different forms according to the polarity of the international system?1

As proliferation widens, more sustained thought will also be needed on the nexus between conventional and nuclear deterrence on the one hand, and between deterrent actions and accommodating diplomacy on the other. Finally, the prospect that several future nuclear-weapon states will be plagued by severe internal fissures (the Soviet successor states, South Africa, India, and Pakistan are prime examples) will necessitate greater analysis of the interrelations between domestic and international politics.
as they bear on security problems. One obvious question for study is the impact of nation-building and state-formation on interstate security affairs.

The changes underway in the international system raise a welter of critical challenges for policy research and theoretical development in security studies. If approached judiciously, these challenges will ultimately prove enriching. As this brief essay stresses, judiciousness lies in resisting calls to shift analytical emphasis away from traditionally-defined security problems. In particular, retaining a central focus on nuclear security issues provides a valuable basis for expanding the field's intellectual capital as it prepares to engage the future. Perhaps, as Bernard Brodie once noted, change is best when it comes unequivocally. The task now for security scholars is to gauge what is really changing and how best to act upon it.

Notes

1. Indeed, the evolving change from a bipolar to a multipolar world offers a particularly important test of the relative impact on state behavior and system stability of nuclear weapons per se, as opposed to the variable structure of the international system. The general confusion surrounding this question is particularly evident in John Mearsheimer's controversial analysis of the prospects for international security. See Mearsheimer 1990.

References


American Democratization Policy and Development Assistance to Africa

Robert Orr

Abstract

The diminished strategic importance of Africa resulting from the end of the Cold War has fundamentally altered several aspects of American foreign policy toward Africa. In particular, the basis for development assistance has shifted from security concerns to economic and political considerations (in addition to ongoing humanitarian concerns). Within this context, a new trend toward “democratization” policy as the basis for foreign aid decision-making has emerged. This paper explores this trend in American foreign assistance policy, and evaluates its potential impact and longevity in coming years.

The debate in the United States over promoting democracy abroad is as old as the country itself. John Quincy Adams is often quoted as evidence of early America’s disinclination to actively promote her ideals abroad: “We are the friends of liberty everywhere, but the custodians only of our own.” At the same time, however, Thomas Jefferson spoke of a U.S. “empire of liberty” that was destined to serve the cause of freedom throughout the world and to assist those who were fighting to promote it (Dobriansky 1990, 147).

This old question took on new meaning with the ascendance of American power in the wake of World War II. Despite America’s unprecedented ability to project its power and promote democratization, actual efforts were restricted to occupied and strategically important countries such as Japan, Germany, and Italy as the Cold War loomed and security concerns became predominant in American foreign policy. From this point on,

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American efforts abroad concentrated on containing Soviet expansion as all other goals were subordinated to this overriding concern. Not surprisingly, this focus on containment included assistance programs to developing countries. As the United States Congress itself acknowledged retrospectively in 1991, “The Congress recognizes that for over forty years the threat of international communism weighed heavily on the programs and priorities of the United States economic and security assistance” (United States Congress 1991).

Sub-Saharan Africa, considered a peripheral area in the American foreign policy framework, was largely ignored during the early Cold War period. With the march of decolonization across the continent, however, the United States began to show more interest in the region. Not surprisingly, this interest, including development assistance, was tightly bound up in U.S. security concerns. According to one analyst, the United States Agency for International Development (USAID) “confined its activities to two categories of countries: those where the United States directly assured defense of its interests in the absence of European influence, and those where its credibility as a great anticommunist power had been specifically and durably assured” (Laidi 1990, 131).

In 1976 the United States embarked on a new aid policy toward Africa. The Carter administration made diplomatic overtures to a number of countries, increasing the number of aid beneficiaries from ten to thirty-two over a three-year period; however, the preservation of American security interests remained the focus of American policy (Laidi 1990, 131).

During the Reagan administration the emphasis on security became even more pronounced and explicit. One State Department paper on U.S. foreign assistance to Sub-Saharan African summarized the rationale for U.S. development assistance in the following manner:

The African nations’ principal goal is development, and the United States cooperates with them in their efforts not only because their economic well-being is important to us in human terms but also because it is directly related to African security. In turn, African security and political stability are important to our foreign policy because they affect U.S. national interests (United States Department of State 1985, 30).

During this time, U.S. concerns about democracy were of minimal importance in determining aid priorities. When numerous allegations of election fraud were leveled against President Samuel Doe of Liberia—a government that received one of the highest development assistance budgets on the continent—Chester Crocker, the Assistant Secretary of State for African Affairs, told Congress that Doe “should actually be lauded for his restraint in claiming a bare majority of the vote, rather than African leaders’ customary 90 percent-plus” (Hilzik 1991).
Against this backdrop, new economic considerations began to emerge on the development assistance agenda. The U.S. government began to “seek to encourage efficient African economic policies and to establish programs . . . that provide the basis for sound economic growth” (United States Department of State 1985, 21). Throughout the course of the mid and late 1980s the concern with African economic policies grew as evidence mounted that economic failure on the continent could be attributed, at least to some extent, to economic mismanagement. This understanding, combined with an amelioration of U.S. security concerns accompanying Soviet disengagement from Africa, gave rise to new criteria—albeit largely unofficial—for determining aid allocations.

The shift of aid money away from strategic countries in the period from 1987 to 1990 is striking. Kenya, Liberia, Somalia, Sudan, and Zaire, for example, formerly supported for “security” reasons, saw their aid levels decline from 309 million dollars, (over 28 percent of the overall aid budget to Sub-Saharan Africa in 1987), to 134 million dollars (12.7 percent in 1990). The drop was most dramatic from 1989 to 1990, when these countries’ share of the African aid budget dropped from 20.4 percent to 12.7 percent in a single year.

While the shift away from security-oriented countries is both clear and dramatic, identifying where these resources were redeployed is more difficult. It is clear, however, that countries such as Uganda, Malawi, Burundi, Cote d’Ivoire and Ghana, which engaged in serious economic policy reform, were rewarded for their efforts. Between 1987 and 1990, when Uganda embarked on a strict economic reform program, Uganda’s aid from the United States nearly quadrupled from $14 million in 1987 to $54.9 million in 1990. During this same period—Malawi, another country implementing a strict program of structural reform—saw its aid from the United States more than double from $14.1 million to $32.6 million. Two even more dramatic cases are those of Burundi and Cote d’Ivoire. Burundi’s aid allocation rose more than 600 percent from $2.9 million in 1987 to $20.7 million in 1990, while Cote d’Ivoire’s aid rose more than 2900 percent from $0.9 million in 1987 to $27.2 million in 1990. Ghana, another “economic performer” that had engaged in a reform program since 1983, averaged nearly $28 million in U.S. aid per year between 1987 and 1990, a substantial amount given the country’s diminutive size.

The priorities in American aid had changed so much by 1990 that this group of five “economic performers,” despite their size, received a larger share of the aid to sub-Saharan Africa than did the “big five” security-oriented countries mentioned previously (15.2 percent versus 12.7 percent).

The timing of these dramatic aid increases also highlights the connection between economic policy-making and aid allotments. Uganda received two substantial increases during this time, one in 1987 after the new
Museveni government signed a Policy Framework Paper with the IMF and the World Bank, and again in 1989 when the reforms began to show positive results (United States Department of State 1990a). In the case of Burundi, the increase in aid occurred during a prolonged structural adjustment effort with the IMF and World Bank and right at the beginning of a critical reform of the country's massive parastatal sector (United States Department of State 1991). In the case of Cote d'Ivoire, the radical increase in aid from 1989 to 1990 was explicitly given to support a new structural adjustment reform program (United States Department of State 1990b).

The cases of Uganda, Malawi, Burundi, Cote d'Ivoire and Ghana are relatively clear cut examples of the growing importance of economic performance in determining aid allocations, both because of the timing of the actions and because they combine economic "performance" with authoritarian political systems. In other cases, however, motivations have not been so clear. Recent statements by high-level officials have indicated that the U.S. government places democratization concerns on par with, or above, economic factors in aid awards. While there are likely overlapping motives for increasing assistance in many cases, many analysts have regarded higher disbursements to Mozambique, Namibia, and Benin as rewards for introducing multiparty political systems (Harsch 1991).

Democratization as a Primary Focus of Development Assistance

Speaking before the Senate Committee on Foreign Relations in early 1991, Secretary of State James Baker listed "promoting and consolidating democratic values, including free and fair elections and respect for human rights" as the first of five foreign policy objectives for the United States in the 1990s (Baker 1991). The direct link between this broad foreign policy goal and development assistance has been emphasized on several occasions by Assistant Secretary of State for African Affairs Herman Cohen: "In this era of limited resources, we intend to pay special attention to Africa's democracies and to countries that are actively engaged in the democratization process" (Cohen 1990). This commitment extends to the highest level of American government. President Bush himself has stated that the United States is "strongly committed to promoting development and growth in the newly emerging democracies of Africa" (Bush 1990).

The promotion of democracy in U.S. foreign policy and development assistance has clearly moved beyond its rhetorical beginnings. More money has begun to flow to democratization projects; and the pronouncements of top officials have been codified in Congressional legislation and in a host of USAID documents, institutional structures, and processes (United States Congress 1991, 9). The establishment of permanent structures and ongoing processes within USAID to promote democracy is of vital importance since implementation of any integrated democracy initia-
tive in the American aid program will hinge on the programmatic activities of this agency.

**USAID's Democracy Initiative**

In 1990, USAID adopted a statement of mission that for the first time made democracy a principal focus of the agency's work and explicitly linked the development of market-oriented economies with democratic political systems. The first manifestation of this "new thinking" was the announcement in December 1990 of the "Democracy Initiative," one of four new initiatives intended to refocus and redefine USAID's program for the future. This initiative, seeking to "promote and consolidate democracy as the legitimate organizing principle for political systems throughout the world," proposed focusing USAID's activities to achieve four goals: strengthening democratic institutions; integrating democracy into the A.I.D. program; rewarding progress in democratization; and establishing rapid response mechanisms (USAID 1990).

The third and fourth objectives in particular provide some important insight into the potential impact and usage of the initiative. The third objective, rewarding progress toward democratization, involves establishing progress toward democracy as a factor in allocating funds, a change that would formally restructure U.S. incentives for developing countries. The final objective, to establish rapid-response mechanisms, would make aid a more effective political instrument, not only providing immediate rewards for African governments supporting democratic change, but also providing a way to move around bureaucratic resistance and inertia within USAID.

In the year since its introduction, the Democracy Initiative has progressed more rapidly than the other three initiatives presented at the same time. In November 1991, the USAID Administrator, Ronald Roskens, signed a policy paper on "Democracy and Governance" that further develops and codifies the initiative and moves it one step closer to making its prescriptions operational (USAID 1991).

**The Benin and Kenya Precedents**

Although democratization policies are still being refined in Washington, the U.S. intention to aggressively pursue this new policy line through a "carrot and stick" approach is already evident in its precedent-setting policies toward Benin and Kenya. In Benin, the United States has explicitly and unambiguously rewarded the government's pursuit of democratic reforms; in Kenya, by contrast, the U.S. is pushing the government for lack of progress toward a more open political system.

In December 1989, the tiny West African nation of Benin officially
abandoned Marxism–Leninism as its guiding ideology (Kaleidoscope 1990). In early 1990 continuing economic instability and political unrest prompted President Mathieu Kerekou to convene a national conference. The conference voted to dissolve the National Revolutionary Assembly, demanded the resignation of the Government, and elected to suspend the "revolutionary" Constitution of 1976. Unexpectedly, President Kerekou accepted all the recommendations and announced that general elections would take place in early 1991. Despite turmoil in the country, Washington moved to increase development assistance to Benin from no assistance in 1989 to $1.1 million in 1990.

In 1991 the State Department made special efforts to “find” $1.3 million in Economic Support Funds to help Benin meet balance-of-payment needs so that it could afford to hold elections (Davidow 1991). When Kerekou lost the election and voluntarily relinquished power to a new democratically elected government, a new precedent for American policy was established. Since that time State Department officials have publicly promoted Benin as an example of the reward-oriented democratization policy that the United States is pursuing, and will continue to pursue in the future.3

The second part of the U.S. carrot and stick approach has been put into practice in Kenya—a high-profile country in which aid amounts are significant, and the potential risks of policy failure are considerably higher. In 1991, the U.S. announced that it would withhold $28 million from Kenya pending reforms to its political system. Never before has the United States been willing to humiliate a long-time “friend” in such a public manner. In fact, not only was Kenya a friend, it was also a “success story” used to help justify development programs for other African nations. If there were any doubts about the United States’ willingness to “play hardball” on the issue of democratization, they have now been dispelled.

This pressure, along with that of other donors, has helped to force the Kenyan government to reconsider its long-standing opposition to multiparty politics. In December 1991, the Kenyan government relented and announced that it will hold new elections in the future. With this development, there is an even greater likelihood that the case of Kenya will become another precedent that the United States will use to actively promote further democratization in Africa.

Explaining Democratization in Development Assistance

There are a number of forces behind the “democratization movement” in U.S. foreign aid policy. A complex set of factors coalesced in the late 1980s and early 1990s to shape this trend. In this section I will examine the stimuli that give rise to this movement; the political, economic, and security needs
The Stimuli for Policy Change

There are three major forces that have stimulated American attention to democracy in Africa: the collapse of communism and related international developments; pressure in Africa for democracy; and the personal commitments and agendas of important political players in Washington.

The Collapse of Communism. American interest in democratization grew during the late 1980s as the Soviet Union began to pull back from Africa, and policymakers began to recognize an attenuation of the "Soviet threat." Active U.S. promotion of democratization policies in Africa became full-fledged in 1990 and 1991 as the pull-back turned into Soviet collapse. There are two possible explanations for why the collapse has spurred a more active American democratization policy toward Africa. On one hand, many people see democratization policy as a way to "win the peace" after the Cold War—a way to consolidate American "victory" by extending democracy to those areas previously influenced by the Soviet Union (Winik 1991). Thus, the active promotion of democracy may be, at least in part, the final phase of the battle to "win the hearts and minds" of Africans in a worldwide contest against communism and other "un-American" systems.

A second way of looking at this connection is to view the end of the Cold War as a significant change that has enabled the United States to pursue secondary goals that have long existed but that were subjugated to the primary security imperative of the Cold War. Most analysts would agree that the most salient goals of the American aid program from the 1950s onward were closely linked to the Cold War. As Robert Packenham pointed out in his seminal analysis of American foreign aid doctrines, however, the aid program "had many other fairly notable objectives...including democracy and freedom," that, though subordinated, continued to be present in the American aid program throughout the years (Packenham 1973, 53).

A similar analysis of the current situation seems justified if Bush administration officials' pronouncements are any indication. Testifying before Congress in 1991, Jeffrey Davidow, Assistant Secretary for African Affairs, noted, "We mark the beginning of a new era in American foreign policy. Areas of historical international tension have diminished. The opportunity to promote the universal goals of peace, prosperity, democracy and human rights has not been greater in living memory" (Davidow 1991, 124). Many within the foreign policy and development assistance
community, officials and non-officials alike, do indeed feel that the diminution of the security threat posed by the Soviets has liberated the United States to pursue its other long-standing goals.

Whether viewed as an attempt to consolidate victory over communism, or simply as a natural shift in emphasis to America's second tier of long-standing concerns, democratization has in fact received a strong push from the fall of communism and related international changes. At the same time, political changes in African nations themselves have also affected policy.

**Political Change in Africa.** In recent years the political climate in many African countries has changed dramatically. Faced with pervasive economic and social crises, local demands for democracy have increased. In order to stay ahead of the wave sweeping Africa, the United States has in a way been forced to promote democracy.

This wave has taken many forms. Widespread street protests, strikes, and other forms of popular pressure for more accountable, responsive government have occurred throughout a number of countries, including Benin, Cameroon, Cote d'Ivoire, Gabon, Mali, Niger, Togo, Zaire, and Zambia (Harsch 1991). Opposition parties and other formal structures of opposition have been founded in countries as diverse as Angola, Burkina Faso, Cameroon, Congo, Kenya, Mozambique, Togo, Zambia, and Zaire. In all, a total of twenty-one African countries formally or implicitly abandoned their traditional one-party systems in a mere two-year period between 1990 and 1991 (Hilzik 1991).

Democracy has also become a focus of attention in various important transnational forums in Africa. In 1990 the United Nations Economic Commission for Africa sponsored a conference of grassroots organizations in Arusha, Tanzania. That meeting produced a bold and far-reaching document entitled "African Charter for Popular Participation in Development and Transformation" (African Charter 1990). This document explicitly criticizes "the overcentralization of power" in Africa. The African Charter also called for "an opening up of political processes to accommodate freedom of opinions, tolerate differences, accept consensus on issues, and ensure the effective participation of the people and their organizations and associations" (African Charter 1990, 60–71).

In that same year, the Organization of African Unity—the representative organization of all African governments—stated that Africa's economic transformation depended on the "participation of our peoples in the process of government. We accordingly recommit ourselves to the further democratization of our societies and the consolidation of democratic institutions in our countries" (Organization of African Unity 1990). Beyond this revolutionary statement of the OAU, even such organizations as the Non-Aligned Movement, long a bastion of anti-Western thought, moved in 1991 to endorse political pluralism (Tudor 1991).
Personal Agendas. A third stimulus for American democratization policy lies in the personal commitment and agendas of specific individual players within the American policy establishment during the 1980s. President Ronald Reagan began referring to a worldwide "campaign for democracy" as early as 1982. In a speech in London, Reagan declared:

> It is time that we committed ourselves as a nation—in both the public and private sectors—to assisting democratic development . . . . The objective I propose is quite simple to state: to foster the infrastructure of democracy—the system of a free press, unions, political parties, universities—that allows a people to choose their own way, to develop their own culture, to reconcile their differences through peaceful means (Reagan 1982, 27–28).

It is noteworthy that this speech, like many of Reagan's, was strongly infused with references to communism. The origins of democratization policy can be traced, at least in part, to the anti-communism of the New Right in the 1980s.

In 1983, the National Endowment for Democracy (NED) was established to help promote democracy abroad. According to its director Carl Gershman, the NED was established because of a broad consensus that "promoting democracy is as much a matter of national security as of national conscience" (Gershman 1990). From these security-conscious roots, democratization policy evolved with the changing international environment. As the Soviet threat diminished, democratization began to be considered as a development issue in its own right, not simply a matter for the NED. Two men in particular advanced this position in Washington: USAID Administrator Ronald Roskens and Assistant Secretary of State for African Affairs Herman Cohen.

Since assuming the position as Administrator of USAID, Roskens has consistently advocated democracy as a fundamental concern of the agency, a radical departure from previous Administrators' positions.4 In his September 1990 "Statement of Mission," Roskens asserted that USAID's objective was not only to assist nations throughout the world to reduce poverty, ignorance, and malnutrition, but also to assist developing nations to "realize their full national potential through the development of open and democratic societies and the dynamism of free markets and individual initiative" (Cohen 1990). In addition, Roskens has been widely recognized as the driving force behind the rapid advancement of the Democracy Initiative. Indeed, Roskens' role in this area has become so prominent that a Deputy Assistant Secretary of State referred to USAID's efforts in democratization as "A.I.D. Administrator Roskens' emphasis on democracy" at a Congressional hearing (Davidow 1991).

Although the State Department has long considered political develop-
ment issues to be within its purview, few Assistant Secretaries of State have taken as strong a personal interest in political development and democratization as Assistant Secretary Herman Cohen. His view has been that the State Department should have a much stronger developmental focus, especially with respect to democratization (Gordon 1991). This is especially significant given that Cohen is the top official for U.S. African policy and has virtually free reign over State Department policy in this area, receiving little guidance from the Secretary of State or the President (Lewis 1992).

The Motivations Propelling Democratization Policy

The fall of communism, the changing African political climate, and personal commitments help to explain the rise of democratization policy. These factors alone, however, are not sufficient to explain how and why democratization policy has developed as quickly and as fully as it has. In order to understand the evolution of U.S. democratization policy, it is important also to examine the developmental, political, and security motivations that have propelled it.

Developmental Motivations. Since the Foreign Assistance Act was passed in 1961, the United States has invested thirty years and over eighteen billion dollars attempting to promote development in Africa. Most often, the U.S. has used an “economic approach” to development that has assumed that aid would promote economic development that would in turn solve a host of social, political, and security problems (Packenham 1973). Throughout the course of the 1980s, a time of economic crisis in Africa, however, many people in the development community began to recognize “political constraints” on economic development such as corruption, and lack of responsiveness and accountability on the part of African governments. Donors became especially attuned to this issue as they began to shift toward policy-based lending.

In 1989, the World Bank raised the issue of “governance” publicly for the first time in its report, “Sub-Saharan Africa: From Crisis to Sustainable Growth.” In this report the World Bank asserted that “officials in many countries have served their own economic interests without fear of being called to account” (Hilzik 1991). This fundamental concern, though originally cloaked in the deliberately apolitical lexicon of “governance,” inevitably led to a more explicit acknowledgment of the need for more pluralistic political systems. It is important to note that discussion of this subject at the World Bank, including the meetings that led up to the World Bank report, preceded the changes in Eastern Europe that are largely credited with stimulating interest in democratization (Gordon 1991). This suggests that the developmental dimension of democratization is distinct from other
sources of the policy, and thus a force that may help sustain the movement for democratization beyond a strictly politically determined lifespan.

Top U.S. policy makers have clearly begun to acknowledge and explore the link between democracy and economic development. In a speech on democratic change in Africa, Assistant Secretary of State Cohen stated: “We believe that sustained, self-generated economic growth can take place only in a political environment that allows people to have confidence in their government and their future” (Cohen 1990). USAID has begun to explore the link more fully. In the recently signed “Democracy and Governance Policy Paper,” USAID has acknowledged that there are “no firm conclusions concerning any direct, causal link between democracy and development.” At the same time however, the policy statement goes on to argue that:

...democratic institutions and a strong democratic political culture can be highly supportive of efforts to address development problems and establish the basis for sustained economic growth. Democratic institutions and values help prevent abuses of power and the emergence of political systems that retard broad-based economic growth and social development (USAID 1991, 4).

The United States is not alone in its interest in democratization: Important actors in the South also support democratization for developmental reasons. The South Commission even went so far as to assert that “Democratic institutions and popular participation in decision-making are essential to genuine development” (South Commission 1990, 11). Emerging popular forces in African countries and leadership in ministries seeking policies that will speed up development are also pushing for democratization (OECD 1990, 13). These forces may serve to enhance the effectiveness of democratization policy and extend its longevity.

Political Motivations. The end of the Cold War has forced the United States to seek out a new focus for its foreign policy that will both take into account changes in the international environment, and at the same time justify American activity abroad to a domestic constituency prone to isolationist impulses. To try to meet this need, in 1991 Secretary of State James Baker outlined five key objectives for U.S. foreign policy in the 1990s, the first of which was to “help consolidate the worldwide trend toward democracy” (Roskens 1991).

It is not surprising that promoting democracy abroad headlined the new agenda for American foreign policy, because this issue, like few others, cuts across ideological and political boundaries that could imperil any new foreign policy efforts. While foreign policy has been characterized by a general lack of bipartisanship and by many executive-legislative
disputes in recent years (Winik 1991), the issue of democratization unites the Republican administration with some powerful Democratic allies in Congress. Charles Robb, a member of the Democratic leadership in the Senate, for example, advocates the idea that “building democratic competence abroad should be the central aim of U.S. foreign policy” (Robb 1990, 141). The critical overlap is not simply one of the two parties, but also of the executive and legislative branches of government. In its “Democracy and Governance Policy Paper,” USAID noted that “both the executive and legislative branches have emphasized that promoting and sustaining democracy is a central objective of U.S. foreign policy” (USAID 1991, 2).

Democratization also provides a possible bridge between government and an increasingly isolationist American public. While more and more Americans are expressing “America first” and “America come home” sentiments in the 1990s, a significant portion of the population continues to believe that America should promote its ideals abroad. One analyst has argued, “If there is an overarching theme to rally Americans in shaping the new world order, it is that having won the Cold War, they should now win the peace, and that the United States should continue to foster the global trend toward democracy and human rights” (Winik 1991).

In addition to being propelled by general foreign policy needs, the focus on democratization has also been prompted by a special need to maintain and consolidate a domestic constituency for foreign aid in particular. Foreign aid has never had a consistent, unified constituency in the United States. Even before the international changes in the late 1980s and the problems with the U.S. economy in the 1990s, only a slim majority of Americans supported foreign aid (Contee 1989). Thus, U.S. foreign aid programs are especially in need of a compelling rationale for development assistance. Democratization is one such overarching, saleable rationale. This is true not only because of the current concern with democracy in general, but also because the ideological rationale for assistance, “that aid promotes U.S. values, particularly democracy,” has been “central to building public support since the very first days of post-World War II foreign assistance” (Hamilton 1989, 213–214).

In his 1991 testimony before Congress on USAID programs, A.I.D. Administrator Ronald Roskens even went so far as to propose a new foreign assistance act. The current Foreign Assistance Act, he argued, is a cumbersome, politically outdated system “that no longer binds together the strong domestic constituency required to sustain a strong, active and effective foreign assistance program” (Roskens 1991, 10–11). In the same testimony Roskens noted that he had initiated a process to produce draft legislation with “foreign assistance priorities appropriate to the 1990s” to be submitted to Congress. There is little doubt that promotion of democracy will be at the center of Roskens’ effort.
Security Motivations. The final set of needs propelling democratization policy are security-related. Though the end of the Cold War has diminished global tensions, the new international environment, while less overtly hostile, is more uncertain. This fact has led many policy-makers to conclude that part of the program to create a “safer” world should involve promoting democracy, since “no two liberal societies have ever fought each other” (Doyle 1983). The Statement of United States Foreign Policy in the International Cooperation Act of 1991 includes the following passage on security and the promotion of democracy:

The Congress finds that peace and prosperity depend on the United States providing leadership in a world community increasingly receptive to democracy, open and competitive markets, and cooperation against aggression... The economic prosperity and security of the people of the United States and of the world are best maintained and enhanced in an international community that respects individual civil and political rights and economic freedoms... Freedom can only be sustained by governments whose legitimacy rests firmly on the expressed consent of the governed (United States Congress 1991).

The United States’ Liberal Lens

While the developmental, political and security motivations that propel American democratization policy are all contemporary phenomena, these forces are strongly affected by the United States’ unique history and corresponding ideological outlook. As Samuel Huntington asserts, Americans tend to assume that “all good things go together and that the achievement of one desirable social goal aids in the achievement of others” (Huntington 1968, 5). Building on this idea, Robert Packenham has postulated that American aid programs were founded, and have been maintained, on the basis of a set of four liberal assumptions that arise out of America’s “singular and relatively happy” history: change and development are easy; all good things go together (political and economic development); radicalism and revolution are bad; and, distributing power is more important than accumulating power (Packenham 1973). This liberal “lens” through which Americans view the world has contributed, and will continue to contribute, to the movement to promote democracy as a part of development efforts, regardless of potential changes in some of the stimuli and needs already discussed.

The Institutional Environment

The institutional structure within the State Department also contributes to
the tendency to include political factors in U.S. development assistance programs. USAID is not given much autonomy to carry out its developmental mandate, as is common in many other donor countries. Rather, USAID is a subordinate agency of the State Department, thus making it extremely difficult, if not impossible, to divorce development priorities from political interests. On the few occasions when such a split has been explicitly attempted, the institutional structure helped to defeat the effort (Hellinger et al. 1988, 22–25).

A second major institutional factor that has contributed to linking democratization and development assistance is the bureaucratic inertia in the foreign assistance apparatus. Throughout the course of the Cold War, security interests and related political objectives were decisive in determining the structure of the foreign assistance program as well as many aspects of its implementation (Hellinger et al. 1988, 14–15, 55). But because of bureaucratic inertia and established “political” interests, it has proven much easier to simply shift political emphases rather than to divorce politics from the process. One interesting result of USAID’s Democracy Initiative may be that consistent, formal political criteria will be used for the first time to help determine aid allocations rather than depending on an informal, largely hidden system of decision-making based on political objectives.

The Future of Democratization Policy and Development Assistance

Democratization objectives are likely to become an enduring force in U.S. development assistance programs. In a very short period of time, the current interest in democratization has already begun to be codified in the United States development assistance establishment, and important policy precedents have been set. Perhaps even more importantly, the stimuli giving rise to democratization policy and the needs propelling it forward are still present, and in fact, increasingly significant. The tide of political change sweeping Africa shows no sign of subsiding. Indeed, progressively stronger groups advocating democracy are appearing in an ever-expanding number of countries. The developmental needs for more open systems of government are ever more clear, and the United States (along with other donors) has unprecedented leverage to act on them. The political basis for a high profile, effective democratization policy will only grow as pressure mounts on American policy makers to justify programs abroad to an increasingly skeptical public. In the uncertain international environment in the decade to come, democratization policy will also help to address some of America’s changing security needs. Yet, although it is likely that the trend toward democratization policy will continue, the exact form of
the policy cannot yet be determined. There are a number of unresolved issues and debates that will affect the ultimate outcome.

An important debate that is already raging and that will affect the final form of democratization policy is the one taking place between those in the State Department arguing for an explicitly political program (supporting elections and political infrastructure) and others in USAID that are advocating a more developmental, economics-oriented focus on "governance." The outcome of this debate will determine not only the emphases of the program, but also its chances of success.

These debates will hinge on whether or not evidence in the coming years tends to confirm or call into question the "all good things go together" thesis of political and economic development. If political and economic interests notably diverge (e.g., authoritarian governments economically outperform democracies), the repercussions for U.S. policy will be significant. If evidence is mixed, as it may well be if the last forty years are any indication, doubts about closely linking development assistance with democratization may slow the democratization movement. They will not end it, however. The multiple factors propelling democratization policy will ensure that promoting democracy abroad will continue to be the political force behind, and often out in front of, U.S. development assistance in the 1990s.

Notes


2. By 1990, USAID officials were already estimating that they were spending $40–50 million annually for projects to support democratic institutions (Muravchik 1991, 183).

3. In addition to the Roskens and Davidow testimony to Congress previously cited, Leonard Robinson, Deputy Assistant Secretary of State for African Affairs made similar statements during a lecture at Princeton University, October 7, 1991.


5. This figure, $18.763 billion from 1962–1990, includes all Economic Assistance to Africa as calculated by the U.S. Government in U.S. Overseas Loans and Grants. Though it is impossible to distinguish between developmental and non-developmental motivations for spending this money (the goals listed in the Foreign Assistance Act are numerous, always changing, and often inconsistent
or even contradictory), this figure does represent the amount of official assistance that has gone to promote "development" (and American interests). A more conservative figure would be the $11.038 billion channelled through the Agency for International Development during this same period.

6. According to a 1991 poll of the American public, 28 percent of respondents listed "Helping to bring a democratic form of government to other countries" as a "very important" goal for U.S. foreign policy. In addition, a full 58 percent listed "Promoting human rights" as a "very important" foreign policy goal. See Riley, J., ed. 1991. American Foreign Policy and Public Opinion. Chicago: Chicago Council on Foreign Relations. 15.

References


The Search for Common Ground: Negotiating an EC Common Response to War in Yugoslavia

George P. Kent

Abstract

The efforts by the European Community to forge an effective common foreign policy response to the developing crisis in Yugoslavia between June and December 1991 serves as a useful case study of EC policy cooperation. EC member states were forced to deal with conflicting national interests, a multiplicity of actors (including non-EC members), and the ever-quickening pace of developments within Yugoslavia. In the background were the negotiations toward political union and the Maastricht summit. The results can provide some insight into the current status of the foreign policy-coordinating mechanism within the Community.

During the latter half of 1991, the European Community (EC) struggled to forge an effective common foreign policy response to the developing crisis in Yugoslavia. Because events in Yugoslavia itself heavily influenced the nature of the policy-making process, as well as the effectiveness of the policy produced, the EC nations had little control over the direction and shape of the negotiations. To complicate matters, the negotiations had to account for a multiplicity of actors and interests. Since the jurisdiction of the supranational Commission does not extend into the realm of foreign affairs, the frequent moniker for the EC—“the Twelve”—could not have been more appropriate. The Twelve often approached negotiations over a

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common policy concerned more about implications for their respective
domestic political scenes or the future of common policy making within
the Community than about achieving the most effective and judicious
approach to crises in Yugoslavia. While the EC countries always managed
to reach consensus in formal sessions in Brussels or at the Hague, foreign
policy making and execution remained under the control of leaders in
European capitals, where member states often reinterpreted, or simply
ignored, the facade of a common policy. Finally, the intra-EC negotiating
process took account of positions of non-EC states, most notably Austria
and the United States, as well as other organizations such as the Western
European Union (WEU), the Conference on Security and Cooperation in
Europe (CSCE), and the United Nations.

Like the European response to the conflict in the Gulf, efforts to craft a
common approach to the Yugoslav crisis can provide insight to current
trends in European cooperation. For certain actors, the crisis offered the
Twelve the opportunity to develop the EC foreign policy coordinating
mechanism more fully. For others, however, the results of the negotiating
process and its limited impact on Yugoslavia demonstrated several rea-
sons not to promote changes in EC policy-making procedures. The crucial
issues debated between June and December of 1991 were the shape of the
diplomatic effort, the possibility of an intervention force, and the nature
and timing of recognition of the former Yugoslav republics. This paper will
focus on three factors to explain the dynamics and the outcomes of the
negotiations between the Twelve: the interaction of the national interests
of the Twelve, the perceived stakes involved in each issue, and the impact
of developments in Yugoslavia on the policy choices available to the
Twelve. The paper will conclude with the implications this experience has
for the future of European political and security cooperation.

The National Interests of "the Twelve"

The Treaty of Rome that founded the European Economic Community in
1957 did not foresee the need for common foreign policy mechanisms. For
this reason the Twelve do not have any supranational body that automati-
cally makes foreign policy decisions the way the Commission can in other
fields. The Single European Act of 1987 provided for a consulting and
coordinating mechanism for the Twelve for "the convergence of their
positions and the implementation of joint action" (Single European Act
1987). "European Political Cooperation" (EPC) occurs in the
intergovernmental forum of the Council of Ministers, in which all twelve
countries must reach a consensus, and in which any individual country can
veto a decision perceived to threaten its interests. More than any other
sphere, therefore, the foreign policy-making process within the EC re-
 mains the realm of national interest.
Germany. Germany proved to be the country most actively engaged throughout the Yugoslav crisis, with most Germans fervently advocating early recognition of Slovenia and Croatia in the spirit of international self-determination that made German unification possible. The presence of 700,000 guest workers from Yugoslavia, 500,000 of whom are Croatian, also played a role, as did the strong ties between the German Catholic Church and the Catholic churches of Slovenia and Croatia. During the crisis, Germany controlled the Presidency of both the WEU and the CSCE, an important consideration given German reluctance to use force on the one hand and Foreign Minister (FM) Hans-Dietrich Genscher’s obsession with transforming the CSCE into the primary forum for European security issues on the other (Genscher 1991b, 1991e, 1991i; Kohl and Genscher 1991).

France. France has long viewed the EC as an instrument for advancing its interests by harnessing the power of Europe, and Germany in particular, through closer European union. Throughout the crisis France pushed for a vigorous EC role in mediating the Yugoslav conflict and, when mediation faltered, vociferously advocated the establishment of a European intervention force—a step in line with the cherished French goals of a European defense force and security policy (The Economist 1991c, 1991d). Experience with frequent interventions in former colonies meant that France, unlike Germany, was physically and psychologically prepared for intervention. Also, unlike its federal neighbor, France has long stood as a champion of territorial integrity and the “status quo,” and centralization at the expense of regional autonomy. Notwithstanding French historical ties to Serbia, Slovenian and Croatian demands for more independence in June echoed long-held Corsican sentiments at home; the French reaction took this into account.

The United Kingdom. As often occurs in European affairs, the United Kingdom left most of the frenetic diplomatic activity to the Germans and the French. The ongoing troubles in Northern Ireland led the British to be firmly opposed to any “ill-considered” European intervention in Yugoslavia on practical grounds. British interest in transatlantic ties at the expense of a separate European defense identity led to opposition on philosophical grounds as well. Out of concern for regional stability, the United Kingdom opposed recognition of Slovenia and Croatia. For similar reasons, the United Kingdom was also the first nation in the EC to call for an arms embargo, economic sanctions, and possible border adjustments between Serbia and Croatia—an abhorrent proposition for Germany (The Economist 1991a; UK Foreign Office 1991; Hurd 1991).

Italy. Unlike the other major three EC countries, Italy acted more on the basis of pragmatism than on principle when faced with the Yugoslav crisis on its border. Early opposition to recognizing Slovenia and Croatia stemmed from concerns regarding possible impacts on regional autonomous movements in northern Italy, not to mention Italy’s historic role in the disputed
area. This formed the basis of consensus with Germany, later strengthened by fears surrounding the escalating violence, the prospect of refugees, and the potential repercussions of a disintegrating Yugoslav state. Italy’s advocacy of closer European union led to affirmation of the French intervention effort, though its later support of German unilateralism contradicted the stated Italian desire for qualified majority voting and a common foreign policy (Agence Europe 1991b; DeMichelis 1991b).

**Greece.** As the other EC neighbor of Yugoslavia, Greece played a more substantive role in negotiations over the common response than in most EC deliberations. Macedonia’s appropriation of an historical Greek territorial title caused Greece to be the most fervent and obdurate proponent of Yugoslav unity. Greece also threatened to veto economic sanctions against Yugoslavia, fearing that its own commerce would be adversely affected (Samaras 1991).

Of the remaining seven EC countries, most showed a willingness to accept the lead of the big four. Only Spain forcefully asserted its national interest during the policy debates. Because of Madrid’s struggle against Basque independence and Catalonian autonomy movements, Spanish leaders firmly supported unity and territorial integrity for Yugoslavia and spoke out against recognition. Ironically, during the Yugoslav crisis three of the community “lightweights”—Portugal, Luxembourg, and the Netherlands—served as the EC Council’s directing “troika,” focusing on coordinating the EC response and supporting policies that demonstrated EC unity.

As Council President, the Netherlands often took the lead in trying to keep EC focus on the mediation effort—and away from recognition and sanctions—as long as possible. Its federalist stance on Europe encouraged support of the French force proposal. Portugal, on the other hand, remained anti-federalist and wary of moves toward common defense arrangements. Belgium’s experience in African interventions led it to follow France on the European intervention force issue; its domestic experience with regional autonomy left Belgium more sympathetic to early Slovenian and Croatian desires for more, but not total, freedom from Belgrade. The remaining two members of the EC, Denmark and Ireland, joined the Community for purely economic reasons, and generally have had no interest in closer foreign or defense policy coordination. Ireland is officially neutral and played no role in the EC deliberations. Denmark strongly opposed any European intervention force and proved willing early in the crisis to use the threat of recognition to modify Belgrade’s behavior.

**Phase I (June 25–July 8): Burying the Ghost of the Past?**

Venting their frustration with Belgrade’s refusal to decentralize the structure of the Yugoslav federation, Croatia and Slovenia passed declarations
of independence on June 25, 1991, and Slovenia precipitated brief but fierce hostilities with the National Army (JNA) by seizing control of border and customs posts. This explosive situation provided EC nations an opportunity to act in concert. With the ignominy of the EC's dismal performance in the Gulf clearly in mind, the Twelve acted quickly to demonstrate decisiveness in response to the fighting in Slovenia. Between the Luxembourg summit of June 28 and the Hague meeting of foreign ministers on July 5, the Twelve negotiated a common position on mediation efforts, a compromise between the principles of territorial integrity and self-determination, and a decision on suspension of Community aid to Yugoslavia. The solid success of the EC-sponsored Brioni agreement of July 7 in ending the hostilities in Slovenia seemed to suggest that the EC had exorcised the ghost of past ineptitude in the foreign policy arena.

As heads of state arrived for an already scheduled summit in Luxembourg, they faced two proposals for a European mediation effort: direct action by an EC mission or use of the recently created dispute settlement mechanism of the CSCE. Countries such as France, Italy, Spain, Belgium, and Greece that favored movement toward European political unity were sure to back EC action. German FM Genscher, President of both the WEU and the CSCE at this time, particularly wanted to see the CSCE process developed (Genscher 1991a, 1991b; Genscher and Kohl 1991). The leaders at Luxembourg chose to pursue both paths, authorizing a troika mission of three EC foreign ministers to travel to Belgrade and the necessary steps to activate the CSCE mechanism. The immediate impact of this mission resulted in a central role for the EC in the mediation effort, although Genscher continued to pursue his own line of action as head of CSCE.

The second issue to be negotiated in the first phase—the underpinning rationale of the EC policy—proved to be much more controversial. Before the crisis, the Twelve agreed on Yugoslavia's unity as their principal interest; the draft text from Luxembourg reflected this in its call for "respect of territorial integrity as well as human rights, the rights of peoples and persons belonging to minorities." German Chancellor Helmut Kohl, however, wanted to stress the right to self-determination, for reasons noted earlier. France's Mitterand, with British, Italian, and Spanish support, countered by strongly insisting that Yugoslavia's territorial integrity remain the priority. Domestic concerns in all four countries dictated such a position, and nearly all EC leaders saw territorial integrity as the key to stability for the Balkans and a necessary precedent for the stability of the even more troubling Soviet Union. With the normally scheduled agenda pressing at the Summit, the leaders agreed to avoid a thorny exchange by suspending issuance of a final official statement.

By the time the EC Foreign Ministers met in the Hague on July 5, violence by the JNA against Slovenia and ferocious German domestic criticism of the EC stance changed the stakes. Germany, now joined by
Denmark and Belgium and backed by Austria, insisted that the threat of acceptance of independence (not the same as full diplomatic recognition) be used as a deterrent against future violations of the cease-fire by the central government. France and Spain, in particular, could not accept this. But the earlier consensus had broken down; Britain now favored more autonomy for the republics within a still-unified federal state. The final "Declaration on the Situation in Yugoslavia" (European Political Cooperation 1991) incorporated all points of view but with a different order of emphasis. The EC called for dialogue between the parties based on the principles in the Helsinki Final Act, "in particular respect for human rights, including rights of minorities and the right of peoples to self-determination in conformity with the Charter of the UN and the relevant norms of international law, including those relating to territorial integrity of States." While taking account of "a new reality in Yugoslavia" and warning that member states "would consider their position again in light of cease-fire violations," the Twelve requested that the independence declarations be suspended pending talks mediated by the EC and the CSCE (New York Times 1991a).

The final issue subject to negotiation in the first phase was suspension of Community aid to Yugoslavia. At Luxembourg, Germany and the UK proposed that the EC halt financial assistance immediately. As British officials announced the preliminary decision, however, Italy, backed by the Netherlands and France, lobbied hard to postpone the aid suspension so that it could be used as a bargaining chip with the Yugoslav authorities. In the end, the compromise allowed each side to claim victory: aid was temporarily frozen, pending the results of the troika’s mission, and was to be suspended if the mission did not meet with satisfactory progress. Because of subsequent cease-fire violations, the Twelve agreed on July 5 to suspend all aid and to follow the British decision to freeze all arms sales.

Four main reasons can be cited for the apparent success of the negotiations of the Twelve during the first phase of the Yugoslav crisis. The most important factor undoubtedly was the turn of events in Yugoslavia itself, where peace resulted when Belgrade accepted the de facto loss of Slovenia implied in the Brioni accords. This enabled the EC to claim victory and silenced critics of the deal. Second, Italy played a crucial role in its waning days as part of the ECTroika (until June 30); the later troika of Luxembourg, the Netherlands, and Portugal lacked an EC "heavyweight." Third, the much larger and less well-defined CSCE could not reach any semblance of a consensus on Yugoslavia and quickly disappeared from the scene. Finally, the compromise EC statement left room for differing interpretations and thus accommodated conflicting national interests. The Twelve had little time for self-congratulation, however; in less than a week they faced a new challenge from a completely different threat: violence in Croatia.
The second phase in the Yugoslav crisis differed greatly from the first, as the clearly defined center-periphery conflict was replaced by an augur of bloody civil war. In mid-July, simmering hostilities between heavily armed Serbian guerrillas in eastern and central Croatia and ill-prepared Croatian policemen reached a boiling point. While officially not taking sides, leaders in Belgrade and the JNA made clear their sympathy for Serbian grievances and, more importantly, indicated their intentions not to let Croatia go the way of Slovenia. Faced with this greater threat, the member states of the EC struggled to make the same formula that had succeeded in Slovenia work in Croatia: intensified mediation efforts and EC monitoring teams. The intractability of the problem, though, forced consideration of other options: recognition and the use of force. It also sparked increased positioning and bargaining by member states outside the formal EC intergovernmental framework. By the end of the second phase of the conflict, an enduring cease-fire once again maintained an uneasy consensus between the Twelve on mediation efforts, but the fracture lines introduced in this second stage would later return as more divisive fissures.

In the week before the scheduled meeting of the Council of Foreign Ministers in Brussels on July 29, national diplomatic efforts and posturing accelerated. French President Mitterand and German Chancellor Kohl, the traditional dual driving force behind EC developments, met to reconcile the French and German perspectives. A standard compromise resulted: both leaders focused on the principal task of fostering dialogue between the warring parties; Kohl accepted the French position that it was too early for consideration of recognition under international law; and Mitterand suggested that he was prepared to consider a breakup of the Yugoslav state if peace efforts failed (Le Monde 1991; Press Reports 1991).

With the move from the Slovenian struggle to the nascent civil war in Croatia, the earlier debate over the relative emphasis on territorial integrity versus self-determination disappeared. As the crisis deepened, most EC member states acknowledged that regional stability would be threatened more by a move to full-scale civil war than by a negotiated break-up of the existing state.

As had been the case in the first phase of the conflict, events in Yugoslavia shaped the intra-EC negotiating process before new decisions could be implemented. Serbian intransigence between August 2-4 completely wrecked the mediation efforts of the fourth troika mission; deeply felt humiliation on the part of the Twelve sparked efforts to augment EC policy, although member states disagreed on the means to do so. France, backed by the Secretary General of the WEU and Austria, suggested an EC buffer force. Germany returned to the threat of recognition plus added
sanctions against Serbia, and for the first time, EC members looked to the UN for help, setting the stage for an emergency meeting on August 6 in the Hague (de Cuellar 1991; WEU 1991).

The negotiations at the Hague meeting produced no breakthroughs or new initiatives. France and the Netherlands would not accept further sanctions, and even Genscher admitted before the meeting that a possible review of recognition policy would amount to no more than that—a review. The troika was split on the French “blue beret” proposal before the meeting, with Luxembourg and the Netherlands hinting support and Portugal rejecting it. Italy’s DeMichelis, Spain’s Fernandez-Ordóñez, and the British Foreign Office expressed strong desires to pursue a political solution through negotiations before any Euroforce was considered, and Genscher waffled on the issue (DeMichelis 1991a; Genscher 1991c, 1991d; London Press Association 1991; Spanish TV 1991). The Hague meeting’s final statement proved to be a triumph of the principle of the lowest common denominator: explore everything but do very little. The Commission would examine possible sanctions against Serbia, the WEU would “take stock of the present situation” and consider a possible contribution, the CSCE would call another meeting, and the UN Security Council would be kept “informed” of EC actions (Agence Europe 1991a).

As before, the compromise formula once again maintained a common European line by focusing on mediation efforts while allowing each member state to emphasize what it chose: France, the WEU meeting; the three members of the Security Council (France, the UK, and Belgium), the UN option; Germany, the involvement of the CSCE, possible consideration of sanctions, and even of recognition if further hostilities occurred. Once again, a timely cease-fire in Yugoslavia played a decisive role in maintaining the fragile EC consensus for several more weeks, since that consensus rested on the premise that mediation would work. The resumption of hostilities less than a fortnight later, however, this time with the clear participation of the JNA, began to raise doubts about the efficacy of mediation efforts alone.

Phase III (August 15–September 12)

The third phase of the conflict in Yugoslavia represented an escalation from ethnic strife to full-scale civil war. The various Yugoslav parties failed to arrange a conference by August 15 to negotiate a new structure between the republics; instead, after two weeks of relative peace, the Federal Army abandoned its pretense of neutrality and openly sided with Serbian guerrillas against desperately outmatched and seemingly hapless Croatian forces. The Twelve redoubled the EC’s mediation efforts by establishing a Peace Conference and an Arbitration Commission and sending the first monitors to Croatia, but growing numbers agreed that mediation alone
would not be enough. To satisfy domestic critics, German leaders executed an increasingly unilateralist policy favoring Slovenia and Croatia, and everyone in the Community began to examine each step in the policy process through the prism of Maastricht and the debate over the future shape of Europe.

Given the continued consensus around the need for a substantial mediation effort, the Twelve could easily outline the Community stance during Foreign Minister gatherings on August 27 in Brussels and on September 3 in the Hague. Once again, the French and German FMs, along with the Dutch Presidency, provided the main impetus for action. The eventual “EC initiative” combined elements proposed by the Dutch (the convening of an international conference to address the crucial issues facing the Yugoslav parties) and the French (a five-member Arbitration Commission of noted constitutional law experts to issue binding judgments on key points of dispute).

In order to convince the recalcitrant Serbs to accept the EC plan, the Twelve first threatened to consider unspecified additional measures against parties who did not agree to the plan by September 1. After the Serbs accepted at the last moment, the EC countries offered the incentive of restored financial protocols if the situation were to be “normalized.” By this time, the Twelve agreed to abandon the defense of territorial integrity in their Declaration but also avoided explicit mention of self-determination, settling on: “no unilateral change of borders by force, protection for the rights of all in Yugoslavia, and full account to be taken of all legitimate concerns and legitimate aspirations” (Agence Europe 1991c).

For the time being, French diplomacy remained fully focused on the cause of the mediation efforts and the creation of the necessary mechanisms to implement them, all of which was seen to advance the cause of European political union. Gone for the moment was the advocacy of a European intervention force. Commission President Delors, however, bemoaned the EC’s lack of clout. While Delors also yearned for new rules that would facilitate quicker and deeper EC cooperation, British diplomats claimed that the mediation effort of the Twelve in circumstances of near-civil war suggested that the Community’s system of foreign policy cooperation worked sufficiently as it was. The effort to forge a common policy on Yugoslavia had clearly been submerged in the race to Maastricht.

Unlike the French, the Germans could not resist returning to their agenda of recognition during this stage of the mediation effort. Genscher launched warnings at Serbia and appeals to fellow member states to acknowledge the independence declarations from June 25, even if full recognition was not accorded. Genscher raised the issue again in the Hague on September 3. British FM Hurd’s assertion that unity behind the Peace Conference efforts precluded any recognition of Croatia or Slovenia carried the day; confusion about deliberate Croatian provocations of the
JNA also helped restrain German efforts. In the end, however, though he fully supported the Conference, Genscher made it clear that if it failed, recognition of Slovenia and Croatia 'would be necessary from Germany's point of view.' Remarkably, even France seemed to move on this point, with Dumas noting that "self-determination and the people's freedom of choice can lead to disassociation," a far cry from the French position of early July (AFP 1991a; Agence Europe 1991d; The Economist 1991b; Financial Times 1991a; Genscher 1991f, 1991h).

Germany's emerging tendency to throw its weight around could hardly go unnoticed. While Germany had always acted as an advocate of strong common EC action and majority decision making, it now heeded the wishes of an increasingly impatient populace to pursue a unilateralist policy tilted in favor of Slovenia and Croatia. Outside of the EC discussion of the Community financial protocols with Yugoslavia, Germany quietly reinstated export credit programs to facilitate trade with Slovenia and Croatia. Despite lacking support from the rest of the Twelve, Genscher did not stop admonishing Serbia and the JNA that "every shot brings recognition closer." As this trend subsequently grew even stronger, some feared a permanent shift in Germany's orientation; as one apprehensive Spanish minister said: "We think the Bonn-Paris axis has been replaced by the Bonn-Berlin axis" (Berlin ADN 1991; The Economist 1991d; Hamburg DPA 1991).

On the eve of the commencement of the decisive stage of the Yugoslav conflict, the debate in the European Parliament reflected the frustrations and contradictory positions throughout the Twelve, with deep divisions between those pleading for immediate recognition and those finding such a move dangerous, between advocates of a peace-keeping force and supporters of continued diplomatic and political pressure (European Parliament 1991). As had been the case throughout the entire crisis, the next moves of the Community would be inspired by the perceived national interests of the Twelve, but would be determined most decisively by the events in Yugoslavia that remained outside of the Community's control.

Phase IV (September 13–December 23)

The decisive turning point in the Yugoslav crisis came on September 13, when the embattled Croatian leadership decided in an act of desperation to besiege JNA garrisons within Croatia. The scale and intensity of the resulting conflict reached an entirely new dimension. This, in turn, forced EC countries to heighten mediation efforts once again and to consider measures previously rejected as being too extreme: a European intervention force, full economic sanctions, and recognition of the former Yugoslav republics. The frustration over the impotence of the Twelve to affect the turn of events in Yugoslavia during negotiations over these policy options
became evident; as time passed, the United Nations assumed the EC's role of chief outside interlocutor and Germany increasingly pursued its own policy of intended recognition. While heated negotiations and crafted compromise statements continued to preserve the facade of unity amongst the Twelve, by the time Germany recognized Slovenia and Croatia on December 23, few retained any illusions about the reality of European Community foreign policy making.

The French European Intervention Force Gambit

In the week after the paroxysm of violence in Croatia, a parallel eruption of diplomatic activity occurred within the Twelve. Once again, positioning took place outside the EC framework in a series of bilateral meetings: French and German, Dutch and British, Italian and German, and Greek and British. The views covered the entire spectrum of policy responses to the new situation in Yugoslavia: Kohl gained Mitterand's assent in declaring that the right to self-determination had to be respected, while Mitterand tried to brake any immediate recognition efforts by stressing "international arbitration" to avoid "inflaming this conflict"; Dutch President Lubbers emphasized the need for continued negotiations, while Major claimed no one seriously "envisioned keeping the peace through military intervention"; Italy's Foreign Minister DeMichelis, after meeting with Hans-Dietrich Genscher, said Italy would be forced to recognize the independence of Croatia and Slovenia if the Peace Conference failed; and Greek PM Mitsotakis joined Britain's Major in stressing the dangers of such a recognition (Agence Europe 1991e, 1991g). The first response to be considered by the Twelve, however, would be the French proposal for a European intervention force.

While the French had achieved their initial goal, however, the British successfully seized the initiative and set the terms upon which the Twelve would consider the proposal in the Hague. While not rejecting an intervention force outright, Britain successfully qualified it to the point of impossibility. London's conditions that any force be invited by all parties and only under a full cease-fire were incorporated in the subsequent Dutch proposal for the WEU. Early British estimates that 30,000 troops would be needed to
do the job properly quickly became the accepted standard for discussion and helped to discourage support of the idea.

Elsewhere in the EC, opinions diverged. France continued to push for the force out of concern for Europe’s status and future identity. Genscher once again reversed his stated opposition to a WEU force, but as WEU President he added consideration of recognition to the agenda; meanwhile, German Defense Minister Stoltenburg ruled out German participation in such a force. Italy had expressed support for a WEU force in late August and now promised participation, as did Belgium. Greece, in a response typical to small countries in the EC, said it would apply whatever decision was reached at the Hague. The rest of the Twelve, however, came out against the idea (Agence Europe 1991f, 1991g; Genscher 1991g; Gonzalez 1991; La Repubblica 1991a).

Despite the best Dutch and French efforts, however, the intervention force gambit failed to win approval. In the final declaration, the Twelve agreed that “it is their understanding that no military intervention is contemplated and that, before a reinforced monitor mission were established, a cease-fire would have to be agreed with a prospect of holding and that all Yugoslav parties would have expressed agreement” (European Community 1991a). Disappointed French and German officials blamed Britain for blocking more extensive Community action. Criticism that Britain had vetoed the action, however, was incorrect; Serbia and the actions of the JNA and Serbian guerrillas in Croatia did. Even the French and Germans agreed that no force could be sent without the consent of the parties fighting; when Serbia rejected the idea, the debate became moot. Despite appearances to the contrary, a majority of the Twelve supported the British interpretation of the situation in Croatia and the UK’s position on the intervention force—and thus the lack of Community action that was its natural consequence (Agence Europe 1991i; Financial Times 1991b).

The compromise by the Foreign Ministers left some solace for supporters of a more active role: the Twelve authorized the WEU to “explore ways which the activities of the monitors could be supported so as to make their work a more effective contribution to the peacekeeping effort.” Driven by French, German, and Italian interest, the WEU initiated a flurry of meetings to consider possible ways to “support” the monitor mission (Agence Europe 1991j, 1991l). But all parties agreed that the European Community had decisively buried the idea of sending its own force to intervene in Yugoslavia (Agence Europe 1991k; European Community 1991; Washington Post 1991).

Mediation and Sanctions

Having dispensed with the possibility of military intervention, the Twelve focused their attention on a final diplomatic push for a mediated settle-
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ment. As the Hague Declaration of September 19 stated, consensus had been reached that it was "self-evident that [the new situation existing in Yugoslavia] calls for new relationships and structures" (European Community 1991a). To the Community's credit, on October 18 they proposed a "General Settlement for the Situation in Yugoslavia" that incorporated the concerns of all parties involved in the conflict. Once again, however, Serbia spurned the efforts of the Twelve, preferring to rely on superior force of arms to achieve its goals. At a loss for other options, the member states turned to the threat of economic sanctions as the final tool in the Community's diplomatic arsenal. When that failed, so did the European diplomatic effort in Yugoslavia, leaving the role of chief mediator to the UN.

On the eve of the October 6 meeting of the Community's Foreign Ministers at the Haarzuilens, Italian FM DeMichelis summed up the general consensus of the Twelve in early October. The sole tools for solving the crisis remained diplomacy and negotiation; DeMichelis ruled out recognition of Slovenia and Croatia by individual EC nations, firmly rejected sending a Euroforce, and raised the possibility of an economic embargo against parties that continued to break cease-fires. Angered by Serbia's recent seizure of the collective Federal Presidency, the foreign ministers did just that, threatening to consider a total trade embargo in the absence of an immediate cease-fire. In an increasingly common move that indicated declining faith in the efficacy of their own efforts, the Twelve turned to the UN for assistance, asking de Cuellar to appoint a UN special envoy to Yugoslavia (AFP 1991b; DeMichelis 1991c).

Serbia complied only temporarily with the October 7 deadline. The next day Germany threatened Serbia with its own unilateral trade embargo, in addition to the EC measures being considered. After Serbia's rejection of the painstakingly crafted Community proposal of October 18 and a follow-on version, the Twelve issued a final ultimatum at their Brussels meeting on October 28 to accept the EC proposal by November 5 or face sanctions. Here the consensus broke down amongst the Twelve, with many uncertain about to whom the sanctions would be applied. When the Foreign Ministers gathered on November 4, Germany clearly stood for sanctions against Serbia only, but both the Netherlands and the UK maintained that Croatia was not free from guilt in instigating violence. The practical impossibility of applying sanctions against Serbia alone swung the decision in favor of a general embargo against all of Yugoslavia, with provisions to reconsider the measures for parties that abided by EC standards (AFP 1991c, 1991d; Financial Times 1991c, 1991d).

The difficulty in maintaining a negotiated consensus became evident between November 4, when the Twelve agreed on the sanction package, and November 8, when the sanctions went into effect. One day after bowing to pressure to reach an EC-wide consensus, the German and Greek Foreign Ministers returned to withering criticism in Bonn and Athens.
Genscher responded by “emphatically rejecting” the tendency of not distinguishing between aggressor (JNA, Serbia) and victim (Croatia). He also proclaimed to the staunchly pro-Croatian and Slovenian Bundestag that Germany expected its EC partners to accept Germany’s proposals for stiffer sanctions. In Athens, Greek FM Samaras threatened a Greek veto of the compromise package at the upcoming Rome summit because of the feared disruption that sanctions would cause to the Greek economy (Financial Times, 1991e, 1991f; Genscher 1991j, 1991k).

Serbia forced the issue by definitively rejecting the EC plan. The unanimous decision of the Twelve on November 8 to implement the sanctions package continued the semblance of unity, but it also meant the effective end of the EC’s mediating effort. UN envoy Cyrus Vance assumed the role of chief mediator and cease-fire negotiator. Once again, events in Yugoslavia proved too intractable for the Twelve to master and forced them to implement a decision most of them had long been loath to make. The Community, its efforts having failed to meet the challenge, ceded its role to another institutional interlocutor, the United Nations. For all intents and purposes, only one issue remained to be settled: recognition.

The German Drive Toward Recognition

The structure of the intra-EC debate over recognition paralleled the one over the use of force: first, positioning and lobbying occurred outside the formal setting of intergovernmental institutions, then there was heated bargaining over a common stance and an actual policy. In this case, however, the final result affirmed, rather than rejected, the proposed policy. Although agreeing on a formal diplomatic act is much easier than arranging and executing a military intervention, the much better-prepared Germans never relinquished the initiative to opponents of recognition. With the die already cast and other options exhausted, the reluctant among the Twelve placed European unity first and abandoned their opposition to recognition.

German leaders had flirted with the recognition issue from the very beginning of the debate over the Yugoslav crisis. In mid-October, the tentative moves blossomed into a full-fledged campaign to win Community consensus for the German approach. Two developments in particular aided the German cause. Exasperated with the constant cease-fire violations, the Dutch Presidency arranged yet another one, but this time insisted on an absolute two-month deadline to reach a political settlement; in addition, Dutch foreign minister v.d. Broek now flatly rejected the possibility of preserving Yugoslavia as a unified state. In addition, Italian leaders bowed to intense pressure at home by publicly declaring that Italian “recognition of the sovereignty and independence of the two republics” was “imminent.” Now Germany had a major partner within the
EC willing to meet with Slovenian and Croatian leaders on a near-equal basis and to lobby other members of the Community for early recognition (ANSA 1991; Die Welt 1991).

By mid-November the scorecard of the Twelve rated a draw: in addition to the Germans and Italians, the Danes, Portuguese, Belgians and Luxembourgers tended toward recognition—after intensive German lobbying. Of the remaining six, France and Greece stood most firmly opposed. The specter of an independent republic bearing the historical Greek name of “Macedonia” sent shivers down Athens’ spine. While conceding support for the principle of self-determination, Mitterand added conditions of settled borders, firm peace agreements, and guarantees of minority rights. Despite more movement toward the German stance, the French bottom line remained that it should not precipitate anything at such a troubled time (Athens Radio 1991; Frankfurter Allgemeine 1991b; Kathimerini 1991; To Vima Tis Kiriakis 1991; Vienna Radio 1991).

By late November, that was precisely what Chancellor Kohl and PM Andreotti were preparing to do. While their Foreign Ministers continued soft-line persuasion by stressing the need for a common stance, the top two advocates of a “United States of Europe” abandoned the cause of European unity by conducting a series of bilateral summits with the intention of unilateral recognition by Germany, Italy, and Austria if the rest of Europe refused to follow. In part, the heavy-soft approach was designed to mollify different audiences: Kohl could promise the impatient Bundestag recognition by Christmas, while Genscher could continue the drive for a European consensus. But the contradictory tactics also represented differing opinions: the Socialist FM Gianni DeMichelis remained confident that Greek, French, and British resistance might be overcome by diplomacy, while the Christian Democrat PM Andreotti felt that the threat of unilateral action would be necessary to break the deadlock (La Repubblica 1991b).

The threat met with mixed results. Dutch PM and therefore Council President Lubbers accepted that the German and Italian pressure meant that the Twelve could not avoid addressing the issue directly before the end of the year. Others not so sanguine about the benefits of recognition attempted to resist the German and Italian efforts (AFP 1991d; Frankfurter Allgemeine 1991c).

By December 15, however, German unilateral acts had all but completed the process of recognition; only the formal declaration remained. In the past two months, Germany had unilaterally started to accept Slovenian and Croatian travel papers at the border without requiring a visa; established a consulate-general in Ljubljana and prepared it and the one in Zagreb to serve as full embassies; begun bilateral negotiations with Slovenia and Croatia to ensure minority rights protection; arranged for dramatically increased German financial support and provision of technical advice; and suspended all air, sea, and road links with Serbia. While
acknowledging UN warnings and agreeing to meet the rest of the Twelve on December 17, German leaders had already placed the act of recognition on the agenda for the Cabinet to approve formally on December 19. It seemed that the drive toward European political unity would come to a screeching halt just days after Maastricht.

The holdouts in the Community acquiesced instead. On December 17, the Twelve met to craft a policy of recognition that would salvage the appearance of European unity. Italy’s leaders abandoned their hard-line stance, then provided a bridge between Germany and the rest of the Twelve with a face-saving compromise on timing: recognition would be implemented only after another month had passed—on January 15—to give accelerating UN efforts additional time to arrange an enduring ceasefire and, it was hoped, a “Blue Helmet” peacekeeping force (La Repubblica 1991c). France and the UK gained approval of UN efforts at both mediation and intervention. In addition, France won a minor victory for its common foreign policy cause with the inclusion of a “checklist” of conditions it had first proposed at Maastricht that emerging Eastern European republics must meet to gain EC recognition. But Germany rejected French efforts to have the French-inspired Arbitration Commission determine eligibility; instead, it would only “advise.”

By the end, only Greece remained willing to wreck the facade of a unified European response. Its objections were met by inclusion of a final paragraph addressing its concerns over Macedonia. While immediate commentary duly noted that Kohl had been forced to compromise and that the Twelve had resisted “intense German pressure” to acknowledge independence before Christmas, the German Cabinet did precisely that, as scheduled, on December 19. With Kohl hailing the agreement as a “great success for German and European policy,” official letters of German recognition, fully effective January 15, were presented in Zagreb and Ljubljana on December 23 (European Community 1991b; La Repubblica 1991c; New York Times 1991c).

In forging a consensus on policy toward Yugoslavia during this final phase, the national interests of the Twelve and the relative political influence of individual countries played the greatest roles in the final outcome. Without France, the Euroforce would not have been seriously contemplated; without Great Britain, it may well have been created. Without Germany, the recognition of Slovenia and Croatia would have taken much longer; without the deep concern by the rest of the Twelve to avoid a rancorous split in community ranks, Germany might well have been alone in recognition. And once again, the impact of events in Yugoslavia on the negotiations within the EC cannot be underestimated. Serbian refusal, not British obstinacy, forced the shelving of the WEU force, and Serbian intransigence finally induced the Twelve to declare sanctions.
Conclusions

The crisis in Yugoslavia occurred at a potentially propitious moment in the development of the European Community. Just as the twelve Member States began to focus their attention and energy on the redefinition of the nature of their association, an opportunity to work closely together in defining a common position with significant foreign and security policy implications presented itself. When the United States and the UN excused themselves from any involvement in the matter in late June and the CSCE process proved incapable of surmounting its inherent and debilitating limitations, the Community had the stage to itself. The Twelve mastered the preliminary challenge in Slovenia with minimal difficulties; a quick and relatively clean resolution of that dispute did not expose the inherent contradictions between the various interests of the Twelve that had been reconciled in compromise statements. Countries that favored Community foreign policy decision making as it was, such as Great Britain, Denmark, Portugal, and Ireland, could point to that success as proof that the present mechanisms worked. As the main event in Croatia continued to reach new levels of intensity and violence, however, the initial Europhoria quickly slipped into despair. Advocates of a radical overhaul of the way the member states conduct foreign policy, like Commission President Delors, rightly characterized the EC as an adolescent institution faced with an adult problem. Even more frustrating to them was that the more the Twelve tried to prove Europe’s worth by continuing the quest for peace in Yugoslavia, the less time they had to negotiate successfully the mechanisms necessary to harmonize foreign and security policies.

Indeed, looking at the final result a cynic could claim this was precisely what occurred at Maastricht—or she could repeat the worn and deeply misleading complaint that it was all England’s fault that Europe had failed to move much further ahead in foreign policy coordination. Beyond the opening phrase: “the Union and its Member States shall define and implement a common foreign and security policy,” precious little was achieved in the Maastricht treaty. Foreign policy will not be formally subject to Community institutions or brought within the Treaty of Rome but will remain in the hands of the intergovernmental Council; unanimity remains the guiding principle, although the Council can agree that some matters of implementation be executed by qualified majority voting.

But was Maastricht really a failure to move beyond the reality of Community foreign policy that had failed to gain peace in Croatia—or was it a recognition of more fundamental truths of the policy-making process that the response to the Yugoslav crisis merely served to highlight? The evidence in this paper suggests the latter.

Powerful community member states like Germany and France often
issue impassioned declarations about the need for a common foreign policy. Yet the actions of the strong often belie such lofty philosophical declarations. From the beginning to the end of the Yugoslav crisis, Germany, not Great Britain, proved to be the country most willing to disregard the painstakingly negotiated common positions of the Twelve. Chancellor Kohl demanded common foreign policy mechanisms in the approach to Maastricht even as he ignored the wishes of his closest allies and began to implement unilateral recognition of Slovenia and Croatia. After the European Parliament failed to adopt a resolution supporting self-determination and recognition in Yugoslavia in November, FM Genscher told the Bundestag that qualified majority voting was a must, but that: “I wish that where majority decisions in the EC are possible, the majorities for the right policy could at least be attained” (Frankfurter Allgemeine 1991a; Kohl 1991). France, which fervently advocates European defense integration, but for twenty-five years has refused to participate in NATO’s integrated command in Europe, often seems equally insensitive to the politics of EC coordination. In what was widely considered to be an affront to the Dutch Presidency, France in October invited the “like-minded” governments of Germany and Spain to Paris to establish a European defense policy plan, preempting EC-wide discussion of the issue.

The reality of power politics within the European Community dictates that the stronger countries like Germany and France, as well as the UK and Italy, usually lead while the weaker ones follow. Altering procedural mechanisms would be unlikely to change that fundamental reality. The process of formulating a common policy toward Yugoslavia demonstrated, however, that forced unanimity—that is, reaching full consensus among the Twelve—combined with a desire on the part of most parties to maintain at least the facade of European unity, creates a dynamic that allows various national interests to be reconciled through the negotiating process.

Because the intergovernmental forum of the Council of Ministers, not the supranational Commission, determines official policy for the Twelve, countries such as Spain and Greece could defend national interests that may have been steamrolled in qualified majority voting. And because the negotiations allowed for intense lobbying by national governments and did not devolve powers to Brussels, British objections about creating a European force to intervene in Croatia helped to shape a consensus against the Franco-German initiative based more on information about the situation at hand than on desires for the future of European integration. While the intra-EC negotiation process did not succeed in halting the German drive for recognition, and may have dragged reluctant parties into premature acceptance of a policy they did not yet desire, the six months of negotiations over the policy undoubtedly modified German ardor for a quick response, delayed it until recognition seemed inevitable in any case,
and allowed the full weight of a unified European decision to influence world public opinion and the course of events.

Given that a region as diverse as Western Europe will always have different perspectives and interests on any given issue, the difficult negotiations that must occur on an intergovernmental level over crucial issues of foreign policy should be considered to be a positive, not a negative, characteristic of intra-Community relations. While qualified majority voting and even automatic Commission mechanisms might make a European foreign policy response quicker and neater, that does not mean it would be more satisfying. Rather than hobbling effective policy making, the requisite negotiations ensure that the national interests of the Twelve are adequately addressed and allow for the free play and interchange of ideas, proposals, and interests that should be at the heart of any democratic, pluralistic policy-making process.

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Environment in the New World Order
International Climate Change Negotiations at the UNCED Conference: Cooling Off or Warming Up?

Emily D. Pelton

Abstract

Environmental politics surrounding global climate change have the potential to create a North-South conflict of monumental proportions. The success or failure of a global climate change strategy will be largely determined during the upcoming June 1992 United Nations Conference on Environment and Development. Negotiations at the conference will touch on issues such as development assistance and associated questions of sovereignty and technology transfer; limitations on economic growth for environmental gain; the role of individual nations and multilateral agencies in future international environmental policy; and the division of economic burdens between North and South in limiting the pace, extent, and potential impacts of climate change. This paper examines some of the factors that will determine the potential success of this conference and several underlying issues likely to shape the bargaining positions of various countries in negotiating a climate change accord.

At the Second World Climate Conference held in Geneva in November 1990, the Prime Minister of Tuvalu, Bikenibeu Paeniu, addressed the following remarks to conference participants:

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We in Tuvalu—and this goes as well for our sister countries in the Pacific, the Indian Ocean, and the Caribbean—contribute little or nothing to the [climate change] problem. Yet we will be the first to suffer... We in the Pacific, and others in the Southern Hemisphere feel isolated and vulnerable (World Climate Change Report 1990).

Mr. Paeniu was referring to warming trends in global temperatures that scientists have predicted may cause dramatic shifts in the earth's climate during the next century—such as an unprecedented rise in the global mean sea-level that could be devastating to small island nations like Tuvalu. Other severe effects such as droughts, damage to agricultural production, and increased incidence of tropical storms could seriously disrupt the economies of larger countries as well. This warming phenomenon results from built-up gases trapped in the atmosphere which, over time, act as a "greenhouse" blanket for the entire planet, warming the Earth's surface.

Although scientific debate continues over the timing and magnitude of the climate change problem, it has now been firmly established that the emission of certain "greenhouse" gases, most significantly carbon dioxide, methane, chlorofluorocarbons (CFCs), and nitrous oxides, act to warm the global environment. A variety of sources have been identified as the culprits in the greenhouse gas emissions story. In the advanced industrialized countries, fossil fuel burning, industrial uses of CFCs, and other energy uses are the primary emissions sources, while in the developing world emissions originate from agricultural activities, livestock raising, rice cultivation, energy use, and particularly deforestation. Despite its smaller overall emissions of greenhouse gases (GHGs) into the atmosphere, the developing world is likely to account for most of the future growth anticipated in this area as governments invest in energy, infrastructure, and other projects that will allow them to develop their economies.

Global warming and its side-effects are likely to change climatic conditions in countries all over the world. A United Nations-sponsored panel—the International Panel on Climate Change (IPCC)—recently concluded that although the regional impacts of climate change cannot yet be accurately determined, potential impacts include increased intensity and frequency of tropical storms, loss of biodiversity of plant and animal species, and shifts in climatic zones that could affect wildlife habitats and migrations, damage agricultural activities, and ruin tourist attractions such as national parks (International Panel on Climate Change 1990). Many current predictions also indicate that dry areas will probably become even dryer, posing a particular threat to the thirty-six African states that already suffer from drought (Ominde and Juma 1991). Moreover, sea-level rises accompanying significant warming could lead to severe flooding and salinization in at least thirty countries, and could
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literally submerge island countries and others such as Bangladesh almost completely under water (Ominde and Juma 1991). Another potential consequence of these impacts is a future explosion of human and animal "ecological refugees," with attendant social, economic, and political instability in many countries.

A central element of the "ecopolitics" surrounding climate change is that developing countries, which contribute only one-fourth of the current greenhouse gas emissions and generally lack the resources necessary to adapt to new climatic conditions, are likely to be the biggest losers in the event of unprecedented changes to the global climate—a problem for which the industrialized nations are mostly responsible, and over which smaller nations, such as Tuvalu, have little control.

Environmental politics have the potential to create a North-South conflict of monumental proportions, and many feel the battle is already underway. Strenuous debate and highly charged rhetoric is regularly exchanged through international fora such as the United Nations, in which Northern environmentalists and leaders criticize continuing environmental degradation in the South, and Southern leaders point to Northern hypocrisy, most markedly evidenced by failure to control their own industrial emissions. Nonetheless, many feel the environment provides an opportunity to forge a new paradigm of North-South cooperation, if only a mutually acceptable approach and principles could be developed.

The success or failure of a global climate change strategy will be determined in part during a June 1992 international conference in Rio de Janeiro, Brazil. The conference, commissioned by the U.N. General Assembly, is charged with addressing critical issues of international development and global environmental quality, and is aptly named the United Nations Conference on the Environment and Development (UNCED). The conference in many ways also represents the culmination of years of international bargaining over climate change strategies.

Certain to encompass a vast collection of sensitive international political topics—of the "North-South," "North-North," and "South-South" variety—negotiations will touch on issues such as development assistance and associated questions of sovereignty and technology transfer; limitations on economic growth for environmental gain; the role of individual nations and multilateral agencies in future international environmental affairs; and the division of economic burdens between North and South in limiting the pace, extent, and potential impacts of climate change. This paper will examine some of the important determinants of the outcome of the UNCED conference—including factors at play both within and between key parties to the negotiations—and will consider the likelihood that the conference will produce a successful climate change convention, as its planners and many others hope it will.
Sources of Global Warming

Industrial economies' greenhouse gases originate mainly from fossil fuel burning in industrial processes, transportation, and other energy uses, and comprise roughly 75 percent of global emissions. According to the World Resources Institute, the United States by itself accounts for just over 20 percent of carbon dioxide emissions from fossil fuel consumption and leads all other countries in this area (World Resources Institute 1990). North America's per capita energy consumption rates are twenty times greater than those in India, and eighty times greater than those in Sub-Saharan Africa; that of the United States alone is roughly ten times that of Brazil (Finance and Development 1991; Fairclough 1991). Other leading contributors to global warming are, in order of carbon dioxide emissions, the former Soviet Union, the European Community (EC), Brazil, China, and India.

The developing world generates about 20 percent of total carbon dioxide emissions, and about 25 percent of all greenhouse gas emissions. Deforestation taking place in South America, Southeast Asia, and Africa contributes to greenhouse warming through both carbon dioxide emissions resulting directly from wood cutting and burning, and the elimination of forest "sinks" for carbon dioxide. According to the Food and Agriculture Organization, the rate of tropical forest destruction has increased 40 percent over the last decade. In 1980, the rate of deforestation was thirty million acres per year; in 1990, it was approximately forty-two million (The Washington Post 1991). The highest rate of deforestation in the world is occurring in the Ivory Coast, but most international attention has been focused on deforestation in the world's largest tropical rainforest: the Amazon basin, located primarily in Brazil and extending into several other South American countries.

Developing countries currently use far less energy than the developed world, but their emissions from coal—the most carbon-rich fuel source, which now generates almost half of Third World electricity—are likely to rise sharply in the future. This is true particularly in the populous countries of India and China, which possess large coal reserves. Energy efficiency is lowest in developing countries, which according to the World Bank and others often set energy prices up to 40 percent below marginal costs (Finance and Development 1991).

Controlling Climate Change: Energy and Forests

Stabilizing Greenhouse Gases

In a recent report, the U.S. Environmental Protection Agency estimates that...
stabilizing concentrations of greenhouse gases would require the following global cuts in emissions from 1989 levels: carbon dioxide, 50 percent; methane, 10 percent; CFCs, 75 percent; and nitrous oxides, 80 percent (US EPA 1989). The IPCC estimates that in order to stabilize levels of greenhouse gases in the twenty-first century, emissions of all gases with "long atmospheric lifetimes" such as nitrous oxides, CFCs, and carbon dioxide would have to be reduced by 60 percent. Another study finds that an immediate 75 percent reduction of carbon dioxide emissions would be required to stabilize concentrations at their current levels (Solow 1991).

Reforestation, an objective proposed by some as an economic alternative to such difficult and expensive measures, offers little prospect of supplanting emissions reductions to achieve these goals, as an enormous land area would be required to absorb currently projected global emissions; for example, an estimated 2.5 million hectares per year would have to be reforested in order to absorb just the additional carbon emitted annually by recent US fossil fuel use (Finance and Development 1991).

Costs of Reducing Emissions

The problems associated with achieving deep cuts in GHG emissions are not only complex, but also involve high economic costs. One early economic analysis concluded that to reduce global emissions in the next century by 50 percent from 1990 levels would cost an average of $180 billion annually, or about one percent of global GNP (Nordhaus 1991). Another study of the economic impacts of a carbon tax designed to reduce atmospheric concentrations of GHGs performed by Alan Manne and Richard Richels indicates that the cumulative cost from 1990 to 2100 would be $3.6 trillion, but this falls to $720 billion if more optimistic figures about energy efficiency and conservation are used (Helman 1990).

These studies, however, which are considered by most to be crude and preliminary, do not balance these numbers with estimations of incidental benefits associated with switching to non-polluting fuel substitutes and increasing energy efficiency, or the costs of implementing prevention and adaptation strategies in the event that significant warming occurs. For example, in 1989, the U.S. EPA estimated that a sea-level rise of 50 cm., which is approximately the estimate published by the IPCC, would cost the United States a total of $100 billion, or 0.1 percent of cumulative gross domestic investment between 1985 and 2050 (US EPA 1989). Furthermore, Brazilian energy expert Jose Goldemberg claims that economic growth could proceed almost unchanged if appropriate energy efficiency measures were implemented in both developed and developing countries (Goldemberg 1990). A rough consensus recently has emerged among economists that minor reductions can be achieved relatively cheaply, but
that low-cost options are exhausted after reductions of approximately one-sixth of emissions (Nordhaus 1991).

**Alternative Strategies**

A long menu of options for reducing GHG emissions has been proposed and debated at the international level over the past five years, but none yet have emerged that are mutually acceptable to key contributors to the climate change problem in either the North or the South. Proposed financial incentives and tax alternatives have included global carbon taxes on fossil fuels, tradeable GHG emissions permits, “equivalent” reductions—in which energy efficient economies would achieve targets by assisting other nations—and various other market-based approaches. José Goldemberg has proposed an international tax of $1 per barrel of oil, or $6 per ton of coal, to raise more than $50 billion per year for ecological investments, simultaneously encouraging energy efficiency. The money could be administered for environmental projects either through a new international agency, or, as Goldemberg prefers, to developing countries through existing institutions such as the United Nations Development Programme (UNDP) (Goldemberg 1990).

Along similar lines, in June, 1988 at an international conference in Toronto, forty-six national representatives issued a report with the recommendation that a World Atmosphere Fund be created, financed by a fossil fuel consumption tax in developed countries, to facilitate technology transfer to developing countries. Proposals such as this, and Goldemberg’s, however, are politically problematic and are unlikely to be accepted by Northern governments. Few industrialized nations are likely to agree to “one-way” North-South transfers of funds, or to a large—and inevitably expensive—new international bureaucracy to deal with the environment, when one already exists (UNEP).

European Community countries, which already have committed themselves to stabilizing carbon dioxide emissions—and in some cases to reducing them—have preferred to place domestic carbon taxes on key economic sectors, such as waste and heavy industries. The European Community has agreed to a $3 per barrel tax on oil, later to be increased to $10 per barrel. Critics, however, have noted that governments accruing revenue from such taxes lack incentives to legislate additional energy-efficient measures (Helman 1990).

Others have heralded the Montreal Protocol On Substances That Deplete The Ozone Layer as an appropriate model. This treaty provides for an overall reduction of global CFC and halon emissions through a complex formula of production and consumption cuts, with special provisions designed to allow increasing consumption levels for developing countries over the next decade. While the Protocol has been an ingenious approach
for a problem as specific as CFC-induced ozone depletion, and may provide a useful diplomatic road map, without major modifications, a Protocol type of agreement probably could not effectively integrate the multitude of countries, sources, chemicals, and economic interests involved in reducing global warming.

The Bush administration policy approach to GHG emissions arguably has been the most conservative in the developed world. Refusing to discuss possible greenhouse gas reduction timetables and targets—or for that matter energy-efficiency measures—at international meetings, the United States has invested primarily in scientific research, accompanied by energy-saving measures at the margin through national legislation such as the Clean Air Act. Although high-level officials have hinted at an interest in global tradeable emissions permits, the United States has committed itself only to the so-called “no regrets” policy: that energy-efficient and other conservation measures should be taken that make sense in their own right and are economically efficient. The Administration’s position, however, has represented an extremely conservative reading of the “no regrets” concept originally proposed by leading scientists such as Stephen Schneider (Schneider 1989).

One concept upon which industrialized and industrializing countries can agree, however, is that the developing world should not have to follow the energy-inefficient, resource-intensive path of development of the Northern countries. And, although technology transfer remains a potentially intractable issue for a global climate convention, aid programs have in recent years begun to focus on using “clean technology” in development projects. According to the IMF, the future potential in this area is promising, with efficiency gains of up to 20 percent possible with relatively minor investments in capital stock and cleaner alternative fuels (Finance and Development 1991).

The IMF maintains that substantial improvements can be made by reforming legislative and regulatory arrangements to promote competition; strengthening accountability in energy supply enterprises; shifting investments from increasing capacity to improving efficiency; and placing a stronger emphasis on natural gas, hydropower, biomass, wind, and solar power. Yet the impact of such proposals may be limited until Northern governments set an example by making significant changes in their own energy policies. A recent IMF study, for example, identifies the following barriers to the development of efficient energy industries in developing countries: “prices that do not reflect real costs; trade restrictions; inadequate consumer information on costs and alternatives; social mores on how things should be done; and lack of available technologies” (Finance and Development 1991). Yet many in the developing world might ask: Are the industrialized nations any better?
The Climate Change Debate: North-North or North-South?

Many dimensions of the climate change debate can be divided into "North" and "South." Deforestation and growth of fossil fuel emissions are occurring primarily in the South; energy, industrial, and transportation emissions of GHGs associated with a high standard of living are predominantly a Northern phenomenon. Yet the political and philosophical approaches of different countries toward the problem do not fall neatly into these two categories. The North, if considered as the United States, Canada, Europe, Japan, and the former Soviet Union, is a fragmented entity. While the Europeans, Japanese, and Canadians have agreed to stabilize their GHG emissions at 1990 levels, the United States and the former Soviet Union have dug in their heels, refusing even in principle to consider target reductions.

The South is equally lacking in unity. Large, industrializing countries with enormous populations and potential for fossil fuel emission growth are power-players in international negotiations, sharing little in common with the least-developed and island nations that can exert almost no influence on the course of future events. The existing bonds between the nations of the South consist primarily of shared complaints against the North, rather than a unified vision for future progress. The bloc of oil-rich OPEC nations, led by Saudi Arabia, actually have found themselves in an otherwise unlikely North-South alliance with the former superpowers in opposing all measures related to consumption taxes on fuel.

Thus, negotiations on a climate agreement at the UNCED conference are likely to involve four, rather than two, contingents: industrialized nations favoring greenhouse gas reductions, led by Europe (and probably supported by Japan), and opposed by the United States, the Soviet Union, and Saudi Arabia; large developing countries with large populations and forest or fuel resources (Brazil, India, China, Nigeria); and poor, small nations that can do little but attempt to impose a kind of moral accountability on the conference participants.

Despite these new and somewhat peculiar coalitions, many of the debates surrounding the climate convention will center on familiar North-South themes. Southern nations will continue to call on the North to reduce GHG emissions, reduce technology transfer barriers, provide additional resources for research, and reduce debt burdens (Ominde and Juma 1991). Northern nations will likely continue to demand commitments on deforestation, fossil fuels, and population planning. The most knotty issue, however, is certain to be the arrangements for funding environmental initiatives in developing countries. While the South says more resources are necessary for additional progress, Northern countries in a position to provide them, particularly the U.S., often feel that sufficient funds are already available through existing aid programs.
Further complicating this situation is the sense of many developing countries that the heavily-polluting Northern countries are attempting to shift the burden of their mistakes onto the South. Although deforestation represents a relatively small share of GHG emissions, environmental initiatives by Northern governments have focused primarily on this issue. For example, despite pressure from environmentalists to issue a statement on energy and industrial carbon dioxide emissions at the G-7 Meeting in July 1990, the final communique by the industrial leaders bypassed this issue and focused instead on the need for a “global forest convention” (BNA International Environment Daily 1991a). To make any headway at all during the negotiations, many observers feel a prerequisite will be either new initiatives in Northern energy policy or new commitments of financial resources. According to one prominent American environmentalist:

The South might not insist on new funds if the industrialized countries promised actions in their own economies.... Or the developing countries might agree to mutual efforts on atmospheric protection, tropical forestation, biodiversity, land degradation and the rest, without the North taking the first steps if additional funds were forthcoming. With neither dollars nor northern initiatives in the offing, even those nations that recognize the costs of environmental degradation and its intimate connection with poverty can see little to discuss (Mathews 1991b).

Disputes along the North-North axis could also be contentious as the debate over climate change spills over into larger issues. The United States, visibly determined to resist measures to alter its energy consumption patterns, may find itself bested by European nations willing to assume the mantle of “environmental leadership.” President Bush may lose the spotlight in his efforts to craft a “new world order” if the EC nations succeed in overriding the United States at the UNCED conference—directly before an election in which Bush will have to defend his record as “the environmental President.”

The North

Japan, the European Community, and European Free Trade Association nations already have committed themselves to stabilize or reduce their emissions of carbon dioxide by the turn of the century; six European countries have pledged to cut emissions 20 percent, with Germany promising to achieve a 25-30 percent reduction by 2005. All other EC nations, plus Japan and Canada, have committed to stabilize emissions at 1990 levels by 2000. The United States, on the other hand, projects a 15 percent increase in carbon dioxide emissions over the next decade, and has firmly
opposed all efforts to forge an agreement targeting reductions. To many, it seems strange that the United States, which only five years ago led the charge for CFC controls and a comprehensive treaty on ozone depletion, has been so recalcitrant in the climate treaty negotiations.

The increasingly defensive stance of the United States is perhaps best evidenced by its rhetoric. Responding to environmentalists’ criticisms at the July 1990 G-7 summit in Houston, President Bush asserted:

I'm not going to respond to those groups that have been attacking us every time we turn around. They don't want to face the human consequences of men and women thrown out of work and families put into a whole new state of anxiety (Daily Report for Executives 1990).

At a preparatory meeting for the UNCED conference, chief U.S. negotiator Curtis Bohlen defended U.S. policy as a judicious go-slow approach: “There is no question. We are the bad guy. Some people may have a problem with it, but we call it cautious, prudent policy” (The Gazette 1991).

The Administration’s justification for its policy continues to be that remaining scientific uncertainties about the effects of climate change require a conservative and limited agenda of policy actions (Bromley 1990). This is an interesting irony, however; in 1987, the United States sharply criticized the European Community, particularly Britain, for taking a similar stance on ozone depletion as the United States pushed hard for an agreement on CFCs in Montreal (Benedick 1991). These contradictions notwithstanding, however, the Bush administration continues to adhere to the most conservative interpretations of the climate threat, despite warnings from credible sources (such as the U.S. Academy of Sciences) that have identified climate change as a potentially serious future problem. Even the former head of the National Center for Atmospheric Research has said that “scientific uncertainty can no longer be invoked as a valid argument for ignoring the greenhouse effect and refusing to take action to slow global warming” (Daily Report for Executives 1991).

Nonetheless, the United States has held steadfastly to three principles throughout the preparatory meetings for UNCED: first, no new funds will be forthcoming for new initiatives—currently available resources can be reshuffled, but not augmented; second, no targets or timetables will be discussed on carbon dioxide reductions; third, the United States will not participate in discussions of changing its energy consumption patterns. The United States has also hedged by taking the position that its reductions of CFC emissions in compliance with the Montreal Protocol will stabilize its total contribution to greenhouse warming. Yet this has only further frustrated American allies. Germany, for example, already dissatisfied with the negotiating sessions that have preceded the UNCED conference,
International Climate Change Negotiations at the UNCED Conference

does not accept the new U.S. position that merely “double-counts” CFC reductions (Audubon Society et al. 1991).

The only support likely to emerge for the U.S. position is from oil producing states, such as Saudi Arabia and the former Soviet Union, which have every reason to oppose any solution that would include taxes on energy consumption. The OPEC Secretary General—who characterizes the climate change debate as “oil phobia”—has joined the United States in asserting that there is little scientific basis for concluding that carbon dioxide causes global warming, and that insufficient attention has been paid to the impact of reductions in energy use on economic growth (Energy Listener Series 1991).

The now-former Soviet Union, as the second largest emitter of greenhouse gases worldwide, might be expected to exert considerable influence at the 1992 conference. Its current political situation, however, confers very little authority upon Boris Yeltsin (or other CIS leaders who may choose to attend) to make commitments in Brazil that would impose any additional economic burdens at home. Scientists currently working on this problem have been indicating for some time that the Soviet Union cannot realistically hope to achieve substantial reductions during the next decade without considerable support from abroad. Thus, the former union not only makes for a weak ally, but creates a peculiar paradox for all parties involved, who must consider the new confederation as both a heavy-polluting great power and a poor country in need of technical and financial assistance.

European leaders, on the other hand, apparently stand prepared to implement efficiency measures, energy taxes, and other stringent measures in order to reduce emissions of GHGs. In a move that some have called a “crossing of the environmental rubicon,” John Wakeham, the British energy secretary, recently said that energy efficiency is “the quickest, most cost-effective and therefore most painless way” to meet the U.K.’s commitment to reduce carbon dioxide emissions. Mr. Wakeham also said that current global dependence on fossil fuels is “the most fundamental problem facing civilization” (The Times 1991). This spirit of frankness has been evident throughout Europe in recent years, as countries there begin to confront their environmental circumstances and take action to address them. In addition to the EC-wide energy tax, individual countries have implemented domestic restrictions to meet their targets of stabilizing GHG emissions by the turn of the century.

At the UNCED conference in Brazil, Japan is likely to be supportive of European initiatives, yet it is unlikely to sign any agreement that would impose target emissions reductions on its own economy, which is already the most energy-efficient industrial economy in the world. Instead, Japan has tried to focus on solutions that involve making other economies more
efficient, such as those of its giant industrial neighbors, the former Soviet Union and China. Nonetheless, a growing Japanese desire to find an appropriate niche in international affairs could produce an assertive negotiating team in Brazil, perhaps securing a leadership role for Japan in the environment that it is both politically and technologically prepared to assume.

Over the past several years, the United States has succeeded in restraining its industrial allies from making substantive commitments on a comprehensive climate change policy. The lack of a strong statement on the need for reduced carbon dioxide emissions was attributed by most to be a case of industrial leaders once again yielding to U.S. pressure on the issue. However, as memories of the Gulf War start to fade, President Bush may not be able to marshal his forces in 1992 as successfully as he did in 1991. Other developed nations—particularly Britain and Germany—are tiring of U.S. bullying. Environmentalists in both the United States and abroad frequently observe that U.S. behavior may be poisoning the well for others who are hoping to facilitate, rather than to discourage, Southern cooperation (Mathews 1991a).

The South

In order to finance "environmentally sustainable development," the U.N. has estimated that developing countries may require up to $140 billion by the year 2000. In a 1989 study, McKinsey and Co. estimated that between $35 and $45 billion per year in international investments probably would be required to stabilize atmospheric concentrations of greenhouse gases (Goldemberg 1990). Who will be responsible for paying these enormous sums?

The South's overwhelming response to this question has been: not us. It is not difficult for Southern nations to justify this position, given their substantially smaller contribution to the problem. For example, Latin America and the Caribbean, regions likely to suffer under most warming scenarios, contribute only an estimated 4 percent of global carbon dioxide emissions (Inter Press Service 1991c). Regions considered most problematic in terms of future emissions growth from coal burning, such as India, vehemently defend their right to advance toward a Northern standard of living. In a 1991 report, the Indian Center for Science and Environment asserted: "It is immoral to equate the survival emissions of the poor with the luxury emissions of the rich industrialized countries" (Inter Press Service 1991a). As Jose Goldemberg explains, the nations of the South feel that:

... with more than three times the population of the industrialized world, the LDCs bristle at the idea that they must curtail their energy use.
The political leadership and populace of these poorer nations believe they deserve the chance to grow; they are unwilling to forego development even if development means burning massive amounts of fossil fuels and obliterating more forests (Goldemberg 1990).

Most Southern nations have expressed frustration and anger over an international environmental agenda that appears to be based strictly on developed countries’ priorities. A continued emphasis on deforestation and developing countries’ energy efficiency without a Northern consensus agreement to reduce energy use seems like hypocrisy verging on sanctimony. At a recent conference, a Malaysian environmentalist commented: “People in the West love to talk about recycling and switching to so-called green products, but they are not willing to change their way of life, which is based on unnecessary and wasteful consumption” (The Gazette 1991). The head of Inderena, Colombia’s environmental agency, says that deforestation in the Andean Massif of Venezuela, Colombia, Ecuador, and Peru is a critical problem, but it receives no attention because “saving the Amazon is in fashion [in the North]” (BNA International Environment Daily 1991c).

Southern nations also often feel that new Northern initiatives on the environment amount to an infringement on the sovereignty of Southern States. One African U.N. official poses the question:

Could . . . the international community . . . feel more justified in claiming the right to have more say in how [tropical forests] should be managed than it would have in connection with the decision, for example, to open additional coal mines in the U.K. . . . Or, for that matter, to restrain individuals or automobile companies from installing air conditioning units in cars (Ominde and Juma 1991)?

Such sentiments are expressed not only in relatively genteel diplomatic settings, but also in more violent forms in countries like Brazil, where the military has actually threatened to use force in opposing outside control of Amazonian forestry activities.

Southern nations also resent the lack of recognition they receive for progress on the environment, often made under severe social, political, and financial constraints. Colombia, for example, feels it has made considerable headway toward reducing deforestation within its boundaries. Like Brazil, Colombia has rescinded all previous government-sponsored incentives to colonize forest areas and says it currently has “no major development plans for its Amazon region that will put pressure on forests.” Although some forest settlers do continue to clear forests for agricultural and industrial purposes, the Colombian environmental agency claims that its deforestation rate has been cut roughly in half from about 600,000 ha. per
year in the early 1980s to between 300,000 to 360,000 ha. in 1990 (BNA International Environment Daily 1991c). Yet reports of this type of progress, difficult to achieve in the conditions of poverty in most of South America, rarely make their way into the Northern press.

North-South Cooperation?

North-South cooperation on the environment has emerged in recent years largely within the context of so-called sustainable development, a concept intended to acknowledge the symbiotic relationship between economic prosperity and conservation of environmental resources. Many Northern sustainable development proposals and projects have been initiated through national overseas assistance and aid programs, and through the larger and far-reaching programs of the World Bank. In 1987, the World Bank established a new section on the environment to try to bring environmental considerations into the mainstream of development planning and to improve the Bank’s environmental record.

An even greater Bank role in North-South environmental interactions is likely to emerge through its role as the guardian of the Global Environmental Facility (GEF). Following initiatives made by French and German representatives at an environmental meeting of twenty-five developed and developing countries meeting in May 1991, GEF was established to support initiatives on “global” environmental issues. Relying primarily on funds granted by Northern governments, the facility will support projects in four areas: global warming, biodiversity, ozone depletion, and water pollution.

The GEF initiative would appear to provide a positive first step toward creating resource-transfer mechanisms to deal with environmental problems. Yet, many Third World NGOs and governments are actively opposed to a World Bank role in the new agency, because they feel that “[the World Bank] has been the main promoter of ecologically destructive development models in the South” (Inter Press Service 1991b). Another objection raised by developing countries to the developed world’s approach to their environmental problems is that development funds are frequently contingent on meeting certain objectives that are considered important only to the donor. In GEF programs, for example, recipients of funds must have an overall environmental strategy in line with World Bank guidelines, including policies on CFCs, greenhouse gases, and other environmental issues (The World Bank 1990). These targets and others are often established without agreement or consultation with recipient countries. Northern programs, Southern nations argue, may be efficient economically, but often fail to address the concerns and needs of local populations.

Another stress point in the North-South environment and development
relationship has been the issue of technology transfer. While simple technical solutions often are available to improve energy efficiency in developing countries, patent laws and other intellectual property protections often preclude their use without significant investments. Developing countries can usually ill-afford. Moreover, even though "clean" industrial equipment is available to developing countries on the market, rarely is the technical know-how itself made available to them. This issue has proven to be by far the most difficult aspect of implementing the Montreal Protocol, and most technical experts agree that a climate convention with targets would raise even more intractable issues.4

If solutions crafted by the North have proven unacceptable, what alternatives are available? Although preparatory meetings for UNCED continue to attract increasing numbers of participants from developing countries, a unified Southern platform has yet to emerge. In some cases, regional consensus seems to be developing. Colombia’s environment agency head, for example, recently said that he anticipated an agreement on a regional protection plan for the Amazon to be signed by the Presidents of Amazonian countries in Brazil in February 1992. But large international meetings of developing countries on climate change have failed to produce a message, or indeed any coherent statement, of the South’s preferred strategy for dealing with the problem.

The UNCED Conference: Prospects for Success

UNCED Secretary General Maurice Strong has billed the 1992 Brazil conference as “The most important meeting in the history of humanity.” Other, less sanguine predictions are that it may “degenerate into a circus with rich and poor nations hurling insults over who has destroyed more forest, killed off more indigenous Indians or emitted more noxious gases” (Lamb 1991). Even government officials and environmentalists in the conference’s host country have expressed concerns that the conference could set the stage for accusations against Brazil and even “intervention” in the Amazon (BNA International Environment Daily 1991b).

Foremost among the difficulties that parties to the UNCED conference currently face are: inflexibility in the U.S. negotiating position; lack of a clear leader to take the initiative on a climate convention or protocol to reduce emissions; a perception of Northern hypocrisy among many Southern participants; and the nascent ability of the South to use the environment as a bargaining chip. Nonetheless, some remain optimistic that the conference can produce concrete results on climate. Is there any reasonable basis for such hopes?

Possibly so. One prospect for success would be for the EC or a member state to take an active role, creating a “pole” around which environmentally-minded northern states could converge. It is possible that a nation in
this position, attempting to reach compromise, would agree to additional resource transfers to the South. Several European nations and Japan have hinted at a willingness to provide such transfers. British Prime Minister John Major, the only European head of state currently committed to attend, is one possible candidate for this leadership role.

Alternatively, there is the possibility that the South will come up with solutions of its own. Last summer’s UNCED preparatory sessions drew a considerable number of developing country experts, many of whom presented papers and proposals. For reasons stated above it seems unlikely that new solutions will be acceptable to all of the vastly different countries that fall within the Southern “camp,” but the bargaining power of the larger developing nations may be sufficient to create a Southern pole around which others can coalesce.

What nations on both sides of the equators can begin doing if they hope to reach a fruitful accord in Brazil is to take actions to create an atmosphere of compromise. The success in reaching an accord on ozone depletion only a few years ago suggests that multilateral environmental agreements are possible, if parties are willing to exhibit a certain flexibility in the negotiations.

The North should try to come closer to a consensus on its goals; Europe and Japan should be sensitive to the economic and political constraints faced by the current U.S. administration. The U.S., in turn, should agree at least in principle to discuss energy efficiency measures, and should be willing to commit some new funds to environmentally oriented projects that are also high on the agenda of Southern nations—including but not limited to deforestation projects. One possible approach toward achieving compromise would be to develop a set of environmental development project criteria that are mutually acceptable to both donor and recipient countries.

The South faces a different task. It first must make a convincing case to the North that it is concerned about environmental issues, and highlight its progress in recent years, as it already has done in many international fora. Second, it must acknowledge the good faith efforts of Northern countries to help developing nations make progress on deforestation and other issues. Unilateral demands for “free technology” on the part of the South should be abandoned in favor of agreements that provide a kind of quid pro quo for environmental progress, along the lines of debt-for-nature swaps, for example. Finally, it must agree to some kind of agenda, so that the bargaining power inherent in developing countries’ large populations and natural resource endowments is not entirely diffused by the diversity of Southern interests. The power players must be careful to avoid the same hypocrisy they have observed in many Northern actions by ignoring their smaller, less-developed neighbors’ needs.

Both sides, however, should recognize that the climate negotiations at
UNCED will be a litmus test for many dimensions of North-South interactions for years to come. This consideration should be carefully weighed by all parties—and particularly the United States, which currently holds the greatest potential to disrupt the negotiations—before taking a hard-line position at the conference. On this delicate issue, the choice between conflict and cooperation could have a truly global impact.

Notes

1. Personal interview with Igor Bashmakov, Director, Soviet Energy Research Institute, USSR Academy of Sciences, Moscow, USSR, October 1990.
2. In 1991, France imposed an air pollution tax on industrial emissions for carbon dioxide, and is now considering a tax on freeway use; in Germany, a carbon dioxide tax will be imposed in waste disposal operations; the Netherlands has imposed strong emissions standards for sulfur dioxide and nitrogen oxide; Norway, Finland, Denmark, and Sweden all have introduced carbon taxes.
3. For example, MITI has agreed to help Russian industry reduce its emissions and modernize its oil refining industry by transferring desulfurization and denitrification technologies. It also plans to train up to 10,000 engineers from developing countries by 2001 on ways to control greenhouse gas emissions. In addition, Japan may soon begin compulsory installment of pollution-control technologies for all equipment used in its aid programs, and MITI will require that all Japanese industries provide their overseas subsidiaries with pollution control technologies to meet Japanese domestic standards. See The Neikkei Weekly, “Aid offered to clean environment abroad,” July 27, 1991.

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Climate Change and Chinese Energy Policy

Anthony Westerling

Abstract

Stemming global climate change hinges in substantial part upon the success of economic and political reforms in the People's Republic of China. China, the world's most populous country, accounts for a large and growing share of global emissions of greenhouse gases. Without extensive industrial restructuring, there is little prospect for slowing the rate of growth of China's emissions. Many aspects of the necessary reforms are impeded by the Chinese government's lack of a strong source of political legitimacy. This paper will outline the link between the global environment and Chinese domestic policy considerations.

A variety of climate models predict that anthropogenic increases in greenhouse gases will result in a 1 to 1.5°C warming of average surface temperature over the next forty years (MacDonald 1988).\(^1\) Unless emissions of these gases are limited, temperatures could increase even more dramatically over the longer term (Mintzer 1988). While the precise impact of temperature increases on the Earth's climate is still unknown, some of the possible outcomes of global warming will mean steep costs. The inundation of many islands and coastal areas, the widespread disruption of agriculture, and the loss of precious and unique ecosystems are among the most alarming and widely anticipated consequences.

About half the projected warming is due to increases in atmospheric carbon dioxide (CO\(_2\)).\(^2\) Rising levels of atmospheric CO\(_2\) are primarily a

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byproduct of energy production and use. The combustion of coal, natural
gas, petroleum products, and biomass releases the carbon dioxide that can
radically alter the natural order of the environment. Any serious attempt
to limit global warming should include measures to cut CO₂ emissions by
developing alternative sources of energy, and by promoting efficient
energy production and use.

Developing alternative energy sources appears to be a hopeful long-
term strategy for dealing with global warming. Energy sources that do not
contribute to global warming, such as hydroelectric, geothermal, solar,
wind, tidal, and nuclear power, while often presenting their own environ-
mental complications, offer great promise. Shifting the global economy
away from its current reliance on hydrocarbons for energy will take a great
deal of time and investment, however. In the meantime, gains from greater
efficiency of energy production and utilization must be fully exploited.
Reducing current demand for energy directly limits emissions of green-
house gases, and buys time for the development of new energy technolo-
gies to supply future demand.

Measures to promote energy efficiency often make economic sense
independent of their impact on global warming. This is especially true for
developing nations. According to a World Bank report, developing na-
tions could save an estimated 6–10 percent of total industrial energy
consumption per year through short term measures with payback periods
of fifteen to twenty–three months and rates of return estimated in the range
of 50–125 percent (Gamba 1986). Similarly, medium term measures with
payback periods of two to six years and rates of return around 15–50
percent could save an additional 12–18 percent of yearly energy consump-
tion. The total investment worldwide needed to accomplish these savings
is estimated at US$6.5–20 billion and US$41–94 billion, respectively. This
is only 2–6 percent of the estimated total energy sector investment required
for developing nations during the period in which these savings could be
realized (fifteen years). Total energy sector investment in developing
nations is expected to reach US$130 billion annually through the end of the
century. Even without a concern for the long term implications of climate
change, energy conservation is economically beneficial for developing
nations.

Investment in energy efficiency in the developing world yields such
high returns precisely because the current state of affairs is so dismal.
 Extreme variations in energy efficiency around the globe—particularly
between developed and developing nations—indicate a potential for
dramatic gains from more widespread use of the best existing technolo-
gies. As an extreme example, China’s energy intensity of production—by
far the highest in the world—is greater than that of its neighbor, Japan, by
roughly a factor of four (Smil 1984, World Bank 1990, World Resources
Institute 1990–91).
Despite the obvious advantages of conservation, progress in developing countries has been slow. Even assuming that nations like China have access to the latest technology and the resources to exploit it—often a specious assumption at present—their domestic producers typically lack economic incentives to invest in energy efficiency. Governments subsidize industrial development with low energy prices, so that the value of energy savings appears negligible when compared to the necessary investments in conservation. Such policies are by no means unique to developing countries, but at present they do play a much greater role than in wealthier economies. At the same time, developing nations are disadvantaged with respect to the resources necessary to cope with changes in these policies.

**International Cooperation and Developing Nations**

International cooperation to limit greenhouse gas emissions is necessitated by the global nature of their impact and the broad dispersal of their sources (Wirth and Lashof 1990). As a result, global warming will be one of the foremost issues of concern at the upcoming United Nations Conference on Environment and Development in Brazil in 1992. Many hope that the conference will lead to an international agreement to limit emissions of the gases believed to cause global warming, similar to the Vienna Convention and Montreal Protocol on Substances that Deplete the Ozone Layer. Such an agreement will be far more difficult to arrive at than was the Montreal Protocol. Unlike the gases controlled in the Montreal Protocol, whose production was concentrated in a small number of wealthy nations, greenhouse gases are produced in every nation. Developed nations account for 46 percent of global carbon emissions (Chandler 1989). Of the remainder, China alone emits 11 percent, the other developing countries produce 16 percent, and the former Soviet Bloc contributes the remaining 27 percent. Given the developing nations' rapid population growth and comparatively low per capita energy consumption, their carbon emissions are likely to see substantial growth. At the same time, reductions of 50-80 percent from current global CO2 emissions levels are necessary to stabilize atmospheric concentrations of greenhouse gasses (National Research Council 1990). Developed nations would face unacceptably high burdens stabilizing global carbon emissions on their own. Clearly, limiting climate change requires the cooperation of all nations.

The essence of the Montreal Protocol is a bargain between rich and poor nations. Poor nations agree to forego future development of ozone-depleting technologies in exchange for compensation in the form of subsidized access to safer replacement technologies by the rich nations responsible for past and current ozone depletion. Efforts to limit global climate change must go much further—transforming developing nations' current economic structures in favor of conservation, often with far-
reaching ramifications for government revenue, corporate profits, and consumer income.

Unfortunately, while the scope of climate change is global, disparities in nations' capacity to bear its costs and the costs of its limitation, the likely uneven and unpredictable distribution of those costs, and the long delay before costs are felt will motivate many poorer nations to hitch a free ride on the efforts of the wealthy. Since the wealthiest nations are also primarily responsible for past emissions of greenhouse gases, it will not be difficult for poorer nations to rationalize inaction. As a result, an agreement on greenhouse gases will be far more difficult to achieve than was the agreement on ozone.

**Chinese Cooperation**

Chinese cooperation is crucial to the long term success of efforts to limit global warming. Home to one-fifth of the world's population, the People's Republic of China is at present responsible for more than one-tenth of annual global anthropogenic carbon dioxide emissions (Boxer 1989). Chinese emissions are certain to grow in the decades ahead, both in absolute and relative terms. *The Economist* predicts that by 2020 China's share of global CO₂ emissions will reach 20 percent. If China's billion-plus population continues to enjoy rapid economic growth under present conditions, the increase in China's contribution to global climate change could soon offset efforts to limit greenhouse gas emissions in other nations.

China is already the world's third largest energy consumer, but per capita energy consumption is very low—about one-third the global average (Xin 1988). China's per capita energy consumption is less than the average for all developing nations (Smil 1988), and less than one-twentieth that of the developed nations (Jia 1988). Obviously, there is great scope for a major increase in energy consumption during the course of China's economic development. Current plans to double GNP by the year 2000 call for a rapid expansion of energy production of anywhere from 50-100 percent (Smil 1988). Official forecasts into the twenty-first century, while of dubious reliability, anticipate continued rapid increases in energy demand, from 862 million tons coal equivalent (Mte) in 1986 to 1,400 Mte in 2000 and 4,000 Mte in 2030 (Xin 1988, Smil 1988). As is often the case in Chinese economic planning, however, predictions of future economic growth and energy use levels are usually linear projections of current trends. Since it has been common to experience declining energy elasticities of economic growth in many countries, there is reason to hope that China's future energy needs may be more moderate than the Chinese government expects. This is especially true since China's energy efficiency is so far below current international standards. Still, China's extreme poverty and rapid growth rates suggest significant growth in energy
consumption, and China’s massive size guarantees that its domestic changes will impact heavily upon the global scene.

Assuming continued, rapid economic growth in China, limiting China’s CO$_2$ emissions will require greater energy conservation and the development of alternatives to fossil fuels. Of these two strategies, the former is the most promising in the near term. Developing alternative energy supplies—which are primarily comprised of nuclear, solar, hydropower, geothermal, and various biomass energy sources—remains a strategy for the longer term.

Development of nuclear energy requires the importation of expensive foreign capital equipment. Furthermore, while probably capable of running a few reactors—such as the new Jinshan reactor in East China—China lacks the skilled technical and managerial resources to safely maintain and operate an extensive nuclear power industry. These are not insurmountable barriers, but it will take time and considerably greater investment in education than is currently being undertaken before this is a viable option.

Solar power is, at present, more expensive than conservation, and the areas best suited to solar power generation are those furthest from China’s centers of industry and population. Generally, the far northwestern desert and the Tibetan plateau are the best sites for solar power generation, while the vast majority of China’s population is located along the eastern seaboard.

Hydroelectric power generation holds great untapped potential, but is threatened by heavy and increasing silt loads in China’s major rivers. Extensive deforestation of the Huang He (Yellow River) and Chang Jiang (Yangtze River) basins in particular will have to be reversed before large scale investments in new hydroelectric capacity will be feasible. A good example is the Sanmenxia dam in Henan. Despite extensive protective measures, 60 percent of the reservoir’s capacity was lost due to siltation between 1958 and 1973 (Smil 1984 and 1988, McDowell 1990). Environmental problems led to a re-engineering of the reservoir, cutting capacity from 1.1 GW to 200 MW (Smil 1984). According to McDowell (1990, citing Kinzelbach 1983), “Annual loss of reservoir volume in hydroelectric-generating stations owing to siltation is equivalent to a third of new reservoir volume excavated.”

Development of small scale hydroelectric potential in China could reduce the rapidly growing rural industrial enterprises’ reliance on low quality coal (McDowell 1990), but is unlikely to play a significant role supplying urban energy consumption.

As for geothermal resources, the majority of high-quality sites that have been identified are located in the far west in Tibet; again, far from centers of consumption. Overall, exploitation of all identified sites would add less than 5 percent of 1985 generating capacity (Smil 1988).

Finally, China lacks excess grain capacity to produce grain-based fuels,
and biomass stocks are already over-exploited as a fuel source (Ross 1988, Smil 1988). While forest stocks could be built up as a future energy source, this is definitely a long term measure. China’s per capita timber reserves are among the lowest in the world, and extensive afforestation efforts have met with little success (Ross 1988, Smil 1988). Fossil fuels—in particular, coal, which supplies 75 percent of commercial energy—will remain the primary source of energy in China for some time to come.

While the greater part of China’s energy supply will continue to come from coal, there is wide scope for conservation. Chinese energy intensity of production is more than double that of the OECD countries (World Resources Institute 1990). This is due both to the inefficiency of Chinese industry and to energy-intensive heavy industry’s disproportionate share of gross material product.

**Chinese Energy Policy**

China has already embarked upon a conservation program. The record to date—particularly the reasons for the program’s adoption, successes, and failures—is an important guide to the future of Chinese energy policy and to what, specifically, can be done to improve future performance.

At the end of the 1970s, implementation of the 1980–1990 Ten Year Plan’s development program was stymied by an acute energy deficit. Prior to 1979, energy policy had focused solely on expanding output, without any attention to issues of efficiency. Overly ambitious plans for a fourfold increase in coal production and a fivefold increase in oil production in twenty years simply could not be realized (Smil 1988). Emphasis on inefficient, energy-intensive heavy industrial development using obsolete technologies and poor management meant that energy demand continually outstripped energy production; many factories were running at 50-70 percent of capacity due to insufficient energy supplies (Christoffersen 1987).

The energy deficit had, and continues to have, serious repercussions throughout the Chinese economy. While investment in energy production capacity accounts for one fifth of total capital investment and 36 percent of total industrial development, about 20 percent of industrial capacity is still idle nationwide (Xin 1988). Some 60 percent of coal produced is shipped by rail, tying up scarce transport capacity. Indeed, expanding coal production to meet China’s energy needs is over-taxing an already severely straitened transport sector. In spite of the energy shortage, a significant portion of coal production is not delivered due to transport bottlenecks (Smil 1988).

The government’s inability to keep up with the huge investments in primary energy production and transport required by rapid, energy-intensive growth forced a new emphasis on energy conservation. The State...
Planning Commission (SPC) saw energy conservation as a means to achieve economic growth targets despite the energy shortage (Christoffersen 1987). While production-oriented ministries might be expected to oppose a shift of resources from new development to conservation of energy, the powerful Ministry of Petroleum Industry was in fact a strong advocate of energy conservation as a means to free up petroleum supplies for export (Christoffersen 1987).

The result was an energy conservation policy that has gone through two distinct phases since its inception. In the first phase, extending roughly from 1979 to 1984, an emphasis was placed on industrial restructuring, shifting resources from old-style heavy industrial development to light industry and agriculture (Smil 1984). By 1985, energy intensity of production had fallen about one-third from 1980 levels (Christoffersen 1987). Approximately 100 Mtce were conserved, and annual declines in energy intensity were in the range of 2.6-3.5 percent (Smil 1988).

While China has by no means exhausted the potential for gains from sectoral restructuring, it has experienced rapidly declining returns to investment while pursuing this strategy. The average cost of saving one ton of coal equivalent energy under this strategy roughly doubled from 1981 to 1984, from RMB 160 (US$42) to RMB 300-350 (US$79-92) (Smil 1988). At the same time, the price of state-supplied coal in China is set extremely low, so that state enterprises lack financial incentives to conserve energy. In 1986, state coal prices averaged about RMB 34 (US$9) per ton, or about one third the cost of production (World Bank 1991). State coal prices have risen since then, but have not kept pace with inflation. Market prices for Chinese coal are much higher, ranging around RMB200 (US$53) in 1989 (World Bank 1991).

By 1984, Chinese planners had already begun to shift to the second phase of conservation policy. The new emphasis is on the technical transformation of industry to improve efficiency. If appropriate resources can be directed toward this program, prospects for significant gains are bright. The World Bank estimates for conservation potential in developing countries discussed previously hold special relevance for China. According to the World Bank, the greatest potential for conservation lies in the modernization of heavy industries such as steel, petroleum refining, cement, pulp and paper, and chemicals (Gamba 1986). These sectors are all important in China, where heavy industry accounts for over half of output and energy consumption (Hartland 1989, Smil 1988).

Unfortunately, the new phase in conservation policy was damaged by the drop in world oil prices during the second half of the 1980s. Lower oil prices have had two major ramifications for the technical transformation policy. First, lower foreign exchange earnings from energy exports led to a curtailment of the funds available to enterprises for investment in efficiency, as the program is heavily dependent on imported technology
(Christoffersen 1987). Second, the export value of oil saved by technical upgrades is less than the cost of the required imported technology (Christoffersen 1987). The impact of lower oil prices is magnified by the lack of financial incentives to conserve energy other than those related to the export of energy. This is due to China’s distorted price structure.

In the last few years, China has enjoyed great success in promoting exports. This, combined with domestic austerity, has resulted in a large trade surplus. For a nation at China’s level of development to run large trade surpluses is unusual. In view of the gains to be had from investment in industrial energy efficiency, and the need for imported technology to enable these efficiencies, it would be logical to take advantage of China’s strong export position to expand the conservation program. The prospects for an export-led conservation strategy are complicated by China’s price structure, the state of economic reform, and certain political considerations.

Analysis

The key government organizations involved in adopting the conservation policy were the SPC and the Ministry of Petroleum Industry. The SPC has assumed greater responsibility for economic planning in recent years (Zhou 1991). The SPC’s primary concern was the maintenance of economic growth given the constraints imposed by energy shortages. The SPC was essentially forced to adopt a conservation policy by the extremity of the energy crisis: new oil reserves could not be found. Exploitation of coal reserves was limited by insufficient growth in rail freight capacity. This bottleneck worsens as relatively accessible eastern coal reserves are increasingly depleted, forcing reliance on coal deposits ever further west, at a greater remove from demand centers. At the same time, China faces a rapidly growing labor force in an economy characterized by labor surpluses.

The Ministry of Petroleum Industry advocated investment in conservation (at the Ministry of Coal Industry’s expense) to free up oil for export at high international market prices in order to maintain and expand its influence (Christoffersen 1987). The ministry’s political influence is a function of its importance to the State Planning Commission’s economic plan and the extent of the resources it controls—two closely related indices. Conserving energy helped free up petroleum for export, generating higher income and, more important, foreign exchange. State revenues come directly from profits of state enterprises, so profitable enterprises—and their ministries—tend to receive greater resources for expansion. As one of the central government’s key earners of foreign exchange, the Ministry of Petroleum Industry would gain leverage as the linchpin of the government’s modernization program. Access to foreign exchange
holds out the promise of improving the performance of current oil production and exploration as well. Finally, higher income and access to foreign exchange provide greater resources for expansion of bureaucratic patronage.

In addition, heavy industrial producers appear to have played a significant role in determining how the policy developed. From 1979 to 1984 these producers were hurt, as energy was "conserved" by limiting the growth of heavy industry and shifting resources to light industrial and commercial development. In the second phase, these same producers stood to gain as policy concentrated on improving efficiency in heavy industrial state enterprises by allocating them additional investment capital and foreign exchange to import capital equipment.

Heavy industrial enterprises were primarily concerned with obtaining resources for expansion. Industrial enterprises in China have an insatiable demand for investment. This is because they face what is known as a soft budget constraint: state-sector industrial firms that lose money have never been allowed to go bankrupt (Kornai 1980). Their credit is usually provided by banks controlled by an administrative unit (center, province, county, etc.) that receives its revenue from the enterprise's profits, so that strict accountability is often lacking. Governments want to protect their revenues and ensure full employment, so they have strong disincentives to force accountability.

At the same time, enterprises have strong incentives to grow. State enterprise managers are essentially members of the state bureaucracy. Their future careers are closely linked to the size of his or her enterprise. Enterprise status, and hence privilege, is based primarily on size. If a manager's enterprise increases in size, his or her status in the bureaucracy also rises. Larger firms gain greater leverage vis a vis local governments as well, resulting in lower tax rates, preferential allocation of resources, and cheap credit. Larger firms can buy the cooperation of their employees with greater benefits. The net result is a strong demand for investment resources—a demand that was thwarted when the SPC was forced to limit growth in heavy industry in favor of less energy-intensive development. Industrial enterprises soon found a way to reopen the spigot, however—investment in liberally defined efficiency projects.

**Energy Pricing**

The most important lesson to draw from Chinese conservation policy in the 1980s is the pervasive influence of distorted energy prices. Chinese state-sector energy prices are lower than prevailing world prices by a factor of four or more. In recent years, energy markets have been allowed to operate alongside the state-administered energy plan, with the result that market energy prices in China have at times even exceeded world prices.
Chinese heavy industrial enterprises, however, as a high-priority state sector, continue to receive most of their energy needs from state energy allocations at low, state-set prices. It has been argued that if these firms use the energy markets to make up differences between their energy requirements and their allocations, they will face a market-determined marginal price for energy that will motivate them to invest in efficiency as though all their energy was obtained at the higher price. It is unclear that this system can always be relied upon in practice. Enterprises can simply cut production rather than improve efficiency. Failure to meet production quotas may incur some penalty, but enterprises have been known to cut production in order to sell their supplies of state-subsidized fuel on the market (Christoffersen 1987). Furthermore, soft budget constraints, cheap or free credit, and the ability to regularly renegotiate their own tax rates leave firms with little incentive to invest in efficiency. Negotiating a small change in a firm’s tax rate can more than compensate for higher energy prices at the margin.

State-sector heavy industrial enterprises’ current interest in efficiency is a function of the availability of state subsidies and incentives—particularly access to foreign exchange—for such investments. As a result, progress in energy efficiency is limited by the availability of state funds and foreign exchange reserves for these purposes. The former is increasingly limited by the steady decline in the state’s share of national income (China in Statistics 1987). The latter has been curtailed first by the fall in both the quantity of oil available for export and the world oil price, and later by the government’s severe austerity campaign. Only higher energy prices, coupled with a hard budget constraint, will generate internal incentives for enterprises to conserve energy. Only then will enterprises focus their managerial and technical resources on conservation, generating their own internal solutions rather than relying only on the importation of expensive equipment while ignoring essentially free managerial and process improvements.

Not only would price and economic reforms motivate firms to boost their energy efficiency on a continuing basis, but they would also result in immediate, substantial economic gains from more rational distribution of energy. Despite China’s efforts at conservation, some 15–20 percent of industrial capacity remains idle due to lack of energy (Xin 1988). This proportion has remained remarkably stable over a variety of policy stances. If market prices prevailed, it is likely that, without further improvements in efficiency, some 15–20 percent of the least productive capacity in the economy would cease operation, reallocating energy to the most efficient enterprises. This would represent an immense economic gain for China.

Finally, the current price structure provides a powerful incentive for concentration on energy intensive production, especially for export. Low domestic energy prices give Chinese firms a significant cost advantage in
foreign markets. Higher exports are bought at a significant, yet hidden, cost to the economy. The government's adoption of a policy to divert petroleum from a shortage-plagued domestic economy for export is indicative of the distorting impact of artificially low energy prices.

**Impediments to Reform**

For more than ten years the Chinese government has acknowledged the need for comprehensive price reform, yet today stands little closer to the goal (Solinger 1991, Baum 1991, Zhou 1991). Premier Li Peng anticipates at least another ten years will be required before price reform can be completed (Zhou 1991). The painfully slow rate of progress reflects the substantial obstacles to reform. These obstacles are primarily related to the government's concerns for its revenue base and the need for political stability.

Government revenue is primarily derived from profits of state enterprises—particularly industrial enterprises. Profit margins are maintained by holding down input prices relative to the prices for finished goods. Profits in the state industrial sector are huge, though pressured by current reforms (Naughton 1992). Price reform would substantially shrink this revenue base. At the same time, implementing a broad-based tax system takes time. The timing of price reform depends in good part upon the government's ability to shift from a profit-based to a tax-based revenue structure.

The tenuousness of Chinese political stability is also an important obstacle to price reform. The regime has expended the large reservoir of good will with which it began. To prop itself up, the party increasingly depends on its ability to buy support from local leaders. The regime's inability to replace its early charismatic leaders such as Mao Zedong and Zhou Enlai have led it to depend on economic performance for legitimacy in the absence of other legal, democratic, or traditional sources (Tiewes 1984). This is manifested as pressure to sustain real economic growth, and to prevent urban unemployment and inflation.

The government fears that economic disruption from price reform could stall growth. The examples of the Soviet Union and Eastern Europe thus far do not encourage optimism in this regard. Similarly, there is widespread fear that price reform will lead, at least temporarily, to very high inflation. The hyperinflation China experienced during World War II scarred the public memory, and is often cited as a reason for the Communist party's ability to triumph over the militarily superior Guomindang. Significantly, the unrest preceding the Tiananmen massacre of June, 1989, followed a rapid increase in urban inflation, and was cited in numerous public opinion polls as a source of deep dissatisfaction with the government's performance (Rosen 1991).
State-sector industrial enterprises are used to maintain as close to full urban employment as is possible. High profits based on price distortions allow industrial firms to support far more employees than they need. The government rightly fears further unrest if urban unemployment is allowed to rise. China’s labor force is growing faster than the economy can absorb.18

Finally, urban workers’ housing, health care, pensions and other social benefits are provided by their enterprises, financed by the same high profits. Price reforms will necessarily restrict enterprises’ ability to provide social benefits, and the government currently lacks the resources to build up an alternative social infrastructure.

In the absence of greater political legitimacy, the government will not be able to inflict pain on consumers in a quick transition to a new price system without serious political repercussions. The need for a new, secure revenue base and an infrastructure for providing social benefits will also delay price reform for a long time to come.

Environmental Concerns

Another important aspect of China’s experience with conservation policy in the 1980s is that environmental concerns played no apparent role in energy policy whatsoever. The key decision makers were all motivated by economic and political expediency. The new policy displayed continuity with the exclusively economic-motivated policy it replaced.19 The most radical feature of the policy change—the shift in investment from heavy to light industrial development—was dictated by crisis and was temporary. Members of China’s fledgling environmental bureaucracy had no important, acknowledged decision making role.20 Even the official summaries of the goals of the policy change made no mention of environmental concerns (Christoffersen 1987).

The short term economic orientation of Chinese energy policy holds both negative and positive implications for the future of China’s response to global climate change. On the one hand, China’s experience may make it that much easier to accept the links between economic and environmental issues, and the economic benefits of investments in energy efficiency. On the other hand, limiting climate change will eventually require raising the prices of fossil fuels far beyond what markets, unassisted, would accomplish by themselves. The Chinese conception of economic efficiency may not encompass environmental externalities.

The Chinese value the environment for its immediate economic uses. Land not currently employed in Chinese-style agriculture is usually referred to as huangdi, or “wasteland.” The term connotes desolation and neglect, that the land thus specified was formerly agricultural land that has been returned (temporarily) to an uncultivated state. This implies that
"environmental" uses of land—such as habitat for undomesticated species—are accorded no value in China.

"Environment" even has a legal definition in the People's Republic of China. According to Article 3 of the Environmental Protection Law,

The term environment...encompasses the air, water, land, mineral resources, forests, grasslands, wild plants and animals, aquatic life, places of historical interest, scenic spots, hot springs, resorts, and natural areas under special protection, as well as inhabited parts of the country (Environmental Protection Law, Article 3 1973).

Superficially, this is environment in the broadest possible sense—environment defined as everything. On a deeper level, this definition suggests a Chinese conception of environment as economic resources rather than habitat. Note that forests and grasslands are separate categories from the wild plants and animals that live in them. Note also that while forests and grasslands are included (along with resorts!), less economically useful ecosystems such as salt marshes and deserts are not mentioned.

When environment is defined as resources, environmental management means using resources efficiently. For example, environmental impact statements in China are primarily for urban construction projects (this is not surprising, since the Ministry of Environmental Protection is also the Ministry of Urban and Rural Construction) and they typically come after the plans have been drafted. Usually they do not ask "Is this an appropriate development given the constraints of this environment?" Instead they ask "How can this project be modified so as to reduce its [economic] costs" (Wengler, Wang, and Ma 1990)?

Subjective motives for investments for "environmental" reasons fall into two categories—luxury and efficiency. Environmental luxuries—usually resources whose immediate use is foregone—are a sign of status, and are strictly limited to what the leadership perceives is affordable. Environmental efficiencies are additional costs incurred to ensure a higher return on an investment. To the extent that Chinese cooperation in limiting CO$_2$ emissions is presented as an international duty, a service to mankind, China's fair share in a communal effort, it will be considered a luxury. The Chinese will then demand compensation for any actions beyond mere tokens.

Global warming could cost China a great deal. Already burdened by one of the world's lowest ratios of arable land per capita, China is likely to suffer losses in productivity and land it can ill afford. Despite significant scientific uncertainty, it seems likely that reduced rainfall and higher temperatures will make China's water-poor interior even dryer than it already is (Hafele 1981). At the same time, higher sea levels will lead to
flooding and salt intrusion in some of China’s most productive farmland in the Huang, Hwai, Chang, and Zhu river deltas.

Changes in climate may well further speed China’s already rapid deforestation. The loss of forest cover along the headwaters of the Huang river—and to a lesser extent along the Chang Jiang—is largely responsible for the heavy and increasing silt load borne by these rivers. A rapid increase in the silt load could lead to the siltation of irrigation canals and recently completed hydropower and flood control projects on both rivers, and to flooding along their fertile, densely populated lower reaches.

In addition to lost farmland, higher sea levels are expected to displace at least fifty million people (Daily Times 1990). Some of China’s largest and most developed cities—including Shanghai, Guangzhou (Canton), and Xianggang (Hong Kong)—are at risk from flooding, loss of municipal water supplies to salt intrusion, and greater storm damage. In fact, most of China’s modern and productive economic assets are concentrated in areas most likely to be adversely affected—coastal alluvial plains and deltas.

Given the potential for such severe losses, the Chinese government’s emphasis on economic goals, and its tendency to define environment in terms of economics, could lead it to take actions to limit emissions of greenhouse gases. Unfortunately, these costs are difficult to predict, while the costs of raising energy prices beyond their short term economically efficient level (not considering externalities) will not appear so incalculable.

Conclusion

While the Chinese publicly acknowledge a pressing need for price reform and attendant economic reforms, their will to press forward on these fronts has been paralyzed by the economic and political risks they entail. In the absence of a new basis for regime legitimacy, the current regime is unlikely to risk short-term economic disruption from implementing price reform in the near future, preferring a long-term, gradual strategy instead. Developing the infrastructure necessary to collect taxes and provide social benefits will likely take precedence over comprehensive price reform. Continued rapid economic growth in this context necessarily leads to the conclusion that unless CO₂ emissions outside China are cut deeply, increases in China’s emissions will eventually offset cuts elsewhere. The motivation for early action in China to limit climate change will have to come from the outside world.

Notes

2. For a discussion of the role of energy production in climate change, see National Research Council 1990.


4. This is especially true in China and many other developing countries where the state plays a much greater role in the economy than is the norm in most developed nations. Energy prices for state firms in China are often less than one fourth the world average. At the same time, state intervention in distribution systems, pricing, and credit markets is so pervasive that negotiating small changes in government policy can have a far greater impact on profit margins than any investment in efficiency.

5. Data is for 1986.

6. The Economist (August 31, 1991) estimates that a carbon tax of US$300 per ton of carbon within the nations of the Organization for Economic Cooperation and Development (OECD) and of US$215 in the rest of the world could achieve a 20 percent reduction in CO$_2$ emissions by 2010, and subsequent stabilization of output levels. If, however, such a tax were assessed in the OECD nations only, it would need to total US$2,200 per ton to achieve the same result.

7. Coal accounts for over 75 percent of China's commercial energy output.

8. According to Vaclav Smil in *Energy in China's Modernization*, this accounts for up to one third of coal production.

9. For purposes of comparison, the 1989 official exchange rate of 3.8 RMB/US$ is used throughout this discussion.

10. “Chemical industry” here includes production of chemical fertilizer. China’s chemical fertilizer production is based on recently imported technology and equipment, and is modern and reasonably efficient.

11. Despite the energy shortage, “surplus” petroleum was still available for export. At the same time that resources were being diverted from coal development to conservation, enterprises were encouraged to convert from oil to coal as a fuel. (It is common for Chinese factories to generate their own power by burning coal or oil, rather than purchasing electricity.) A greater emphasis was also placed on developing hydro-electric and other alternative energy sources. The policy of conservation was actually a policy of conservation and conversion, though the latter aspect of the policy was not particularly successful; some 85 percent of the funds allocated for conversion were instead spent on new electrical generation capacity (see Christoffersen 1987).

12. Most of the Ministry of Petroleum Industry’s production is allocated to state enterprises at prices set at less than one fourth the world market price. While these prices allow many oil producing units to run at an operating profit, it is important to note that “China’s definition of cost excludes capital interest and resource rent as well as all prospecting and exploration expenses” (Smil 1988). Under these conditions, the incentive to export rather than sell on the domestic market is very high. At the same time, state oil producers’ (as well as state coal producers’) incentives are to expand output at currently exploited fields rather than to prospect for new reserves (see Christoffersen 1987).
13. This may begin to change soon. There are indications that the Chinese government is beginning to close down or merge some of the most inefficient enterprises. So far the number of firms affected are very small, so that the impact on firms' decision-making is likely to be negligible. The government has been reluctant to close these firms down in the past, partly because employees and their families receive their housing, transportation, education, health care, and other social benefits through their work unit, and there is no infrastructure to provide them outside of the work place. Political organization is also based on the work unit.

14. Wages are usually set, workers are difficult to fire, and they have great difficulty changing jobs on their own initiative. Managers must resort to improving housing or offering better or new benefits to gain their cooperation.

15. While the profit from reselling subsidized inputs exceeds what the enterprise can get for its finished product, such transactions are not necessarily economically efficient, since profit margins on production do not reflect information about the real economy.

16. Of course, the (illegal) ability to resell state supplied coal on the market could also work to promote efficiency. Enterprises seeking to free up coal for resale might produce more efficiently instead of cutting production.

17. Tax rates are negotiated on a firm by firm basis in China.

18. Lynn White suggests that, while the official projections probably exaggerate the state sectors's employment growth potential, they may also underestimate that of the non-state sector.

19. As discussed above, previous government plans anticipated a key role for the petroleum industry, both as a rapidly growing supplier of energy, and as a key generator of foreign exchange earnings. When production peaked in 1979 after half a decade of rapid growth—oil exports averaged 55 percent growth a year—petroleum's role as an energy supply was necessarily downgraded, but the basic export strategy resisted change (Christoffersen 1987).

20. Indicative of the weakness of China's environmental bureaucracy, the State Bureau for Environmental Protection has been made a subordinate adjunct of the Ministry of Urban Construction.

References


Climate Change and Chinese Energy Policy


Zhou Xiaochuan. In the Spring of 1991 I had an opportunity to discuss Chinese economic and environmental policy with an economist working for the Chinese government. Some of the conclusions herein reflect his views on Chinese policy.
Domestic and International Influence on Environmental Issues in Brazilian Policy Development

Susan Rhoades

Abstract

One of the developing world's most important actors in environmental politics is Brazil. As a newly industrialized, but heavily indebted and poor country with an abundant supply of natural resources, Brazil dramatically illustrates both the developing world's needs for social and economic development and the real dangers posed by environmental degradation to the citizens of the region. With the 1990 inauguration of President Fernando Collor de Melo as Brazil's first democratically elected president in over twenty years, Brazil's policies have shown a marked shift toward greater environmentalism. This paper attempts to measure how well Collor's environmental strategy has worked and whether he can be expected to strengthen or reverse his policies before the June 1992 UN Conference on the Environment and Development.

Global environmental concerns first gained prominence at a United Nations Conference on the Human Environment in Stockholm in 1972 as many citizens and civic groups in countries across the world began to champion the need to preserve and protect the global environment and to arrest disturbing trends of environmental degradation. Since that time, "green" politics have often been met with resistance from governments that would rather avoid taking economically costly actions in the short term intended to address mainly long-term problems. Developing nations, in particular, have found it difficult to sacrifice their economic develop-

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ment goals to conform to newly prescribed environmental standards, especially when industrialized nations—the main contributors to today’s environmental problems—have benefitted financially from developing in environmentally unsound ways.

One of the developing world’s most important environmental actors is Brazil. As a newly industrialized, but heavily indebted and poor country with an abundant supply of natural resources, Brazil dramatically illustrates both the developing world’s needs for social and economic development and the real dangers posed by environmental degradation. Brazil’s development policies within the last thirty years have come under heavy attack from domestic and international environmental groups for their deleterious effects on both national development and the environment. With the 1990 inauguration of Fernando Collor de Melo as Brazil’s first democratically elected president in over twenty years, however, Brazil’s development policies have shown a marked shift toward greater environmental protection.

This paper will examine the roots of this policy shift, which I argue is based on several factors: increased attention to environmental issues on the international agenda, previous Brazilian policies on development and deforestation in the Amazon, and current national development priorities in the Collor administration. I will argue that Brazil’s domestic environmental movement has been more vibrant than is usually recognized, but that international factors have, in fact, been the driving force behind the Collor administration’s recent efforts to reform Brazilian policies on the environment. President Collor has also fundamentally wanted to have his country accepted and respected by First World nations, and has pursued this goal by attempting to link a positive performance on environmental issues with foreign cooperation on issues such as debt and trade.

On the eve of the United Nation’s Conference on the Environment and Development (UNCED), to be held in Brazil on the twentieth anniversary of the Stockholm conference, it is also appropriate to measure how well Collor’s strategy on the environment has worked in gaining international support for his domestic program, and whether we might expect to see signs of a strengthening or reversal of his environmental convictions before the conference next June.

**Brazil’s Record on the Environment: What Is at Stake Environmentally?**

Brazil is at the focus of much global ecological concern because of its particularly abundant natural resources. Brazil’s most important environmental assets are found in the Amazon, which contains 30 percent of the world’s tropical rainforests and almost 60 percent of Brazil’s land mass
Domestic and International Influences on Environmental Issues in Brazil (Mahar 1989). The costs of depleting this and other rainforests are large for Brazil and the global community, and can be summarized as follows:

Among the more direct and visible costs of tropical deforestation are the losses of forest products such as timber, fuelwood, fibers, canes, resins, oils, pharmaceuticals, fruits, spices, and animal hides. Less direct, but equally important, long-term costs are soil erosion, flooding, and the siltation of reservoirs and hydroelectric facilities; the destruction of wildlife habitat; and climatic changes associated with the removal of forest cover in tropical regions. Perhaps the single most important long-term cost of deforestation, however, is the irreversible loss of biological diversity (Mahar 1989).

Brazil has been most criticized at the international level for contributing to the threat of global warming and to the irreplaceable loss of potentially useful biological diversity in the Amazon—the single richest zone on earth. Domestically, however, the effects of soil erosion, flooding, and siltation may have a greater impact on the daily lives of low-income settlers and would-be ranchers and farmers in the region.

Development and the Environment Under the Military

In 1964, a group of military officers led a coup against Brazil's democratically elected government during a time of near crisis over the national economy, and thereafter embarked on an ambitious plan of national expansion and development. Under various regimes, the military would stay in power until 1984 and leave a lasting legacy of environmental degradation as a result of its intensive development policies.

One of the fundamental tenets underlying policies pursued by these military regimes was that Brazil should realize her dream of grandeza, or greatness, and an important element of their strategy was to develop the Amazon. President Castelo Branco, the first military leader, launched Operation Amazonia in 1966 with two principal objectives in mind: first, to establish and protect Brazil's borders, and second, to connect the region to the rest of the country and to begin exploiting it economically for the benefit of the overall national development campaign. In later years, these goals would also include using the Amazon region to colonize economically displaced citizens from the poorer Northeast section of Brazil. This was the primary goal of the National Integration Program (PIN) launched by President Medici in 1970 to solve two problems: “to unite men without land to land without men” (Skidmore 1988).

Medici's regime operated on the assumption that the development potential of the Amazon would help enable Brazil to progress beyond the
ranks of backward developing countries. These were the heady days of Brazil's economic “miracle” and big projects were the order of the day. Massive road-building campaigns—such as the Belem-Brasilia and the Transamazon highway projects—were undertaken to connect various parts of the country and facilitate the movement of people and goods, but these were implemented with little regard for ecological costs or long-term development benefits. Huge dams were also constructed, and small-scale agricultural laborers were encouraged to settle along the new frontier.

To encourage large-scale development and private sector investment in the Amazon basin, Castelo Branco's regime began a tradition of offering healthy tax and credit incentives, policies that have been identified in retrospect as perhaps the principal cause of tropical deforestation in Brazil. Incentive packages included investment tax credits of over 50 percent and heavily subsidized credits for cattleraising projects, as well as land ownership incentives that encouraged deforestation as evidence of settlement and land improvement. Progressive land taxes also contained provisions that encouraged the conversion of tropical forests to unsustainable crop land or pasture (Binswanger 1991). The faith and intent of the government's motives were clear in a 1975 progress report written by the Amazon regional development agency, SUDAM, on development in the region:

In eight years of SUDAM's activities, the Amazon changed from a problem area to become a region that attracts investments demonstrating confidence in its future (Brazilian Ministry of Interior and SUDAM 1975).

The government was indeed successful in bringing economic growth to the area. In the period from 1970 to 1976, during which the government was extensively involved in large-scale regional activities and the national economy was experiencing “miracle” growth, the average rate of growth for the Amazon region topped 15 percent (Brazilian Ministry of Interior 1982).

Tremendous growth did not come without its costs, however, despite an official's claim to the contrary in the mid-1970s that “...Amazonia's growth has been planned in perfect balance with her rate of development” (SUDAM, 1975). It has now become apparent that these development patterns set the stage for massive environmental degradation.

Most environmental problems in the Amazon region have stemmed from deforestation or its accompanying urban growth. These include deforestation itself (accompanied by the release of carbon dioxide into the atmosphere), the loss of plant and animal life, pollution from mining, flooding by hydroelectric dams, and gradual elimination of indigenous populations and their cultures. The actual rates of forest loss have been hotly debated, but it is clear that extremely high rates of deforestation began to occur in the mid to late-1970s, and continued to increase up until
the late 1980s. It is estimated that by 1988 at least 12 percent of the Amazon's forests had been cleared, or some 350,000 square kilometers—an area greater than the states of New York, Pennsylvania, and Virginia combined (Goodman and Hall 1990).

These policies proved to be unsustainable not only ecologically, but also economically. Recent studies have shown that for all of the development-inspired deforestation activity, relatively little actual value has accrued to the Brazilian economy over the last two decades. Despite its great size and the vast resources poured into it, the Amazon region currently contributes only 5 percent annually to Brazil's gross national product, and the region's tropical forests contribute a mere 10 percent of Brazil's national output of industrial timber (Myers and Pearce 1990). Moreover, the continuous provision of subsidies and tax credits substantially increased fiscal strains on the government. By the beginning of the 1980s, high inflation had combined with perverse development incentives to fuel further land speculation on cattle-ranching and agricultural enterprises in the Amazon region.

Changes Under Sarney?

Beginning in the late 1970s, the military regimes of Presidents Geisel and then Figueiredo began a gradual process of political liberalization called the "decompression" and "abertura," or opening, to prepare the country for a return to democratic rule. As Brazil's "economic miracle" attenuated into a debt-laden disaster by the early 1980s, the nation's political landscape was nearing completion of its transition from military to civilian rule under Figueiredo. After indirect elections by an electoral college in 1985, vice-presidential candidate Jose Sarney became an accidental president of Brazil's reemerging democracy after incoming president Tancredo Neves suffered an inauguration-eve heart attack. Sarney, who belonged to a political party that had previously supported the military government, had been put on the ticket to balance rather than lead it (Skidmore 1988).

The difficulties of maintaining discipline and control in the Brazilian economy, which had become evident at the start of the decade, were even more difficult by the mid-1980s when Sarney gained office. The new president enjoyed brief success from heterodox economic shock programs designed to bring down high rates of inflation, but then suffered politically as the economy again began spiraling out of control. Within this unstable political and economic environment, Sarney, with historical links to the military, could not abandon allies with economic interests in Amazonia and initially failed to reverse the course of environmentally harmful development policies instituted by his predecessors.

Within the newly democratic atmosphere, however, domestic and international criticisms about the environment had a much greater impact.
Sarney eventually yielded to domestic and international pressures and announced a program entitled “Our Nature” in 1988. The centerpiece of the program was the creation of a new superagency for the environment, IBAMA, with a mission to reduce Brazil’s rate of deforestation.

Results of the program were mixed. While many Brazilians credited it with raising the profile of environmentalism in Brazil, critics derided it as a symbolic attempt to appease international aid-givers without offering real environmental protection. Analyses of the program’s impact on reducing deforestation rates have been conflicting. While the government claimed a 30 percent reduction in the rate of Amazon clearing during one year, independent satellite data from the Brazilian Institute for Space Research showed that deforestation had on average remained the same during that period (Worcman 1990).

The specter of violence in frontier lands between landowners and squatters—which had long been a problem in Brazil—also became increasingly evident during Sarney’s administration as international human rights agencies began to document these events. The violence became intertwined with the politics of the environmental debate as some rural workers, engaged in environmentally sustainable activities such as rubber tapping, were targeted by landowners pursuing environmentally destructive practices like cattleranching. Lawlessness along the frontier received its greatest international exposure with the 1988 murder of rubber tapper and activist leader Chico Mendes. The events surrounding his murder fed into general criticisms of a lack of effective environmental policies in the Amazon region.

Brazil’s Green Image Abroad

A president without a mandate, Sarney succeeded in disappointing the majority of Brazilians during his rule. More importantly for the environmental debate, however, his administration witnessed increasing international opposition to Brazil’s apparent disregard for the environment within its national development policy.

From the beginning of the military period in 1964, and particularly during the Stockholm conference in 1972, Brazil took a hostile stance toward international criticism of its internal development strategies and environmental policies. Brazilian leaders, focused on their overriding goal of economic growth, made it clear at every turn that international criticism and input on Amazonian development policy were viewed as interventionism. Even during the debt crisis of the 1980s, when debt-for-nature swaps were introduced as a possible mechanism for reducing Brazil’s foreign debt, President Sarney rejected them—while accepting the financial concept of a debt swap for pure equity transactions—on the basis that
specific investments in Brazil's natural heritage from outside agents would be a violation of national sovereignty.

International pressures on debt and the environment mounted under Sarney, but his need for military support prevented him from taking effective steps to control degradation beyond those measures within "Our Nature." By the mid to late-1980s, Brazil was coming to be regarded less as a country with great potential, and more as an international pariah, refusing to pay its debts and continuing to burn its forests. The fact that this image has endured into the 1990s is testimony in part to the growing influence of the international green movement.

The Environmental Movement at Home

Aside from international criticism, Brazilian governments over the last twenty to thirty years have also experienced increasing pressures from domestic groups over their environmental policies. These concerns have been expressed politically mostly at the local level, but also more recently at the national level, in tandem with the growth of green movements abroad.

The Brazilian domestic environmental movement began in the early 1970s in the aftermath of the first few "miracle" years of economic growth. Civic opposition to the environmental effects of government development policies usually focused on local concerns such as air pollution and heavily congested traffic areas that accompanied rapid urban growth. Organized opposition began in 1971 with the creation of the Association for the Protection of the Natural Environment of Rio Grande do Sul (AGAPAN), founded by today's most prominent Brazilian ecologist and until recently the Special Secretary for the Environment, Jose Lutzenberger. The movement has grown tremendously in recent years, with Brazil now home to over 1,000 environmental organizations (Worcman 1990).

Two particular characteristics of the domestic movement are important to note for understanding its origins and later political relevance. First, the movement's ability to grow as a civic force can be attributed early on to the military government's low estimation of its strength, and later, to a larger relaxation of political restraints on civil society in the transition to democratic rule. Thus, the environmental cause was one of the few arenas of popular participation allowed to develop during the military period and through the transition to democracy.

It was during this period that local, green-minded politicians began to emerge as a force for change in national development policies. Political life provided a professional context and structure in which environmentalists could pursue their goals. The best known of Brazil's green politicians today is Fabio Feldmann of the PSDB. In 1986, he became the first federal
legislator to be elected on a primarily environmentalist platform (Worcman 1990). Feldmann was able to organize a Green Front coalition of more than eighty legislators in 1988 to defend ecological interests during the drafting of a new federal constitution.

The results of this environmental activism would appear to be significant. Brazil has, as of its new 1988 Constitution, the most advanced formal political treatment of the environment in the world, guaranteeing a healthy environment as a fundamental right of each of its citizens. The Green Front in Congress has also proposed over 150 packages of new legislation designed to protect the environment (Veja 1990).

A second important characteristic of Brazil’s domestic environmental movement is that its proponents were predominantly middle class professionals—among them, scientists, artists, and intellectuals. Ecological groups in Brazil have never, and still do not, represent a broad-based popular movement. In fact, there are few examples of lower or working classes closely involved with the movement. Limited examples include rural workers in Amazonia, like the rubber tappers, whose livelihood is threatened by environmentally harmful deforestation policies, and indigenous peoples in the same areas, who have begun organizing in the last several years to preserve themselves and their way of life.

Despite the limited breadth of the movement, its impact in Brazilian society—as in politics—would appear to be significant. Green rallies and demonstrations are increasingly commonplace and well-attended. In public opinion polls, a majority of Brazilians cite the environment and Amazonian deforestation among their top concerns (Goldstein 1990). A popular Brazilian soap opera last year featured a drama set in the Pantanal, an ecologically-protected nature site in central Brazil. And ecotourism is on the rise, as Brazilians join foreigners in discovering the ecological richness of the Amazon, the Pantanal, and other areas in Brazil.

The depth of the Brazilian environmental movement, however, on both the political and social fronts, seems notably limited, at least for now. Popular culture has idealized the Amazon and other natural regions, but ecological concerns do not translate consistently to everyday civic actions to protect the environment. Progressive legislation and constitutional rights regarding the environment have been very difficult to enforce. Deputy Feldmann has noted, for example, that “Brazilians have a notion about environmental problems, but they are not aware of the role they can play to change the situation... It seems a paradox that we have such an advanced constitution and such a terrible reality” (Worcman 1990).

The green movement in Brazil is still fundamentally a middle class movement, and will need to stretch beyond its present parameters to embrace the huge number of working and rural poor if it is to become truly effective. In sum, while Brazil’s environmental movement has played an important role in expressing the ecological concerns of civil society as the
country has moved forward as a democracy, it is not so potent a political force that it can implement policies adversely affecting powerful economic interests, nor is it a pervasive social force that can broadly influence consumer behavior in Brazilian society.

Collor's Plans for National Development

Fernando Collor de Melo ran his long-shot campaign for Brazil's presidency in 1989 on the ideological wave of free market economics. He vowed that economic liberalization and a new outward-looking vision were necessary for Brazil both to realize its great potential as a nation, and to become a world player on the First World stage. His plans ran directly counter to Brazil's style of development over the previous fifty years—a strategy of import-substituting industrialization that had helped make Brazil's economy one of the most protected in the world.

Collor's message reached out to an audience living with over 80 percent monthly inflation in an economy that had spun out of control. His promise to kill inflation with a single bullet—as well as his personal charisma, youth, and good looks—made him increasingly popular, particularly with poorer Brazilians. Business groups also supported him, if somewhat less enthusiastically, as they were faced with an electoral choice between Collor and "Lula"—Luis Inacio da Silva, the president of Brazil's leftist Worker's Party.

Collor did win, and most of his campaign pledges were directed at reversing the economic disaster he was about to inherit. Few other substantive issues, such as the environment, were mentioned in the campaign. However, when Collor communicated his economic program to leaders of the industrialized world during pre-inauguration travels, he found strong concern for Brazil's environmental problems. In particular, he faced heated criticism from environmentalists in Western Europe. Credited previously with having made nationalist claims on the Amazon and deriding Northern countries for their environmental hypocrisy, the new president was quickly confronted with the new international politics of the environment.

Collor's Record on Green Issues: A Turn for the Better

Collor acted quickly on the political impressions he formed on the environment during that trip. Within a week after his return, he made the surprise announcement that dedicated environmentalist Jose Lutzenberger would join his cabinet as Special Secretary for the Environment, thus automatically raising the ecology issue to a much higher profile in the new government. In addition to being one of the founders of Brazil's first civic group concerned with environmental protection, Lutzenberger had received a coveted international environmentalist award in 1988 by the
Swedish Government, and was widely respected at home and abroad for his activist environmental credentials.

Lutzenberger's record within the government was somewhat uneven in terms of administrative accomplishments, but, as long-time Brazil specialist Thomas Lovejoy of the Smithsonian Institution notes, "Nobody looked to Moses for management skills." Indeed, Lutzenberger fulfilled quite well his symbolic role—to improve Brazil's environmental image on the international scene and to bring in aid money for ecological projects (Brooke 1991a). His appointment was a clear signal to the international community that the new administration was ready to reconsider Brazil's past recalcitrance on the environment as well as the potential usefulness of international cooperation on environmental and development issues.

The importance of image has been central to President Collor's governing style. Another initiative in which he used strong images to convey his determination to change Brazilian environmental policy was his personal participation in destroying airstrips used by gold miners in the Amazon. Dressed in battle fatigues, Collor helped dynamite the airstrips in a well-publicized environmental campaign to help preserve the Yanomami Indians in the early months of his administration.

These kinds of steps have been decried by Brazilian critics as obvious attempts to sway international opinion and change the country's image abroad without bringing long-term benefits to the state of the nation's environment. The airstrip-bombing, for example, was largely ineffective in driving away miners from the indigenous areas since most of the landing strips were rebuilt and back in use after a few short months.

To the administration's credit, however, it has taken other actions that have attempted both to change Brazil's negative external image on the environment and to produce some environmentally sustainable, positive results. In the area of protecting and demarcating lands for the country's indigenous population, for example, the government has compiled a much better record than previous administrations. Last April, for example, President Collor abolished nineteen decrees by the previous administration that had shrunk lands of the Yanomami Indians from twenty-three million to five million acres (New York Times 1991). He has also pledged to demarcate a total of eighty million hectares of Indian lands for their use by the end of 1993. This will be coordinated with a larger environmental zoning and development plan for the Amazon that is being prepared in time for the June 1992 UNCED conference.

In an interesting twist on past development policies, recent initiatives on behalf of indigenous populations have been carried out, in part, by the Brazilian military. President Collor has sought various ways to find a new role for the armed forces, to allow them to coexist with the new democracy without undermining it. The president has also shown his independence
by eliminating a program created by the military without congressional approval under President Sarney, the Calha Norte program—an another massive road-building effort along Brazil's northern border intended to help control the spread of illegal narcotics activity into Brazilian territory. The new administration has also removed tax credits and subsidies that had been used to promote economically and environmentally unsustainable land-clearing activities in the Amazon. There was some question during the administration's first year as to whether these had in reality been abolished, but they were definitively eliminated after the issue became embarrassingly public during a Collor visit to the United States in June 1991 (Preston 1991).

By far the most far-reaching change, though, in terms of Brazil's break with its ideological past, has been the Collor government's recent reconsideration of debt-for-nature swaps, an idea that had previously been discarded as a violation of national sovereignty. While in Washington in June 1991, Collor announced that the government might swap up to $100 million annually of its foreign debt, which totals $120 billion, in order to finance domestic environmental activities (Preston 1991). In practice, huge debt savings will not likely result from this mechanism—debt-for-nature swaps carried out thus far in other developing countries have contributed very minimally to reducing total external debts. Brazil's policy shift on the issue, however, is important in that it signals a new willingness to accept a global responsibility for the legacy of the rainforests.

These environmental initiatives seem to have significantly reduced the rate of deforestation in the last two years. Approximately 27 percent less Brazilian rainforest land was burned in 1990 than 1989, according to the country's National Space Research Institute, and the trend has continued through 1991 (Brooke 1991b). Critics, however, have been loath to attribute this to the government's Operation Amazonia. Fabio Feldmann, for example, has pointed to the effects of poor weather and economic recession on reduced land-clearing activities, although it seems likely that the government's initiatives have in some measure contributed to today's slower pace of deforestation.

A Strategy of Linkages

*Bargaining with the North on Debt, Trade, Technology, and Investment*

Brazil's share of regional foreign investment has dropped significantly in recent years as its economic fortunes have faltered and Mexico has become Latin America's shining star for growth and investment. Brazil wants to come to a satisfactory agreement on its foreign debt and to regain access to international capital markets. The nation's industrial sectors also
need access to advanced technology in order to become competitive as the Brazilian economy opens up. In all of these areas, Brazil is hoping for further Western support and aid in response to an improved environmental policy.

Given the lack of collective leverage of developing countries as a group, President Collor has opted for bilateral bargaining with industrialized nations for development assistance. His strategy has essentially been to offer *quid pro quo* cooperation and environmental initiatives for help on other issues on his development agenda, notably debt, trade, access to technology, and foreign investment.

The clearest evidence of this strategy is the government's policy reversal on debt-for-nature swaps. The environmental linkage to debt is also present in Brazil's positive response to President Bush's Enterprise for the Americas Initiative, which contains support for debt-for-nature transactions and the creation of environmental funds. In addition and related to its reforms on the environment, the Brazilian government (along with Argentina) has also acted to safeguard its nuclear capabilities. This measure had long been sought by industrialized countries hoping to curb nuclear proliferation among additional, particularly developing, countries.

**Interim Results**

How has Brazil's linkage strategy worked thus far? Results almost two years into President Collor's term are not very encouraging. The country's huge foreign debt has yet to be renegotiated, although Brazil has come to agreement with its creditors over the payment of arrears and has moved closer to a large-scale agreement under the guidance of Collor's second Economic Minister, Marcilio Marques Moreira. Foreign investment has slowed to a trickle as potential investors watch liberalization and privatization reforms proceeding slowly, and multinational companies already in Brazil are scaling back their investment plans due to Brazil's deepest recession in eleven years.

The most encouraging sign has been a plan by the G-7 group of industrialized nations to sponsor a $1.2 billion environmental project for the Amazon over five years. Approved at the G-7 summit meeting in London in July 1991, the Pilot Program for the Protection of Tropical Forests would be the world's largest environmental project. When announced, it seemed to spell success for Brazil in its environmental linkage strategy with the First World. The project has bogged down recently, however—as a result of Brazil's slow and faulty planning for its implementation, according to Western diplomats. The first $250 million disbursement for 1991 was held up and then reduced to only $50 million. One
Western diplomat in Brasilia commented, “No one wants to hand over money to Brazil with its reputation” (Lamb 1991).

Brazil has responded angrily, blaming the North for offering more rhetoric than commitment to environmental protection. In October 1991, President Collor sent a letter to G-7 leaders protesting the delay and asking for their cooperation to resolve the issue. This disappointing development, combined with the increasingly negative image of Brazil emanating from its inability to solve domestic economic problems and Collor’s own waning popularity, may leave Brazil without much real success in its environmental strategy in the short to medium term.

Alternate Strategies on Development and the Environment

Brazil has other options to pursue beside this linkage strategy if it continues to receive little help from abroad, or if the domestic and/or international scenarios were to change drastically. First, it could return to its status quo development policy, which made it a virtual international pariah on environmental issues. Second, the government could resurrect the rallying cry of nationalism and become the standard-bearer for the South on refusing to reform its environmental policies, thereby perhaps coercing the North into greater assistance. Finally, Brazilians could strike a chord for significant domestic policy changes on the environment that go well beyond current efforts, seriously cutting into the economic interests of powerful agricultural and industrial elites.

Overall, however, the best strategy seems to be the one that Collor is currently pursuing. The old “development at any cost” strategy is no longer viable in an increasingly interdependent world in which Brazil will have to rely on countries whose citizens will not accept environmentally destructive behavior. Nationalist, Third World rhetoric has long since lost its effectiveness, and most successful developing nations have already thrown their hat in with the developed world in exploring joint economic opportunities. Finally, a vastly better environmental strategy at home would be improbable in a domestic context in which the environmental movement is still shallow and politically weak, and entrenched interests are still quite strong. Thus, while Brazil should not expect to reap large benefits from its linkage strategy in the near term, it will continue to offer the best hope for long-term cooperation with the industrialized world.

Brazil’s Role in UNCED

Both the current administration’s record to date on the environment and its strategies linking national development to the environment indicate at almost every step the heavy hand of international influence on environ-
mental policymaking in Brazil. Whether recent gains are considered symbolic or substantive, these cumulative initiatives imply that Brazil is for the first time taking its environmental image seriously and that it recognizes how its image can impact the overall program for national development. The imperative for action in Collor’s administration is certainly linked to the upcoming U.N. Conference on the Environment and Development, where the host’s record of environmental accomplishments will be on display to visiting heads of state.

Hosting the UNCED conference represents both an opportunity and a risk for Brazil. The government’s eager actions to put a positive spin on the environment show that the country is trying to take advantage of the opportunity to gain positive international exposure. This could allow Brazil to take a position from which, as a leader among developing nations, it could call for enhanced international cooperation between North and South on issues linking development and the environment.

On the other hand, the risks are substantial. For instance, it is very likely that a vividly negative image of Brazil’s faltering national development will be witnessed firsthand in the pollution, crime, and favelas of Rio de Janeiro by those attending the UNCED meeting. This is not an image any country wishes to project. It is also still possible that world leaders will not consider the environmental and development agenda important enough to attend the conference (Lamb et al. 1991). There is also the risk that a parallel meeting of international nongovernmental groups gathering in Rio during the conference could embarrass the Collor Administration by arguing it has not administered its environmental policies forcefully enough. Recent events also indicate that the UNCED conference is not likely to be as influential as supporters had initially hoped. Climate change negotiations are proceeding more slowly than expected, and it is unlikely that a strong treaty will be ready for the conference. Any of these potential negative outcomes could lead an embarrassed or frustrated Brazil to lash out at the North for its contribution to underdevelopment and at its hypocrisy in refusing to clean up its own environmental problems.

Conclusions

Brazil’s five economic stabilization plans over the last five years have had no apparent or lasting success in reducing the nation’s economic ills or mitigating the development crisis in which the country now finds itself. Government credibility in the young democracy continues to erode, and many commentators have begun to characterize the situation as a national moral crisis.

The environmental struggle described herein is one element of the crisis that often gets international attention, but the challenges inherent in arresting past degradation and employing sustainable development poli-
cies in Brazil can ultimately only be met by addressing the nation’s larger, tangled web of economic, social and political problems. The interrelationship of these factors explains, to a significant degree, President Collor’s attempts to convert Brazil’s image on the environment vis-a-vis international audiences and domestic constituencies.

While the current government’s policy shift on the environment has been real, it could still be reversed. In strategic terms, it has thus far failed to attract much development assistance from the First World on debt, trade, technology, or investment. There exists a real danger that a frustrated, resentful Brazil could lash out at First World environmental hypocrisy and align itself with more intransigent Third World representatives at the UNCED conference this June. However, it seems more likely that the Collor government will maintain its national commitment to “fight the good fight” on environmental issues, and hold out for help from its Northern neighbors.

References


Domestic and International Influences on Environmental Issues in Brazil


Domestic and International Influences on Environmental Issues in Brazil


Legal Opportunities for Environmental Action in the Russian Privatization Process

Jonathan Klavens

Abstract

Through an examination of new Russian privatization laws and codes, the following paper proposes ways in which the emerging privatization process in Russia can and must be directed to provide legal opportunities for improvement of the environmental problems left in the wake of communism. Focusing particularly on the potential role of the local Soviets (city or district governments), it explores possible environmental applications of existing laws, and proposes measures that would potentially strengthen the role of privatization law in ameliorating environmental damage.

The states of the former Soviet Union are facing a widely acknowledged environmental crisis—the result of decades of pollution caused by artificially low prices, inefficient production processes, and little effective environmental regulation. While many official environmental protection laws are still on the books and legislatures will soon debate new environmental laws, it is uncertain whether the former socialist countries can develop an effective infrastructure for environmental regulation in the near future.

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In the meantime, privatization occupies the top of the agenda. By transferring enterprises to private owners and exposing firms to market realities, the governments of former socialist states seek the efficiency and wealth a competitive market promises. This article discusses some of the imperatives and opportunities for addressing environmental issues in the privatization process.

Imperatives and Opportunities for Addressing Environmental Issues in the Privatization Process

Privatization may lead naturally to environmental improvements. Market prices for capital goods and raw materials should curb excess industrial demand. Private firms will tend to find ways to use fewer natural resources and produce less waste as they try to achieve greater cost-effectiveness or technical efficiency (maximizing output for each unit of input). Obsolete, highly polluting, heavy industries may be liquidated immediately or fail later, retired to the hazardous waste dump of history. A working market should also provide the government the opportunity to choose environmental policies to balance environmental protection and economic development, whether through technology or performance standards, or through economic incentive approaches such as pollution charges, tradeable permits, or elimination of government subsidies.

But the full environmental benefits of privatization are not likely to come naturally. Market prices will not be liberalized fully for some time to come. Private firms are still developing the managerial, accounting and planning skills to respond to market signals. It may be difficult to recognize that enterprises are obsolete and even more difficult still to shut down failing factories and face the consequences of massive unemployment or shortages of important goods. Even with a functioning market, firms that do not bear the external costs of their polluting activity will have little incentive to reduce pollution to an efficient level. Moreover, it will take a long time to develop the necessary legal and administrative infrastructure for environmental policy.

Instead, the Russian government should actively seek environmental benefits in the three key stages of the privatization process: selecting an enterprise for privatization, preparing an enterprise for privatization, and transferring the enterprise to a private owner. The government should give priority to the privatization of those enterprises that will yield large environmental benefits in private hands. In preparing an enterprise for privatization, the government—particularly with the help of foreign experts and potential investors—should learn about environmental conditions on site, current environmental practices, and the ability of a particular enterprise to improve its environmental record by responding to market...
signals and/or government regulations. Finally, privatization gives the government an opportunity to condition the transfer of property rights on the acceptance of a reasonable level of future environmental responsibility.

The government may even find it difficult at times to proceed with privatization without addressing environmental issues. Many of the hopes of privatization are pinned on the prospects of attracting substantial foreign direct investment. Foreign investors routinely evaluate environmental conditions and practices at the facilities of potential affiliates and will be reluctant to complete a transaction without such information. Moreover, partly to limit or avoid environmental risk, foreign multinational corporations often have policies of following roughly uniform environmental standards in their foreign operations. As a result, investors may be reluctant to purchase an enterprise with inadequate environmental management skills and no guarantees that such skills can be developed.

Foreign investors are also concerned about inheriting unlimited potential liability arising from past environmental practices. There are various contractual and legislative ways of allocating such liability. If foreign investors are faced with the possibility of paying the full costs of cleaning up decades of soil contamination on site, certain industries are unlikely to attract investors. If the Russian government actively or passively agrees to fund and manage all necessary clean-up, foreign corporations may be uncomfortable relying on the pace and quality of the government’s clean-up effort. Moreover, an unlimited commitment of government funds to improve foreign-owned industrial sites is simply impossible given current budgetary and political constraints.

Further, the primary investment goal of many foreign corporations is likely to be access to Russia’s vast potential markets. This is particularly true with respect to the many corporations with excess worldwide capacity in a depressed economic climate. Accordingly, investors are likely to be on the lookout for a stable base of operations, not necessarily opportunities to cut down on environmental costs that are a part of doing business in the West.

Finally, another reason that direct investment in Russia appears to be attractive is the presence of industries that can respond to modest investment with quick, cheap efficiency gains. If it is uncertain whether an enterprise can manage its inputs and outputs to reduce resource use and environmental harm, it may be equally uncertain whether an enterprise can cooperate with a foreign owner (particularly a foreign owner with a non-controlling share) to produce the efficiency gains to justify an investment.

Privatization will work best if environmental issues are addressed as part of the routine process.
Legal Opportunities for Addressing Environmental Issues in the Russian Privatization Process

The "process" for industrial privatization in Russia is still developing. After much rancorous debate, the RSFSR Congress of People's Deputies finally passed a privatization law in the summer of 1991. Signed on July 3, 1991 by President Yeltsin, the law "On Privatization of State and Municipal Enterprises in the RSFSR" ("Privatization Law") does not set forth a detailed privatization scheme. Rather, the law calls for further development of a privatization process and provides general guidelines for the components of the process itself. Late in 1991, the Russian Federation produced a privatization "program" for 1992 that sets cautious targets for 1992 and provides some additional procedural guidelines (FBIS 1992b). Yeltsin ratified the program on December 29 and ordered its implementation to begin on January 1, 1992, but many unanswered questions remain (FBIS 1992a). As late as February, 1992, the Soviet Business Law Report cautioned that "[t]he legal structure for privatization... [is] still being debated and finalized. Neither the rules surrounding privatization nor the extent of their implementation is clear yet" (Soviet Business 1992). As a result, there are now opportunities to advocate for a privatization scheme that addresses environmental concerns. Even the existing privatization guidelines arguably allow consideration of environmental issues.

The discussion that follows covers some of the legal avenues for addressing environmental issues in the Russian privatization process. While industrial privatization in Russia had often been carried out "spontaneously" by enterprise managers operating outside of the law, the recent set of privatization laws and decrees is designed to end "privatization by robbery" and to provide instead "a reliable regulatory framework" for the transfer of state enterprises to private owners (FBIS 1991). To the extent that this occurs, there will be opportunities to improve and exploit the process prescribed by law. 2

Developing the Privatization Process to Produce Environmental Benefits

The privatization laws set out a process that allows privatization to proceed on the federal, regional or local levels of government. Basically, privatization of an enterprise will be carried out by the level of government that owns the enterprise. At each level of government, there will be several agencies to administer the process. Privatization committees will produce privatization programs to set annual targets and elaborate additional privatization guidelines. Privatization committees will work with ad hoc privatization commissions to prepare enterprises for privatization.
funds will then sell enterprises by means of competitive proposal, auction, or stock offering.

The highest privatization agency is the Russian Federation’s privatization committee, the State Committee for the Administration of State Property (“Goskumimushchestvo” or “GKI”). The GKI is charged with developing an annual State Program of Privatization (“Federal Program”) that sets policies and procedures for privatization at all levels of government. Influencing the content of the Federal Program for 1993 and upcoming regional and local privatization programs can be of enormous importance in an effort to include environmental concerns in the privatization process.

One task of the Federal Program is to list enterprises and assets designated for privatization. Enterprises could be chosen for, or eliminated from, the privatization list for environmental reasons. An environmentally sound selection of candidates for privatization should include those enterprises in which new owners will have the incentive and the ability to achieve quick, cheap efficiency gains that will lead to noticeable improvements in local environmental conditions and, ideally, substantial decreases in use of energy and natural resources. Energy production might be one such industry. As mentioned above, however, it will be important not to assume that new owners face perfectly competitive markets and fully developed regulatory schemes. For example, an industrial monopoly faced with negligible pollution fees and fines may have little incentive to become more efficient and reduce its volume of waste. Or, the oil-producing Commonwealth nations may keep energy prices in the Commonwealth (or in a particular nation) far below world prices in order to subsidize old-line Soviet factories.

Other prime candidates for the privatization list would be highly polluting enterprises with little chance of competing in the market. Early evaluation of such enterprises may help to identify the need for a particular type of reorganization, or lead to liquidation of the enterprise and an auction of marketable assets. While there are strong social reasons against early closing of major regional employers, the government might opt to provide massive financial aid to affected areas rather than continuing to subsidize wasteful production and perpetuating unacceptable levels of environmental damage.

The Privatization Law also calls for the Federal Program to establish public administrative responsibilities for privatization. It would appear that the Federal Program could require non-privatization agencies to contribute information that would help to address environmental concerns. USSR industrial ministries had typically kept ample records on the environmental effects of industries, but had always closely guarded such information (Maddock 1991, 187). The Federal Program could require such information to be released to privatization commissions.
The Federal Program must include a list of “dedicated funds” for goals such as “restoration of the natural environment” (Privatization Law, Article 3). The 1992 Federal Program provides norms for the distribution of privatization proceeds among different levels of government, but apparently does not mention any dedicated funds (FBIS 1992c, 66). Federation officials have nevertheless stated that as much as 20 percent of expected privatization proceeds will go to “social needs, social welfare, and local social support funds” (FBIS 1991). Still, it is uncertain whether officials have plans to establish the environmental funds contemplated by the Privatization Law.

Interested parties could take steps to ensure that environmental restoration goals are actually included in the 1993 Federal Program or in additional guidelines for 1992. Further, the Federal Program could define environmental goals more clearly; for example, by focusing on using funds to clean up (or monitor industry clean-up of) certain priority categories of contamination. If steps are taken to define environmental goals and to establish special privatization funds, the GKI should be reminded that environmental clean-up funds in the USSR in the past were left unspent by disinterested industrial ministries (Maddock 1991, 187). Accordingly, dedicated environmental funds should be controlled by those with a vested interest in using them wisely and promptly—possibly the Russian Ministry of the Environment, a local soviet, or perhaps the new private enterprise.

Republic and local privatization programs will also decide important questions concerning the privatization process. Larger enterprises that are the heaviest polluters are more likely to be federally owned (although the situation is quite fluid and the ramifications unclear), but privatization programs at all levels should call for consideration of environmental issues. Further, political forces at the republic and local levels may be more receptive to including environmental concerns in their privatization programs to act as a bulwark against decisions by Federation authorities that are insensitive to the environmental impacts of privatization.

Privatization Commissions

The composition of privatization commissions could be a crucial factor for determining what issues are addressed by privatization plans. The Privatization Law does not require any particular composition of members of privatization commissions or their staff. The commission “may” include representatives from the GKI, republic or local privatization committees, the relevant local soviet of people’s deputies, and the enterprise’s labor collective (Privatization Law, Article 14). It is unclear whether others, e.g. representatives of social organizations, would have the right to be members of a privatization commission, although the commission can hire experts for assistance.
Interested parties could urge the GKI to establish guidelines for the composition of privatization commissions or for the kind of experts that they hire. Such guidelines could require that the commission include environmental representatives, such as members of “green” social organizations, health organizations, or representatives of neighboring enterprises (such as an agricultural enterprise) that have been harmed by the environmental impacts of the enterprise undergoing privatization. However, environmentalists are hard to come by in Russia and environmental officials with little personal stake in the costs and benefits of privatizing a particular enterprise may have difficulty in convincing the commission to address environmental considerations. Representation of environmental interests may have to rely on credible representatives from institutions with a more direct stake in the privatization process, such as the local soviet. To the extent that early efficiency gains are both an environmental and an economic goal, local soviet members may be good advocates—they and their constituents tend to benefit from the steady taxes and employment associated with an ongoing concern, but they will also tend to benefit from the early reduction of those types of pollution that have the greatest local effect.

Valuation Methods

Article 17 of the Privatization Law charges the GKI with developing “methodological indicators” for estimating the value of enterprises and assets to be privatized. These indicators could take into account environmental factors that affect the enterprise’s financial condition, such as rising prices for mineral resources, potential environmental liabilities, and costs associated with environmental regulations that are likely to be enforced. Nonetheless, prospects for development and use of such indicators are dim. Early draft regulations (now abandoned) on privatization methodologies had focused merely on the market value of enterprise assets, (in the case of small enterprises or liquidation of large ones); the anticipated future profitability of the enterprise; and the enterprise’s “liabilities.” These regulations made no explicit mention of environmental liabilities. It remains to be seen whether new regulations will take this step.

There are also institutional obstacles to proper valuation within state enterprises. Management or labor collectives with an interest in purchasing assets or shares may have an incentive to undervalue the enterprise, as will the various privatization agencies—who may be interested in low valuation (except to foreigners) as a means of boosting sales and enhancing an agency’s reputation for efficiency (Rapaczynski and Frydman 1990, 2).

Finally, valuation of state enterprises in Central and Eastern Europe has proven to be extremely difficult. A number of privatization agencies in the region are beginning to back away from the difficult task of valuation,
focusing instead on finding investors and negotiating speedy transactions. Moreover, Russia's Federal Program calls for greater use of auction sales, where valuation is necessary only to determine a minimum acceptable sales price. Accordingly, it may be unwise to focus on valuation as the vehicle for including environmental issues in the privatization process.

**Applying Existing Privatization Guidelines to Address Environmental Issues in Particular Cases**

Guidelines in the Privatization Law already present opportunities for raising environmental issues in particular cases. Some opportunities are more appropriate for actual members of privatization agencies, but there are also opportunities for those aligned with legislative and administrative bodies, and with social organizations.

**Initial Request and Evaluation**

Article 13 of the Privatization Law allows a wide range of actors to initiate the privatization process for an enterprise. These include the GKI, privatization committees at all governmental levels, the chief manager of an enterprise, an enterprise's labor collective, a shop, a production line, purchasers, another enterprise with an economic relationship with the enterprise proposed for privatization, banks, creditors, and governmental bodies. Social organizations do not have the right to initiate the privatization process. If interested parties believe that privatization of an enterprise will have a positive impact on the environment, they could seek to initiate privatization on that ground.

The GKI or a republic or local privatization committee must evaluate the privatization request in one month (Privatization Law, Article 14). Evaluation appears to be relatively mechanical, with little discretion for disapproval. Because of the lack of discretion in approving a request, an interested party could force an evaluation of an enterprise simply by filing a request. If the limited reasons for rejection apply, the committee must accept the request within a month and a commission must then prepare a privatization plan no later than six months from the date of the request. Of course, this assumes that the process is in working order. In fact, enterprises have filed for privatization with no action forthcoming on the part of the government.

**Privatization Plan**

The privatization plan includes the method and time period for privatization, the initial price, and the recommended form of payments (Privatization Law, Article 14). The plan may also include a strategy for breaking off
independent enterprises and saleable assets. As implied above, the inclination and capacity of the commission to address environmental concerns—such as estimating an initial price that reflects environmental factors—will depend greatly on the composition of the commission members and the experts they hire.

Privatization methods include stock offerings, competitive proposals, and auctions (Privatization Law, Article 15). In choosing a recommended privatization method, the commission must consider the opinion of the labor collective, the request for privatization and any purchasers' proposals, particularities of the enterprise, the enterprise's capital, the socio-economic significance of the enterprise for the territory, and the opinion of a representative of one of the property funds that will eventually carry out the sale.

In general, competitive proposals are to be used when there will be ongoing commitments between the new owners and the sellers (Privatization Law, Article 19). From an environmental point of view, competitive proposals and multi-dimensional bargains may offer the greatest potential to sort out questions of a purchaser's commitment and capacity to make quick, environmentally sound efficiency gains and to allocate responsibility for environmental goals such as emergency clean-up of contaminated plant sites.5

Auctions were originally to be used principally for sale of small enterprises or sale of individual assets from enterprises that have either been reorganized or liquidated. As impatience with the pace of privatization grows, auctions are increasingly seen as a quick way of selling enterprises unmarketable through other means. Viable enterprises may fetch auction block prices high enough that the proceeds could be used in special environmental clean-up funds. In addition, auctions should be useful in completing the liquidation process of obsolete, highly polluting enterprises that cannot compete in the market, although the state will have to contend with continued ownership of contaminated industrial property. The government will have to allocate funds between containmant and clean-up, and decide which sites are best left alone for the time being.

Sale by stock offering is likely to be the most common form of privatization, allowing workers and citizens a chance to own shares in privatized entities. And yet, while competitive bids and auctions clearly determine who controls the privatized enterprise, stock offerings leave open the question of corporate governance (Spagat 1991, 10). Neither the Privatization Law nor the RSFSR Law on Enterprises and Entrepreneurial Activity of December 1990 provides a clear answer as to who will make corporate decisions—including major decisions about capital investment (for efficiency gains) or decisions involving violation of, or compliance with, environmental standards.6 Unlike the Polish scheme of core and institutional investors holding citizens' shares in blocks large enough to
monitor and supervise privatization, the RSFSR privatization law does not lay the foundations for effective governance of privatized enterprises (Spagat 1990, 10). The investment and environmental management policies of a privatized enterprise may depend in large part on whether decisions are made by existing managers, elected directors, or managers of holding companies.

To determine initial price, Article 17 of the Privatization Law calls on the commission to evaluate the enterprise’s potential for revenue. If the enterprise is being sold mainly for its assets, the initial price is based on an estimate of the possible profit from the sale of the assets. If privatization is to be through a stock offering, the initial “price” serves to indicate the size of the charter capital for a joint stock society. Note that the charter capital could be reduced to allow use of liquid enterprise assets for environmental remediation, at least to the extent necessary to eliminate immediate health hazards to workers and neighbors or to improve the site in a way that might lead to increased profits. As mentioned above, the amount of information about environmental damage that the commission receives from the relevant government ministries will also be crucial in an evaluation of enterprise viability and different reorganization opportunities. In addition, foreign investors often conduct environmental audits of facilities they may seek to acquire, producing a wealth of information beyond what may be available to a privatization agency. Interested parties could press for discovery of all relevant information.

The commission must “coordinate” its plan with the labor collective of the enterprise and the local soviet of people’s deputies (Privatization Law, Article 14). The local soviet can force modification of a proposed plan, although the GKI can give a plan final approval over the objections of a local soviet. The statute does not specify a time period for approval of the plan once it has been prepared. As a coordinating partner in plan approval, a local soviet could use its limited consent rights to force consideration of environmental issues in the privatization plan.

Once the privatization plan is approved, the GKI or a privatization committee liquidates the enterprise and reorganizes the enterprise into the form required for sale (Privatization Law, Article 16). If the sale is by stock offering, a joint stock society is formed and the stocks and founder’s rights are transferred to the Russian Fund for Federal Property or a corresponding fund for republic or local property. If the sale is by the other methods, a certificate of ownership is registered and then transferred to the appropriate property fund.

*Preparation and Sale*

To prepare an enterprise for privatization, the GKI or a lower-level privatization committee conducts an inventory of the enterprise’s assets
and reorganizes the enterprise as necessary (Privatization Law, Article 16). It is unclear who does this inventory—the privatization commission, in preparing the privatization plan, or the privatization committee, on executing the plan. It would seem to be difficult to estimate a value for the enterprise without a comprehensive inventory. Of course, a full inventory would be of great value in drawing an environmental portrait of the enterprise.

At least one month prior to sale, the relevant property fund must publish information about the enterprise being privatized (Privatization Law, Article 18). Information required for publication includes basic balance sheet information, including a description of the land parcel involved and the enterprise's obligations. The GKI may require publication of additional information if it wishes. On its own, or under pressure from other interested parties, the GKI could push for publication of summary environmental statistics about the enterprise, such as average emissions levels, amount of water used for industrial consumption, and total fines imposed for violation of environmental protection laws.

After sale, the Federal Fund or lower-level property fund drafts a contract to record the privatization transaction (Privatization Law, Article 27). The contract includes "mutual obligations of the parties for the future use of the enterprise, conditions on the basis of which the given enterprise was sold by competition, and other terms established by mutual agreement of the parties." This provision underscores the possibility, at least with the competitive bid method, of using individual privatization agreements to allocate responsibility for environmental liabilities and, particularly in the absence of an effective environmental regulatory system, to negotiate some sort of a schedule of compliance with environmental standards (Bell 1992, 10092). The standards that are initially agreed upon should probably be realistic air and water emissions standards that encourage an enterprise to make efficiency gains and can be monitored effectively by local authorities, even with very rough measures. A privatization contract could also require the enterprise to carry a certain level of property and liability insurance that would at least partially insure against environmental damage. While case by case environmental "regulation" through contract is certainly not ideal, such agreements at least begin to fill a regulatory vacuum that may not be fully developed for many years to come.

Interestingly, while the Privatization Law does not regulate the privatization of land, the privatization contract specifies the price of the land parcel (in the case of its sale) or the "conditions" of its rental. Several observations are in order. First, sale of the land should help instill a long-term profit incentive with respect to exploitation of the land, although it would be easier in theory to monitor abuse of the land through the conditions attached to an ongoing lease relationship. Second, sale or lease
of land will involve the local Soviets of people's deputies in a manner much more directly than through its advisory role in the privatization process, because local Soviets have jurisdiction over the granting of land for tenure, use and lease.

Potential Role of Local Soviets

The preceding discussion refers to "interested parties" who might play a role in advocating for a privatization process that addresses environmental concerns. Who are these "interested parties" and what role might they play? Those in the field working on the environmental aspects of privatization in the former socialist countries have focused on national environment and privatization ministries as the key actors. But it is important to note that there are other parties that may have the interest and ability to play a role as well. Ecological associations, although sapped of the energy they once had in the vanguard of the anti-communist opposition, could very well play a role. Similarly, regional and local democratic bodies could be powerful advocates for a privatization process that maximizes both economic development and environmental protection.

Consider, for example, the role of local Soviets under the Privatization Law. With the requisite political will, local Soviets are in a relatively strong position to play an environmentally active role in the privatization process. The process calls for lower-level privatization committees that can be dominated by the leadership of the local Soviet; local Soviets can unilaterally initiate the privatization process; local Soviets could almost certainly dominate local privatization commissions; and the process mandates attempts to coordinate with local Soviets on several substantive matters.

But local Soviets need not rely simply on the Privatization Law for the authority to affect the privatization of enterprises within their jurisdictions. An environmentally active local Soviet could also take advantage of its evolving powers over land use, use of natural resources, and environmental protection. A common misconception is that the former Soviet Union lacked any such laws. In fact, there are fairly strict environmental laws, although most went unenforced.

The status of Russian land use law is uncertain, but it is likely that recent USSR reform legislation signalled future trends. On February 28, 1990, the USSR Supreme Soviet passed the "Fundamentals of Legislation of the USSR and the Union Republics on Land" ("Land Fundamentals"). Much of the political importance of the Land Fundamentals was in the freedom it gave to union republics to allow private land ownership (Smith 1990, 1). Nevertheless, for present purposes it is also important to note that much of the text of the Land Fundamentals served to update older land use principles and to strengthen the land use control powers of local Soviets of people's deputies.

The Land Fundamentals gave regional Soviets of people's deputies
jurisdiction over, among other areas, allocation of land and monitoring of land use and conservation. The specific jurisdiction of local soviets was to be determined by union republic legislation. Regional soviets were to have "consent" rights regarding the granting of land in their area for "unionwide, inter-republican and republican needs." With both granting and monitoring powers, a local soviet could exercise significant control over the environmental practices of privatizing enterprises.

Article 9 of the Land Fundamentals had suggested a number of instances in which Soviets would have the opportunity to exercise their land use powers. For example, the law indicated that land use rights would be terminated upon liquidation of an enterprise. Because all enterprises are to be liquidated in the process of privatization, all new enterprises would have to win new land use rights. The statute also held that the right to use leased land would be terminated with certain violations of the land lease contract (Article 9). If a privatization transaction involves a land lease contract that calls for compliance with environmental laws, violation of the law would presumably trigger violation of the contract and termination of the enterprise's land use rights. Similarly, the Land Fundamentals provided that a local soviet was to terminate land use rights to all or part of a land plot in the event of "utilization of the land plot by methods leading to a reduction in soil fertility, chemical or radioactive contamination of the soil, or deterioration in the ecological situation . . . ."

There are other sources of local soviet authority over natural resource use. Although devoid of legal effect, the April 15, 1990 USSR Law on the General Principles of Local Self-Management and the Local Economy in the USSR ("Local Government Law") is instructive on the powers of local soviets in Russia. Several provisions in the statute discuss a local soviet's control over the natural resources within its territory. Local soviets also have powers to enforce environmental protection laws. A local soviet can levy fines for violation of environmental protection laws (Article 19) and can assert environmental damages claims against enterprises (Article 25). These powers provide greater weight to attempts by local soviets to voice concerns about environmental issues in the course of privatization. In addition, if local soviets have made even minimal use of these powers in the recent past, they may have some of the knowledge and organizational capacity to inject environmental concerns into the privatization process.

Further, even if local soviets were excluded from the privatization process, laws such as the Local Government Law might give local soviets the right to demand a role in privatization decisions. Article 23 indicated that, even the activity of a federally owned enterprise could only be modified by "coordinating" with a local soviet to work out major consequences of the change, including environmental consequences. More broadly, Article 24 gave local soviets the right to seek court invalidation of "enactments" by public agencies and enterprises, if such actions "violat[e]
the rights and legitimate interests of the citizens residing on the given territory and the powers of the local soviet...." In theory, local soviets even had the right to suspend the operation of any such enactment prior to a court ruling. Thus, if the privatization commission failed to "coordinate" with the local soviet on a privatization plan as required by the Privatization Law, or if the Federal Fund leased land to an enterprise with no regard for the local soviet's powers to grant and lease land, the local soviet could have argued that the privatization plan or the lease is an "enactment" that violates the powers of the local soviet. While waiting for a court ruling, the local soviet could, theoretically, suspend the operation of the privatization plan or lease. Regardless of whether the RSFSR is a sufficiently "law-based state" at this point to support such a legal strategy (almost certainly not), laws similar to the Local Government Law would provide some support for an active local soviet that wants to aggressively pursue environmental interests in the privatization process.

Finally, it should be noted that the December 1990 RSFSR Law on Enterprises and Entrepreneurial Activity, a cousin to the Privatization Law, also provides a number of important procedural levers for local soviets. First, Article 34 requires enterprises to register with local soviets. Denial is only allowed if the documents are improper or the enterprise would violate RSFSR law. Since many enterprises already violate existing environmental laws, a local soviet could deny an application for registration on that basis. A bargained compromise could lead to a realistic timetable of compliance with those environmental laws compatible with increasing technical efficiency (principally air and water emissions standards). Under Article 37, local soviets also review "organizational changes" that have ecological (or other) consequences. It is unclear how these powers differ from the local land use powers concerning changes in land use. One commentator argues that this provision "is far too sweeping and could lead those councils to interfere inordinately in the economy" (Spagat, 11).

While there are an array of legal opportunities for local soviets to affect the privatization process, both from inside and from without, would they, in fact, use such opportunities? Have local soviets expressed an interest in environmental issues? Are there conflicting incentives that would cut against exploiting such opportunities? How would local soviets fit into an overall environmental strategy for the initial stages of economic transformation? Comprehensive answers to these questions are beyond the purview of this article, but it is worth suggesting some tentative answers.

While environmental issues are not at the top of the national agenda, a number of sources indicate that environmental issues have been significant at local and regional levels. A report by the International Monetary Fund and several other international organizations observes that the emergence of "environmental groups that have forced the closure of
dangerously polluting factories and blocked new investment projects" (International Monetary Fund 1990, 37). An article on business opportunities in the Soviet Union in the 1990s cites, as an obstacle to foreign investment in natural resource projects, "growing, more vocal environmental concerns expressed by the Soviets, especially at local levels relating to resource development" (Dean 1991, 339). The evidence is scant but the possibility exists that precisely those local Soviets in regions at environmental risk will have the incentive to voice their concerns.

But there are a number of countervailing incentives. Local Soviets have a stake in the short-term economic stability of their area and will be reluctant to play a role in shutting down factories and causing thousands of citizens to go unemployed. Depending on how systems of income tax, property tax, and fees for services evolve, local Soviets may also have a strong incentive to maintain the ongoing concerns that support their budgets. There may also be an ironic incentive at play here. Local authorities have often abused their taxing power—taxes due are not what is due under the law, but what is "negotiated" (Osakwe 1991, 232–33). To the extent that environmental fees are like taxes in this sense, local authorities may support "strict" environmental standards for the purpose of negotiating on that score as well.

Nonetheless, these disincentives need not prevent a local soviet from playing a role in an initial environmental strategy focused on quick, cheap efficiency gains. Such a strategy would aim to preserve the viability of an ongoing enterprise (although some will be unviable regardless); to stabilize an area and preserve employment (to the extent possible); to increase the enterprise's profits and taxes (legal or illegal); to start building local capacity to monitor environmental conditions (without requiring much, if any, information from the enterprise itself); to decrease inefficient use of resources; and to provide quick, noticeable improvements in air and water quality.

**Conclusion**

Despite many obstacles—legal, political, and institutional—there are imperatives and opportunities to develop an industrial privatization process in Russia that produces environmental benefits. Pollution reduction produced by quick, cheap gains in technical efficiency will be compatible with economic development, if not a necessary condition. Likewise, environmental policies that reduce risks for investors will certainly be compatible with, if not necessary for, attracting foreign direct investment.

Interested parties now have the opportunity to press for a process in which environmental considerations are factored into the list of enterprises to privatize, the methods of privatization, the valuation of enterprises, and the terms of privatization transactions. While Russia's national environ-
mental and privatization agencies are the natural key actors for advocating environmentally sound privatization policies, other groups, such as ecological associations and local soviets could play an important role. Indeed, in addition to their official role in the privatization process, an environmentally active local soviet could call attention to environmental issues in privatization by exploiting its evolving powers in areas such as land use, natural resource use, environmental protection and the regulation of enterprises.

Notes

1. The author benefitted tremendously from the information and insight generously offered by Sarah Reynolds at Harvard Law School and Ruth Bell at the U.S. Environmental Protection Agency. Bell’s insights are now distilled in “Industrial Privatization and the Environment in Poland,” 22 Environmental Law Reporter 10092 (February, 1992). The author also wishes to thank the following people for their assistance in the development of this article: Richard Ackermann, Jim Cashel, Mark Corrales, Nancy Gaffney, Anya Goldin, Robert Shanks, Gregory White, and Anthony Zamparutti.

2. Also note that, prior to its collapse, the Soviet Union had only recently embarked on a serious course to become a “law-based state,” departing from a long tradition as a state based on ad hoc Communist Party directives and bureaucratic bargaining. Weak legal institutions—legislatures not fully accustomed to law-making, administrative bodies with little experience regulating instead of planning, courts unaccustomed to independence, and an emerging private sector with little experience using the concepts of civil law—may doom any “legal” opportunities. The problem is compounded by the so-called “War of Laws” characterized by the competing jurisdictional claims of the Russian Federation and the nation’s regional and local governments.

3. Note, however, that oil exports recently accounted for 80 percent of the USSR’s annual hard currency earnings (Kramer 1991, 86). Instead of using the difference between domestic and world oil prices as a subsidy to domestic industry, the Commonwealth nations might do better, economically and environmentally, to continue to export substantial amounts of oil and use hard currency for investments in Western technology to improve technical efficiency.

4. Maddock found that 50 percent of money allocated to industrial ministries for environmental protection remained unspent.

5. Germany’s unique privatization agency, the Treuhandanstalt, has developed this method to a science, regularly negotiating transactions in which a lower sales price is accompanied by guarantees of environmental clean-up and partial assumption of past environmental liabilities. See Treuhandanstalt, “Questions and Answers,” at 3-4 (public information for foreign investors).

6. The Law on Enterprises and Entrepreneurial Activity does provide that
the owner and manager of an enterprise must be distinct, with their relationship regulated by contract. But it is still not clear, in the case of an open joint-stock society, how the stockholders will enter into and monitor such a contract with the management of the enterprise. Article 18 of the Law on Enterprises does provide that entrepreneurs shall bear liability for pollution of the environment, but it is still uncertain how an entrepreneur/stockholder can attempt to prevent such pollution.

7. Note, however, that standards that call for capital investment must be accompanied by reasonable prospects of attracting such capital. Long-term credit from Russian sources is not currently available for private firms. Interest rates are now below the rate of inflation but still dwarf a typical firm's short-term rate of return.

8. The Russian legislature passed a new Land Code on April 25, 1991, but it has not yet been translated into English. News reports and the author's communications with experts in the field indicate that the new RSFSR Land Code is similar in concept to the USSR Land Fundamentals. Although the USSR Land Fundamentals has no legal effect today, it seems to serve as a good proxy for the provisions of the RSFSR Land Code dealing with land use control.

9. But note that even where a soviet does not have full power over the granting of land, it may still have full power over the monitoring of land use and conservation.

10. Relevant provisions of the Local Government Law include: Article 8 (natural resources are a part of the economic base of local self-government); Article 9 (local soviet may award local enterprises preferential right to use local natural resources); Article 17 (local budgets include fees for use of natural resources); and Article 23 (consent of local soviet required for decisions on questions concerning the use of natural resources).

11. On the other hand, if local Soviets are allowed to sell off enterprises or assets and keep the proceeds, they may be more willing to do so.

References


Legal Opportunities for Addressing Environmental Issues in Russia


Conservation Through Contraception:
The Environmental Lobby for International Population Assistance

Chantal Worzala

Abstract

As the interface between population growth and the environment has become a major issue in the international arena, some environmental groups have acted to encourage lower population growth rates around the world. Following a brief summary of the history and justifications for U.S. involvement in population assistance, this paper explores both past and present attempts by environmental groups to influence the U.S. international population assistance program. Considering current commitment to the issue, continued activism by the environmental lobby is predicted. This research is based primarily on interviews with those active in the movement, in conjunction with previously published materials on environmental organizations.

Since the time of Plato and Aristotle, people have been concerned with the size of their populations and the ability of their environments and social systems to cope with growing numbers. The discussion of population growth became urgent in the late 18th and early 19th century writings of Thomas Malthus, who feared that “human misery” would inevitably result from an exponentially increasing population relying on an arithmetically increasing food supply. A sense of impending calamity continues to echo through many popular discussions of population dynamics today, especially among those concerned with the environment.1

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Many factors, including a Malthusian fear of human misery, led the United States to become a leader in the international movement for population assistance to developing countries. This paper summarizes the history of U.S. international population assistance, addressing some of the rationales for that involvement, and looking closely at the past and present role of the environmental lobby in influencing U.S. policy in this area.

The Background of U.S. Involvement

The Beginnings

Margaret Sanger and other advocates of family planning had encouraged the use of contraception domestically as early as the late 19th century. The early 20th century marked the advent of the eugenics movement, which concerned itself with the racial and social differentials in population growth, generally advocating increased fertility among the upper classes, and decreased population growth among the lower echelons of society, especially immigrants. Major proponents of this movement in the U.S. included Pratt Fairchild, founder of the Population Association of America, Clarence Gamble, founder of the Pathfinder Fund, and others. Frank Notestein, who helped establish the Office of Population Research at Princeton University, the Population Division of the United Nations, and the Population Council, turned the debate from biological (or racist) determinants of superiority to social and economic factors (Donaldson 1990).

In the wake of World War II and Nazi attempts at population purification in Germany, the eugenics movement lost support (Donaldson and Tsui 1990). The question of population growth, however, continued to be of great concern to many. At this time, rapid population growth became measurable in many areas of the world, and thus became a part of the debate over economic growth and development. Another salient feature of this period was the growth of private family planning associations. Wealthy, influential individuals began to endow organizations such as the Population Council (founded by John D. Rockefeller III in 1952), the Pathfinder Fund (founded by Clarence Gamble, heir to the Procter and Gamble fortune, in 1957), and the Population Crisis Committee (founded by Hugh Moore, heir to the Dixie Cup fortune, in 1965). They and other private groups like the Ford Foundation began funding research and education programs, and would soon call for official American involvement in international population assistance (Kasun 1988).

Similar organizations were started in Europe, and together they formed the International Planned Parenthood Federation at a conference in England in 1952. Other important international developments in the post-war period included the establishment of the Population Commission...
under the United Nations Economic and Social Council and the Population Division within the UN Secretariat in 1946 (Kasun 1988). U.S. organizations worked closely with the UN, and the U.S. government was a major donor to UN population activities until 1985.

Official U.S. government involvement in international population assistance did not begin until the 1960s (Donaldson and Tsui 1990). The main channel for American aid, the U.S. Agency for International Development (A.I.D.) began to address population issues under President Kennedy. Created from the International Cooperation Administration in 1961, A.I.D. took a "behind the scenes" approach to population control activities in its early years. Robert Barnett, the State Department's population advisor at the time, encouraged full support of UN activities, and quiet exploration of bilateral aid. David Bell, AID's first Administrator, moved cautiously towards support for population activities within the Agency, being careful not to alienate Congress, foreign governments and the public. These activities were given Congressional legitimacy under the Fulbright Amendment to the 1963 Foreign Assistance Act, which allowed A.I.D. to "conduct research into the problems of population growth" (Donaldson 1990).

Support for population activities grew during the 1960s. President Johnson declared in his 1965 State of the Union Address that the U.S. should "use our knowledge to help deal with the explosion in world population and the growing scarcity in world resources." Congressional hearings were conducted on the topic during the period from 1965 to 1968 under Senator Ernest Gruening (D-Alaska), and A.I.D. announced that it would provide technical assistance in family planning to countries desiring it (Donaldson 1990, 38).

A food shortage in India in 1965 and 1966 sparked a sense of urgency, prompting President Johnson to say that "next to the pursuit of peace, the really greatest challenge to the human family is the race between food supply and population increase" during his 1966 State of the Union address (Donaldson 1990, 40). This Presidential support for population activities was given substance in the 1968 Foreign Assistance Act, which earmarked $35 million for population control. Two specific UN actions gave population assistance added legitimacy. First, the United Nations Fund for Population Activities was created in 1967. Then, in 1968, The Teheran Proclamation of the 1968 United Nations Conference on Human Rights delineated the ability to control family size a basic human right (Donaldson and Tsui 1990).

The major sources of support for population assistance within the U.S. originally came from the prominent citizens who founded the various population organizations, from those organizations themselves, and from officials within the government such as Reimert Ravenholt, the director of A.I.D.'s Population Division from its inception in 1966 until 1979. In the late 1960s, the issue gained broader popular support as ecologists and environ-
mentalists joined the debate. Paul Ehrlich's popular book, The Population Bomb, (published in 1968) and others like it fueled neo-Malthusian concern and media attention. Earth Day 1970 was replete with references to the "population crisis," and served to highlight the issue even more. As will be discussed below, environmental groups like the Sierra Club served at this time to raise public awareness of the issue and add legitimacy to the actions of the government.

The United States as Movement Leader

President Nixon solidified U.S. commitment to international population assistance. In his 1969 Presidential Message on Population, he asked all those involved in projects overseas to "take steps to enlist the active support of all representatives of the United States abroad . . . to encourage and assist developing nations to recognize and take action to protect against the hazards of unchecked population growth" (Donaldson and Tsui 1990, 45). Subsequent presidents increased both the spending and scope of assistance. As can be seen in Figure 1, U.S. funding levels increased steadily and rapidly in the late 1960s and early 1970s. American contributions constituted only 15.5 percent of international aid in 1965, rose to 66.5 percent in 1968, and have stayed above the 50 percent mark ever since, as shown in Figure 2 (Donaldson 1990).

Increasing American and European attention to the issue of population growth led to the 1974 World Conference on Population, held in Bucharest.

Figure 1: International and U.S. Assistance

![Graph showing International and U.S. Assistance from 1965 to 1980](image)

Source: Donaldson, Nature Against Us, Table 3.1
and sponsored by the United Nations. The conference organizers expected a smooth meeting where participants would ratify the Draft World Population Plan of Action (WPPA) with a minimum of conflict. They were quite surprised, therefore, by the highly political and contentious statements made by many developing country delegates (Finkle and Crane 1975).

The Draft WPPA called on countries that considered their populations to be too large to adopt a population policy providing family planning and developing targets for limiting population growth. It was principally a population document, which did not specifically address other development issues. Developing country delegates led by Algeria and Argentina, however, felt that the real development problem was not population growth but the unfavorable international economic system. Drawing on the conclusions of the Sixth Special Session of the UN General Assembly, where the Group of 77 non-aligned nations came together for the first time, developing country delegates called for a New International Economic Order (NIEO), not population policies, to counteract the effects of rapid population growth (Finkle and Crane 1975). Pronouncements concerning the relative unimportance of population control in comparison to a NIEO came from many developing countries, including some that actually had established population programs (most notably India). The declaration of the Indian delegate that “development is the best contraceptive” is a succinct statement of this view (Demeny 1985, 100).

The political conflict at Bucharest had many sources. In part it was
simply a matter of timing, given that the Sixth Special Session of the UN General Assembly occurred just months before, and the non-aligned movement, therefore, wanted to flex its muscles. The conflict was also, however, a true reflection of disagreement between industrialized and developing countries over the root causes of the slow pace of economic development and the appropriate role of family planning in achieving development goals.

Despite the conflict, the delegates reached consensus and the WPPA was ratified. In the words of Jason Finkle and Barbara Crane (1975), it was a “product of strained compromise that neither synthesized nor fully reflected the different positions that initially divided the delegates.” The agreement recognized the importance of the international economic system in the development process and recognized the inherent right of sovereign nations to determine their own approach to population growth, while still promoting increased attention to the issue and concrete action.

In contrast to stated opinion, the years following Bucharest led to increased rather than decreased activity in population programs throughout the developing world. U.S. involvement grew, focusing mainly on providing contraceptives, while also offering training and assistance in demographic research methods and policy development. Official aid was channelled through A.I.D., the UNFPA, and non-profit organizations like IPPF and the Pathfinder Fund. Disbursing funds through these groups allowed the U.S. government to “deal with the problem of how it could support family planning activities in countries without explicit policies encouraging contraceptive use, or in countries where contraceptive sales were prohibited” (Donaldson 1990, 71). Private organizations such as the Ford and Rockefeller foundations also funded non-profit organizations, and sponsored graduate education in demography for developing country officials.

As Figure 1 demonstrates, funding levels continued to grow throughout the 1970s, as population assistance became a routine element of U.S. development aid. Continued political support came mostly from within the population community, those in the government, and private organizations. It seems, however, that popular interest in the issue declined in the mid-1970s, as Paul Ehrlich’s dire predictions failed to come true and more immediate problems attracted media attention (Hardin 1990). This development will be discussed in further detail below.

Turning the Tables—The Mexico City Conference and its Implications

During the late 1970s and throughout the 1980s, international population assistance came under attack by U.S. pro-life organizations concerned about abortion in both the U.S. and abroad. President Reagan received vocal and financial support from these organizations, and incorporated
their positions into many policy decisions. Both the requests of this segment of political society and a firm ideological commitment to free enterprise led the Reagan Administration essentially to reverse the American position on population growth at the second World Population Conference, held in Mexico City in 1984 (Finkle and Crane 1985).

Historically, U.S. involvement in population assistance had been predicated on the notion that rapid population growth slowed economic development and therefore required concerted action by developing country governments to establish family planning programs and other population control measures. Despite this policy tradition, the American delegation to the Conference claimed that “population growth is, of itself, a neutral phenomenon” (U.S. Statement 1984, 574). Developing country delegates, meanwhile, came to the conference hoping to consolidate international support and financial assistance for their population programs. The irony of this role-reversal from the Bucharest conference was not lost on observers and participants.

The U.S. position maintained that concern over rapid population growth was a “demographic over-reaction,” exacerbated by “governmental control of economies, a development that effectively constrained economic growth” in developing countries, and “an outbreak of anti-intellectualism, which attacked science, technology, and the very concept of material progress” in the industrialized countries (U.S. Statement 1984, 576-577). The statement emphasized that a free market economy that transfers the true costs and benefits of having children to parents, and then allows them to make rational choices, will result in declining population growth rates. Thus the basis for U.S. population assistance could no longer be concerns over economic development and political stability because population growth did not really affect those processes. “Health and humanitarian concerns” became the sole rationales for assistance.

In addition to announcing this shift in philosophy, the U.S. delegation used the Mexico City conference as a forum for introducing two new policies. The first withholds U.S. funds from any organization or nation that “engages in forcible coercion to achieve population growth objectives” (U.S. Statement 1984, 578). Turned into law by the Kemp-Kasten Amendment to the 1985 Foreign Assistance Act, this policy resulted in the termination of U.S. funding for the UNFPA in 1985, due to that organization’s funding of the allegedly coercive Chinese population program.

The second new policy addressed the abortion issue directly, denying U.S. funds to multilateral and nongovernmental family planning programs that offer or advocate abortion services. In addition, a ban was placed on the use of bilateral funds for abortion services, although countries receiving aid from the U.S. could still fund abortion with non-U.S. funds. This position resulted in the withdrawal of funding from the IPPF in 1985, and required all other private organizations receiving U.S. funds
to certify that they and their subgrantees do not provide or promote abortion. It was seen as a major victory by the pro-life and New Right coalition supporting President Reagan (Crane and Finkle 1989).

Despite major media and partisan attention to the new U.S. position, the Mexico City conference resulted in a new World Population Plan of Action that called for concerted efforts on the part of sovereign nations to address excessive population growth in their countries. Although shifting its position on the consequences of rapid population growth, the U.S. actually increased its funding for bilateral population programs and multilateral organizations other than UNFPA and IPPF. Many observers have suggested that the U.S. policy reversal did much to increase domestic support for international population assistance (Crane and Finkle 1989). In the last years of the Reagan Administration, Congress routinely approved population assistance funding levels well above those recommended by the White House. The sudden policy change also appears to have helped precipitate the resurgence in lobbying efforts by environmental groups discussed below. Before moving on to that arena, a brief look at the motivations for U.S. involvement in population control is warranted.

**Justifications for U.S. Population Assistance**

The foreign policy objectives of maintaining political stability and access to natural resources in developing countries represented the main justifications for family planning assistance in the 1950s and 1960s, and continued to serve as rationales through 1980. Before A.I.D. became involved in population activities, the 1958-1959 President's Committee to Study the United States' Military Assistance Program, headed by William H. Draper, produced a report entitled “The Population Explosion.” It concluded that “unless population trends are reversed . . . grave political disorganization must be anticipated in many areas of the world.” Many other internal government memos and reports stressed the implications of rapid population growth for political stability in the world in the following decades, citing slow economic development and political instability as major factors in the Cold War (Donaldson 1990, 23). As late as 1980, only four years before the U.S. declared population growth to be a “neutral” phenomenon, the Fourth Annual Report of the National Security Council Ad Hoc Group on Population Policy stated that:

> on balance, these factors [recent demographic trends] add up to a growing potential for social unrest, political instability, mass migrations, and possible international conflicts over control of land and resources. Demographic pressures will certainly reinforce the frustration caused by absolute and relative poverty [emphasis in original] (National Security Council 1980, 510).
Other reasons for contributing to international population programs included environmental and resource issues, health and economic considerations, as well as appeals to poverty alleviation and human rights, as defined by the Teheran Declaration. Some of these justifications have been the center of demographic debates for decades. Environmentalists/ecologists and economists have argued heatedly over the relationships between population growth, environmental degradation, and resource scarcity. This debate is most vocally and publicly heard between Paul Ehrlich and Julian Simon, but also occupies many less opinionated scholars in the demographic field. Similarly, the effects of rapid population growth on economic development have been the subject of debate since Coale and Hoover published their seminal work, *Population Growth and Economic Development in Low Income Countries*, in 1958. This relationship has been discussed and debated ever since. Numerous studies have indicated that increased spacing between births improves the health of both mothers and children, providing a public health justification for population assistance. Demographers question, however, whether other factors, such as education and socioeconomic status, might have more impact on health.

As discussed above, the Mexico City conference saw a major shift in American rationales for supporting family planning efforts. Reflecting this shift, The American Assembly, in its 1986 book *World Population and U.S. Policy: The Choices Ahead*, cites two justifications for U.S. involvement in reducing fertility: first, its negative effects on social and economic circumstances, such as those relating to education, health, and income, and on natural resources and the environment. Second, involuntary high fertility may infringe upon a person’s human right to choose his or her family size (Menken 1986, 231).

These concerns represent valid, and by no means new, reasons for continued international population assistance. It remains to be seen if they constitute a sufficiently compelling justification to maintain and expand programs in these days of growing budget deficits and urgent domestic problems, given that it was the pull of strategic concerns that prompted initial funding.

**Historical Involvement of the Environmental Groups**

*The Ecology Movement of the 1960s and early 1970s*

Many environmental groups became concerned with the consequences of rapid population growth in the 1960s and early 1970s, especially those interested in preserving wildlife (Fox 1983). Although these issues were raised at the biennial Wilderness Conferences of the Sierra Club as early as 1957, the ecology movement sparked in the late 1960s by the likes of Paul
Ehrlich and Barry Commoner seems to have motivated widespread popular interest in population. The major catalysts of the ecology movement's focus on population were: Paul Ehrlich's book *The Population Bomb*, published by the Sierra Club, whose president, David Brower, commissioned it and wrote the forward; Kenneth Boulding's analogy to the spaceship earth; Garrett Hardin's "Tragedy of the Commons"; and William and Paul Paddock's *Famine 1975* (Cohen 1988).

At this time, the Sierra Club was undoubtedly the conservation group with the most visible interest in population growth. Other prominent groups like the National Audubon Society and the National Wildlife Federation were more reticent in their adoption of the population control position. As mentioned above, the Sierra Club Biennial Wilderness Conferences served as a forum for expressing concerns and for debating Club policy. The population question was first raised at the 1957 Conference, and became a regular issue for the Club. In 1959, Conference Resolution 7, "said that there was no point in talking about wilderness, which would only be an incidental victim of the coming malignant population explosion . . . . Population had everything to do with wilderness" (Cohen 1988, 232-233). At the 1961 Wilderness Conference, a Club leader, Dan Luten, insisted that conservationists confront the issue of population growth, or "admit that concern for wilderness is sentimentality" (Cohen 1988, 273). He felt that it was "time to ask the question: Does a wilderness program, a wilderness policy, without a population policy make any sense?" (Brower, ed. 1961, 180). The Sierra Club continued to address the issue throughout the 1960s, as witnessed by the publication of *The Population Bomb* in 1968. Paul Ehrlich reiterated the theme when as the keynote speaker at the 1969 Wilderness Conference, where he denounced "the continuing delusion . . . that environmental problems can be separated from the population explosion" (Cohen 1988, 437). The Conference culminated in a resolution that

the Club should urge that the United States and all individual states abandon all programs or policies promoting population growth, that they actively promote educational programs to reduce population growth to zero, that the United States not only condition all foreign economic aid on implementation of birth control policies but give foreign aid solely for that purpose, and that all states of the United States legalize abortion unqualifiedly (Cohen 1988, 439-440).

The interest of the Sierra Club in population issues also led to the establishment of the population-environment activist organization Zero Population Growth by Sierra Club members (Fox 1981).

While the Sierra Club pushed the population issue during the 1960s and early 1970s, other conservation organizations seemed less inclined to
include the issue in their policy statements. Although the largest conservation organization, the National Wildlife Federation, did adopt a resolution in 1970 calling for restriction of U.S. population (Fox 1981), it concentrated its efforts at that time on the passage of the National Environmental Protection Act, and limited itself to domestic issues. Similarly, the National Audubon Society focussed most of its energies on wilderness preservation and sanctuary creation during this time, rather than on the broader concerns of the relationship between humankind and the environment espoused by the ecologists. Indeed, histories of the two organizations do not include either the word population or the name Ehrlich in their indexes. (Allen 1987; Graham 1990).

One reason for the reticence of these other groups may have been the visible argument taking place at the time between two of the most influential ecologists of the time: Barry Commoner and Paul Ehrlich. In contrast to the Malthusian tones of Ehrlich’s pronouncements, Commoner’s statements conveyed a belief that population growth was not an overwhelming problem, and that the developing countries would undergo the demographic transition to low fertility as they reached higher levels of economic development. Commoner also feared the political consequences of population control as espoused by Ehrlich and Hardin (Fox 1981).

Nevertheless, the voice of the Sierra Club rang loud and clear, and by April 22, 1970, population had joined the list of national environmental issues. Earth Day celebrated the American concern with issues of wilderness preservation, pollution abatement and the threat of population growth. Numerous articles appeared in the national media espousing ecological viewpoints and encouraging federal legislation to curb population growth. President Nixon appointed an Advisory Committee on Population Growth and the American Future. The U.S. government, and especially A.I.D., continued to promote the international population assistance movement.

What, then, was the contribution of the environmental groups to the international population assistance movement in the United States during this time? It seems that since the U.S. had already adopted a policy of support for population programs, environmental groups at this point served more as publicists than activists. The ecology movement, Earth Day 1970, and the increased attention given to environmental problems highlighted the cause and added credence to a policy already undertaken by the government. The environmental lobby did not change U.S. policy, however, since the Congress and Administration had been moving in the direction of increased assistance since the early 1960s. In addition, the spawning of groups like Zero Population Growth increased both the popular support for population groups and the strength of the population lobby.

Thus, while there is no doubt that environmental groups, and especially
the Sierra Club, fueled the debate over population growth and added support for and legitimacy to population assistance, they were not an originating force for the movement. Nor did they influence U.S. policy in the area as much as the already established population groups. One indication of this characterization is the absence of references to environmental groups in histories of the American population movement, such as Peter Donaldson's *Nature Against Us*.

**The Silent Years of the 1970s and 1980s**

In the words of Garrett Hardin: “a funny thing happened on the way to Earth Day 1990: population got clobbered” (Hardin 1990, 41). In the 1970s, environmental groups dropped their catalyst role in publicizing the “population explosion” and returned to more immediate issues of pollution abatement and wilderness protection at the domestic level. According to Judy Kunofsky, first Director of the Sierra Club Population Program: “In the late 1960s and early 1970s, the Club was a hotbed of population activism. By the time I was hired by the Club in 1974 to create a ‘population program,’ there was barely anything left of grassroots presence” (Kunofsky 1990).

While this turn of events has apparently not been covered in histories of either the environmental or population movements, interviews with people active in both sectors suggest several explanations, each of which seems plausible. Many of those interviewed (see appended list) disagreed with the views of others on the importance of the factors mentioned below. These should, therefore, be viewed as possible explanations, not definitive answers.

Some of those working in the environment field, such as Nancy Wallace of the Sierra Club, cited the anti-population control position of the developing countries at Bucharest as a reason for the waning support of their organizations in the 1970s. Because these are democratic, grassroots organizations, they felt uncomfortable promoting unwelcome “interference” in developing countries. The combination of a lack of interest from developing countries, and a wealth of issues to address locally, led environmentalists away from the sensitive population issue (interview, 20 March 1991).

Others, like Craig Lasher of the Population Crisis Committee, suggested that those working on the issue developed a feeling of frustration and helplessness due to the magnitude of the population problem and the limited success of family planning programs up to that time (interview, 19 March 1991). Pat Baldi of the National Audubon Society (formerly with the Population Division of A.I.D.) compares the vast complexity of dealing with the touchy population issue to the concrete task of cleaning up a lake.
It was simpler and more rewarding to focus on well-defined, domestic agendas (telephone interview, 2 April 1991).

Additional reasons mentioned for the move away from the population issue include a feeling that the U.S. had adopted the necessary policy measures. The core agenda had been fulfilled by the United States' status as the largest donor in population assistance. It was time, therefore, to move on to other issues and other battles. A contradictory explanation, put forward by demographer Dr. Charles Westoff, points to the exaggeration and doomsday approach of Paul Ehrlich. As famine did not arrive, the extreme positions adopted were discredited and the movement abandoned (interview, 2 April 1991). The 1972 report of the Commission on Population Growth and the American Future may have also tempered the work of environmental organizations. While the Commission acknowledged the link between population pressure and environmental degradation, it found that population control was much less effective than legislation as a means of protecting the environment (Commission on Population Growth 1972).

For a combination of reasons, then, the population issue that had received at least rhetorical attention by environmental groups in the late 1960s was all but abandoned in the 1970s. Focussed on domestic issues of pollution and wildlife protection, they did not return to global concerns until the mid-1980s. Even then, movement leaders like Russell Peterson, President of the National Audubon Society from 1979-1985, “was never quite able to haul the Society with him into the upper reaches of global issues.” Besides questions of funding for a campaign not only to “Think Globally, Act Locally,” but also to act globally, “the great issues of nuclear war and population explosions” became victim to the “disquietude of some ... who considered the Society’s mission to be historically that of wildlife protection” (Graham 1990, 257). Similarly, at the Sierra Club, “club activism lay dormant for a very long time” (Kunofsky 1990, 3).

**Burgeoning Activism in the 1990s**

Events of the 1980s seem to have led environmental groups into a new kind of activism on the behalf of population programs. I will discuss below some of the current activities of the environmental lobby, and summarize their stands on the issues. But first, I would like to speculate about possible causes of the re-emergence of population growth as an environmental concern, separated into the broad categories of new trends and policy shifts. None of these theories should, of course, be taken as definitive. They are the product of numerous conversations with environmental and population professionals.
New Trends

Perhaps the most obvious, but least satisfactory, explanation of the current return to the population question is a marked increase in attention to global environmental issues. In a circular fashion, increased attention to global issues leads to increased interest in population assistance. Rapid population growth, meanwhile, is a global issue that raises questions about other international environmental issues. Concern for global environmental issues, including the population question, was raised in the Global 2000 report of the Carter Administration, and the Bruntland Report, entitled "Our Common Future," commissioned by the UN in 1987.

As part of the increased focus on international problems witnessed in the 1980s, the media declared that the world population passed the five billion mark on July 11, 1987. While it is impossible for demographers, let alone journalists, to know exactly when the five billionth child was born, media attention to the event was widespread. The idea of five billion people, the uncertainty of when growth would stop, and the resulting impact on the environment may have prodded environmentalists to action. Craig Lasher of the Population Crisis Committee put forth this view (interview, 19 March 1991), which was also expressed in an article appearing in U.S. News and World Report (Gergen 1990).

Some in the environmental movement, like Patricia Baldi, suggest that increasing evidence in the 1980s of the efficacy of family planning led environmental groups to accept it as one viable solution to the population problem (if not the only one), and to push for increased funding (telephone interview, 2 April 1991). There may have also been a realization during involvement with development organizations like the World Bank that to protect the environment in developing countries means helping people develop their economies, and providing family planning.

Policy Shifts

In addition to the new trends outlined above, certain policy shifts of the U.S. government may have engendered a reaction by environmental groups in support of population assistance. The first such policy change was the flip-flop of U.S. and developing country positions at the Mexico City World Population Conference in 1984. If lack of support from developing countries caused environmental groups to decrease their support for assistance, surely their emphasis on a need for more aid helped spur environmental lobbyists on to renewed action on the issue. Similarly, if environmentalists saw previous U.S. contributions as adequate, the threat to population assistance raised by U.S. statements in Mexico City would logically prompt a reaction.

The underlying constituents of the U.S. position at Mexico City, the
right-to-life groups and the New Right, may have been seen as a threat to other environmental causes. This Reagan coalition espoused deregulation and a free market cure for almost everything, including environmental problems. In their first big political victory, the coalition claimed population growth to be a "neutral phenomenon," a position anathema to environmentalists who see humans as the root cause of environmental degradation. Coming on top of Reagan Administration actions that weakened environmental enforcement and discouraged international agreements on topics of concern like global warming and nuclear arms (Graham 1990), this assertion may have been a call to battle the environmental groups could not resist, despite the likelihood of unsavory clashes over the highly charged abortion issue.

While the exact cause of increased activity on the part of environmental groups remains to be determined, a marked increase has occurred. The scope of that activity is explored below.

Current Involvement and Activities

The environmental lobby has been involved in national politics for decades. It works through grassroots organizations that rely on members to donate money and volunteer time to write letters and lobby the Administration and the Congress. Public education is a major vehicle for cultivating support. While the environmental lobby involves dozens of organizations, this paper focuses on three of the largest and most vocal: the National Audubon Society, the Sierra Club, and the National Wildlife Federation.

In recent years, and especially in the last twelve months, several of the major conservation organizations have shown their interest in population assistance in many ways. I will limit my analysis to staffing decisions and policy statements. Dedicating staff to a specific cause indicates funding commitment by organizations already stretched to cover many topics with limited resources. Policy statements form the basis for all lobbying efforts.

The current leaders in this arena are the National Audubon Society and the Sierra Club. The National Audubon Society established a population program in its Science Division in 1979. It was a small program, working mostly with the United Nations. The program was expanded in 1985, and now works to incorporate population issues into the Chapters, and develop materials to educate Society members and the public about the issue.

A full-time staff of four works on the program, and the Society planned to hire three additional staff to work in the sanctuaries during 1991-1992. Membership in the Society stands at more than 500,000 (telephone interview with Patricia Baldi, 2 April 1991).

Advocating only voluntary family planning, the Society Statement on Population calls for an "increase in the Fiscal Year 1992 appropriation for U.S. family planning assistance to $570 million. U.S. funding levels would
increase incrementally to $1.2 billion by the year 2000.” These figures, adopted as a target by all population and environmental groups lobbying on the issue, come from the 1989 United Nations Forum on Population in the 21st Century, which estimated that annual global expenditures of $9-11 billion will be needed by the end of the century to provide services to 75 percent of the world’s couples. The National Audubon Society Policy Statement also calls for a repeal of the Mexico City Policy, and refunding of the UNFPA.

The Sierra Club promotes the same positions as the National Audubon Society: increased funding to the Population in the 21st Century targets; refunding of the UNFPA; and repeal of the Mexico City Policy. The Sierra Club Population Program got its start in 1974, but was not particularly active throughout the 1970s and 1980s (Kunofsky 1990). Revitalization was apparently motivated by the San Francisco Chapter. The Board of Directors made population stabilization a Major Campaign in November 1990 based on a vote by the organization’s membership, which numbers close to 600,000. This action indicates the commitment of the Club, and allows more resources to be spent on the issue (Pingle 1990). Two full-time staff, two interns and one part-time administrative assistant work on the issue, lobbying Congress and working with Chapters. There are fifty-seven chapters in the country, forty of which have population groups, many formed within the last year (interview with Karen Kalla and Nancy Wallace).

These two organizations have set the standards for lobbying efforts by environmental groups. They are joined by the largest conservation group, the National Wildlife Federation, which has more than 4.5 million members. The National Wildlife Federation has also actively joined the population-environment lobby, and has devoted one staff person to the issue. Commitment to population assistance is by no means universal among environmentalists, however. Some organizations like The Nature Conservancy have no active interest in population policy. Many others sign documents prepared by the other groups and conduct research on the interrelationships between population growth and the environment while not participating directly in the lobbying process.

Those environmental groups directly involved in the population assistance campaign are joining together and with population groups to increase their leverage. The Campaign on Population and Environment (COPE) joins together the National Audubon Society, the Sierra Club, and the National Wildlife Federation with the Population Crisis Committee and Planned Parenthood. Formed in June 1990, the Campaign has a common Mission Statement and seeks primarily to increase family planning assistance to the UN targets.

Similar to COPE, but without specific policy prescriptions, the Priority Statement on Population was scheduled to be revealed at a press confer-
ence in late May 1991. Dale Didion, vice president for government relations at the American Humane Society is coordinating the drafting and signing of the Statement by dozens of environmentalists, population activists, development professionals, and prominent citizens in order to make population a priority for the 1990s. The group hopes to show massive support for the issue, and will use the document as a basis for future lobbying efforts. Those endorsing the effort include eight environmental groups, seven population groups, and Molly Yard of the National Organization for Women (telephone interview with Dale Didion, 20 March 1991).

The growth of environmental group support for population assistance has not gone unnoticed by Congress. In response to lobbying efforts, funding for Fiscal Year 1991 measured an increase in real allocations for the first time in six years. Efforts were also made to re-fund UNFPA and reverse the Mexico City Policy, but did not get the needed votes. Both of these measures, plus further funding increases, have been proposed for the Fiscal Year 1992 budget (Sierra Club 1990; National Audubon Society 1991b). While these steps are not solely the result of environmental group lobbying, the activities of the Sierra Club and others seem to have influenced legislators.

Congressional leaders have not been the only ones keeping an eye on the environmental groups, however. The right-to-life organizations have been quite vigilant in tracking their movements, and denouncing their intentions. In a series of three Washington Times opinion pieces appearing in February and March 1991, the National Right to Life Committee questioned “Ranger Rick’s Hidden Agenda,” and asserted that the “Wildlife Federation and Audubon mislead [the public]” by declaring that they have no position on the abortion issue (National Right to Life Committee 1991a, 1991b, 1991c).

Using traditional anti-abortion coalition tactics, the American Life League and the National Right to Life Committee have identified those environmental groups that are “pro-abortion,” and those that “pro-lifers can support.” They encourage their members to write to the former and decry their stand on population assistance (Crum 1989; National Right to Life News 1990). The environmental groups have withstood the right-to-life activists’ wrath, including the throwing of epithets like “Baldi the Babykiller,” in reference to Patricia Baldi of the National Audubon Society. While sending out letters to members explaining their positions, they have not changed their message (Ignatius 1989). This willingness to stand up to the pro-life lobby that was in large measure responsible for the Mexico City Policy indicates a certain depth of commitment. It also reinforces the argument that the policy caused increased concern among environmentalists over population assistance.

How this renewed vigor impacts future U.S. population assistance and whether it will be sustained remains to be seen. The environmental groups
Chantal Worzala

may find, as they did in the 1970s, that this issue is too touchy, and is better left to population activists. That scenario seems unlikely, however, given that global concerns continue to gain prominence. Over the next few years, environmental lobbyists will probably intensify their efforts to increase population assistance. Their voices will also be heard at the United Nations Conference on the Environment and Development to be held in Rio de Janeiro in June 1992. Recent staffing and policy decisions suggest that the environmental lobby will do more than simply publicize the issues surrounding population growth. It may be that conservation through contraception has caught on for good.

Notes

1. Paul Ehrlich, a biologist, is a main proponent of this view. His first book, *The Population Bomb*, published in 1968, predicted widespread famine and war due to rapid population growth in developing countries. It also created widespread popular concern. His most recent work, *The Population Explosion*, uses a similar argument, but takes on a slightly softer tone.


4. See, for example, Repetto 1989.

5. For a recent review and synthesis of these arguments, see the National Academy of Science 1986.

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Conservation Through Contraception


Conservation Through Contraception


**Interviews**

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*Telephone interview. All others were conducted in person.*
APSIA Conference Prize Winner
Post-Cold War Secessionism and the Recognition of New States in U.S. Foreign Policy

Marc Sills

Abstract

A series of secessionist and nationalist movements have emerged in the past year. The United States has responded to these calls for new states in a contradictory manner. When it wishes to undermine an antagonistic state, it supports the new movement; when it instead wants to protect an ally, it calls for the maintenance of territorial integrity. This contradiction parallels traditional U.S. domestic policy toward Native Americans. The United States sometimes treats the Indians as citizens of autonomous states and sometimes refers to the integrationist character of American society.

In the past year, the world has witnessed several dramatic ethnonationalist and secessionist movements, some of which have resulted in the formation of new states. This represents the most rapid and striking surge of membership within the world system since the decolonization era. Secessionism is clearly the pattern through which new states will emerge for the foreseeable future, but the process is not currently well understood. The role of a systemic hegemon, which in this case is monopolized by the United States, will doubtless be an important factor in either permitting or preventing such growth. It is the purpose of this paper to begin examining the behavior of the United States regarding secessionism in the new post-Cold War era.

The author is a Ph.D. candidate in the Graduate School of International Studies at the University of Denver. This paper was the winning entry in the paper contest held at the Second Annual Conference of the Association of Professional Schools of International Affairs (APSLA) held in February 1992.
A year ago, many commentators predicted that ethnonationalist and secessionist movements would play prominent roles on the stage of world events during 1991. At this time last year, the USSR, Yugoslavia, Ethiopia, and Iraq were all experiencing fierce bouts with centrifugal forces. Many felt the United States, as systemic hegemon within a new unipolar global context, would be crucial to defining the form in which secessionism would be played out. A year ago I wrote that U.S. foreign policy would follow a contradictory pattern in recognition of new states, and that the contradiction would ultimately not serve the overriding goals of the United States in cementing its legitimacy in the hegemon's role (Sills 1991). This paper is intended to appraise that analysis and to reconsider its salience for the future.

The Fundamental Contradiction: The "Indian Card"

The United States has generally treated secessionist ethnic conflict in other countries from a perspective similar to that found in U.S. institutions created for dealing with American Indians. These institutions include the pretense of recognizing the national character of certain indigenous nations and "government-to-government" relations between themselves and the federal government (Clark 1981). According to the U.S. government, Indians enjoy considerable rights to the control of territory, natural resources, political organization, administration of justice, language, religion and culture. Critics of Indian policy, on the other hand, characterize these institutions as "internal colonialism" structured around the "indirect rule" of puppet governments.

Indian autonomous institutions in the United States are complemented by over-arching American legalistic presumptions of non-discrimination, social integration, and the basic equality of all individual citizens, regardless of race or culture. Indians, in other words, are privileged to live in two cultures, their own and that of mainstream America. Meanwhile, the U.S. government considers Indians simultaneously as "domestic, dependent nations," distinct from all other ethnic groups, and as individuals who share racial and cultural attributes with one another (like immigrant groups).

This dualism is not inherently negative. Unfortunately, it has been exploited egregiously by the government, contributing heavily to the production of severe negative impacts on the mental and spiritual health of Indians. This dualism has served an important function in foreign affairs. The contradiction can be conceived of as a kind of "joker" in the poker game that the United States plays in foreign policy. With the "Indian card," the United States is capable of manipulating the social and political structures of other countries, while presenting itself to them as the example...
Post-Cold War Secessionism and the Recognition of New States

Using the Contradiction as an Element of Foreign Policy

The observable use of the Indian card in U.S. foreign policy dates back at least to the 1925 Kuna Rebellion in Panama (Sills 1991; Marsh 1924). However, its patterned use became most evident in the East-West conflict. During the Cold War period, the Indian card was an "ethnic weapon," designed to subvert communist governments through ethnic separatism and secessionism. It is clear that the United States has not only encouraged, but also instigated and sponsored, secessionist or strongly ethnic-based movements within such countries as the Soviet Union, China, Laos, Vietnam, Iraq, Angola, and Nicaragua, justifying its actions as being incumbent upon the protector of oppressed peoples (as the United States would like to be regarded), and meanwhile promoting itself as an epitome of cultural diversity and pluralism as reflected in its Indian policies.

By contrast, where the United States has wanted to preserve the territorial integrity of its allies (including Turkey, Thailand, Indonesia, Morocco, Zaire, Guatemala, and Bolivia), the Indian Card has never been played. Instead, the United States gives aid for the suppression of ethnic or indigenous separatist movements, justifying it with the presumption that the "public good" to be served (in unitary states) is exemplified by the non-discriminatory integration enjoyed by all citizens of the United States, regardless of race or national identity. Occasionally, even communist or socialist states have been treated as allies: the United States has advocated the territorial integrity of Yugoslavia, Ethiopia, and China. (The United States supported Tibetan secessionism in the 1950s and 1960s but reversed its policy in the 1970s.)

This pattern of contradiction existed throughout the Cold War period. The post-Cold-War policy is still emerging and is not yet clear. The U.S. Assistant Secretary of State for Africa, Herman J. Cohen, alluded to a "case-by-case" policy (Cohen 1991).

The Indian Card in the "New World Order"

Let us examine the events of 1991, taken more or less in the order in which they unfolded. The evidence for the hypothesis presented here appears in rather neat policy dichotomies: Iraq and Turkey, Ethiopia and Morocco, and the USSR and Yugoslavia and China.

At the beginning of 1991, in Iraq, the United States played the Indian card in support of the Kurdish rebellion against Saddam Hussein, as one component of the Gulf War. With much fanfare over Iraqi oppression of the
Kurds, the United States flew thousands of planeloads of munitions and supplies (along with troops and military advisers) into Iraqi Kurdistan to assist the secessionists, but after Saddam had retreated from Kuwait, the United States reversed its policy and abandoned the Kurds. The irony of this event is enhanced by the fact that it essentially repeated the 1975 U.S. betrayal of the Kurds. Although Kurds have at least as much established national character as Iraqis, Syrians, Turks, Israelis or Palestinians, and far more than such dubious nationalities as the Kuwaitis, their claim and right to self-determination was negated by the one entity that could have provided it, the United States. Why?

First, once Saddam’s capture of Kuwait was thwarted, the United States had more to lose in terms of regional stability by the fragmentation of Iraq into constituent ethnic components than by its preservation as a territorial unit under Saddam; he was and is, after all, the only man strong enough to preserve the integrity of the state, given the widespread destruction and disorder following the war. The fragmentation of Iraq would have wreaked havoc in regional political and military formations and in the international oil market.

Second, and more important, to have supported Kurdish secession in Iraq would have encouraged a kindred movement in Turkey (to which the United States was beholden for its support not only during the Gulf War, but also through decades of East-West and Arab-Israeli conflict), even though Turkey’s history of brutality toward its Kurds may actually surpass that of Iraq. As the Turkish Kurds rose in rebellion against the Ozal regime, during the summer and fall of 1991, the United States said and did nothing to defend their rights. Then, in the aftermath of the Gulf War, Iraqi Kurds, too, were attacked not only by Saddam, but also by the Turkish armed forces, conducting raids into Iraq presumably to attack their own Kurdish refugees (Rocky Mountain News 1991). Whereas it had defended these same people against Saddam, the United States made no public protest when they were victims of Turkey. The United States has not yet been able to extricate itself from the contradictions it created. Although its credibility has been shattered, the United States is now once more agitating Iraqi Kurds to fight against Saddam.

In Ethiopia, in the late spring of 1991, Eritrean forces, in alliance with Oromo and Tigrayan secessionists, finally removed the Mengistu regime from power. The United States might have been expected to back the secessionists, as the Mengistu regime was Marxist-oriented. However, Mengistu was at odds with the Soviet Union, and support from Moscow had dried up even before the USSR itself descended into its present crises. Meanwhile, Israel (always one of the primary foci of U.S. interests in the region) long feared the evolution of Eritrea as an independent state, as this would result in the entire Red Sea being bordered by Islamic states. Moreover, the fragmentation of Ethiopia, as in Iraq, would have created a
chaotic and unstable situation in the region, and extension of U.S. influence would have become considerably more complicated (Keller 1985). Thus, despite the substantial Eritrean claim to national and cultural identity apart from Amhara-controlled Ethiopia, the United States attempted to broker reintegration of the Ethiopian state (including Eritrea) and resisted the independence of the new Eritrean entity until it was already a fact (Krause 1991). On the other hand, the United States has never responded to the Oromo claim to independence, although it is in some ways deeper than that of Eritrea (the Oromos are one people, while Eritrea is an ethnic amalgam with serious integration problems). The Oromo liberation struggle continues today without U.S. support (Kumssa 1988).

Meanwhile, in Western Sahara, where the Moroccan Government (a strong U.S. ally) was in the process of “transmigrating” some 100,000 people into the territory in an attempt to subvert and overwhelm a referendum on self-determination, the Sahrawi (Polisario) war of liberation resumed, following some two years of relative peace and cease-fire. U.S. silence on the issue was a continuation of its long-standing policy of non-interference in Moroccan “internal affairs” (Hodges 1985; Smith 1987). It deferred judgement to the United Nations Security Council. The message seems to be that the United States will only recognize the right to self-determination when peoples like the Eritreans prevail in armed conflict against an oppressor state, leaving no other option.

By far the greatest example of U.S. policy contradictions toward emerging new states appears in the contrast of the former Soviet Union to Yugoslavia and China. None of the three states ever had an indisputable claim to exist as a common government of the indigenous nations within. The Yugoslav federation was forcibly imposed upon peoples (Serbs, Croats, Slovenes, Macedonians) with entirely different religious, cultural and linguistic attributes. The same can be said for the Soviet Union with regard to the non-Russian republics, especially the Baltic states, Ukraine, Georgia, Armenia, and Moldavia. And the same is true for China’s capture of Tibet. Yet, the United States instigated secessionism in the Soviet Union throughout the Cold War and helped to suppress it in Yugoslavia and, for the last twenty years, in China.

During the summer of 1991, the United States equivocated in and then retreated from its support for secessionism in the Soviet Union, even in the Baltics—after almost fifty years of playing the Indian card—until the Russian central government finally recognized the Baltics’ independence. This change had begun in late 1990, when the Bush Administration refused to provide economic aid to Lithuania after the USSR cut off its oil supply and Secretary of State Baker offered to “back off” from support for the Baltics in return for Soviet acquiescence to U.S. actions against Iraq (Putzel 1991).

The hedging on U.S. commitments was due in part to the fear that a
fragmented USSR would spawn multiple nuclear-armed states where before there had been but one. But the retreat was also due to the perception that the USSR had, at last, begun the replacement of socialism with capitalism. Under these circumstances, the United States would have realized its primary goal, which was the subversion of the Soviet state, not its fragmentation. Gorbachev lent stability to a deteriorating situation; the United States had become accustomed to dealing with the Soviet Union and had no real interest in facing a host of new states. One observer contended that “the Bush Administration, committed to supporting the policies of Mr. Gorbachev, accordingly limited its support of the Baltic movements and other independence drives in the Soviet Union, saying it approved the principle of self-determination but not actions that would shatter the center” (Binder 1991). With Baltic independence a foregone conclusion, the big question became how many more states would emerge.

Later in 1991, all the Soviet republics except Kazakhstan declared independence. In Ukraine and Georgia (where use of the Indian card had paralleled its use in the Baltics during the 1950s and 60s), as well as in Moldavia and Armenia, parting from the Soviet Union was dramatic and traumatic (Prados 1986). President Bush himself warned Ukrainians against the “excesses of suicidal nationalism,” saying that “the United States would not choose sides between the Government in Moscow and restless Soviet republics” (New York Times 1991). For this, Bush drew fire from conservative pundits who clamored for the destruction of the USSR through the liberation of the republics. While equivocating over the republics’ right to independence, the United States offered no public statements concerning the spread of secessionism into the former autonomous regions of the Soviet Union, including Chechen-Ingushetia (in Russia), Trans-Dniester (Moldavia), South Ossetia (Georgia), and Nagorno-Karabakh (Azerbaijian).

If the United States has treated ethnic secessionism in the former Soviet Union equivocally, it unambiguously denounced the fragmentation of Yugoslavia as illegitimate. The source of the inconsistency lies in the refusal of the Yugoslav government under Marshal Tito to cooperate with the Soviets. In June 1991, the Bush Administration tried to persuade the peoples of Yugoslavia not to leave the federation and forswore recognition of Slovenia and Croatia, using the argument that their secessionism was “arbitrary,” unlike that of the Baltics. As in the case of Eritrea, the United States was forced to recognize new states only after they had fought their way to independence.

The same contradiction exists in the case of Tibet. The United States played the Indian card against the Chinese during the 1950s and 1960s, but reversed its policy when China broke away from Soviet influence, as illustrated by a recent State Department declaration that, “... we consider
Tibet to be a part of China,” (United States House of Representatives 1987) and by the absence of any U.S. response to the Chinese crackdown of 1988 in Lhasa. In April 1991, President Bush received the Dalai Lama as a guest, a move bound to create consternation among the Chinese. Bush’s action, though, was simply an angry response to the sale of Chinese missiles to Pakistan; it was not a direct response to the situation of Tibet. Tibet represents an Indian card, a threat held in reserve should China threaten U.S. interests in other areas. The Dalai Lama left from his White House visit complaining bitterly that the U.S. position on Tibetan independence was “unequal and unfair” (Strauss 1991).

Conclusion: Contradictions and Hegemonic Stability

There are many more examples of U.S. policy toward indigenous ethnic movements than space permits us to examine. The United States is pushed to recognize the sovereignty of such diverse peoples as the Slovaks and the East Timorese, while failing to resolve its contradictory policies toward Zulus, Palestinians and the Northern Irish (Cutler 1991a; Cutler 1991b).

It is not unreasonable to consider mutual recognition of sovereignty a kind of “public good” around which international regimes can be constructed. The United States, in repeated historic examples of playing its Indian card, has shown itself unwilling to adhere unequivocally to such a regime. The Indian card is a dangerous thing: it sometimes results in successful secession; when it does, it creates an example that other peoples will emulate in their own secession attempts.

The regime of mutual recognition of sovereignty among states appears to be decaying rapidly, in any case, in the post-Cold War context. The proliferation of states is clearly risky, especially for systemic hegemons that wish to extend their influence. Systems depend on order and stability; the more members, the harder it is to achieve compliance with the rules of membership.

The future of U.S. secessionism policy need not be hopeless, however. The dualist institutions that the United States sought to create for itself were not fundamentally flawed, but rather abused. Federalism based on ethnic identity, supported by genuine non-exploitative autonomous institutions, is actually the only real alternative to secessionism that can respond to the quest of non-state peoples for self-determination. New regimes recognizing sovereignty, such as are presently being developed in the United Nations Working Group on Indigenous Populations, have the potential to transform the present spate of ethnonationalism into ethnofederalism. But such regimes can only be enforced by hegemons who adhere to them themselves.
1. Lithuania, Latvia and Estonia were admitted to the United Nations as new members, in September. Also admitted were both North and South Korea, and the Marshall Islands and Micronesia, none of which gained independence through secession. But in addition, the new states of Slovenia and Croatia did gain independence through secession, though they have not yet received wide recognition of their sovereignty. Violent secessionism continues in India (Sikhs, Kashmiris, Mizo, Nagas, Tamils), Sri Lanka (Tamils), Indonesia (West Papuans, East Timorese, South Moluccans), Burma (Shans, Kachins and eight other indigenous nations), China (Tibetans), Philippines (Bontocs, Kalingas, Moros), Sudan (Dinkas), Morocco (Sahrawis), Mali (Tuarégs), Israel (Palestinians), Iraq (Kurds), Turkey (Kurds), Spain (Basques), the UK (Northern Irish), and in other, less visible instances.

2. This principle was expressed by Paula Dobriansky, Deputy Assistant Secretary of State for Human Rights and Humanitarian Affairs, before the Conference on Security and Cooperation in Europe (CSCE) Experts’ Meeting on Human Dimension, in Paris, 16 June 1989, in an address entitled “Ethnic and National Rights: A CSCE Scorecard,” Current Policy Document No. 1197 (Washington, DC: U.S. State Department Bureau of Public Affairs). Dobriansky stated that the United States tries “to foster cultural diversity and pluralism, by, for example, supporting the efforts of native American Indians to preserve their tribal structure and unique heritage.” The bulk of Dobriansky’s address is to establish the support of the U.S. State Department on the side of ethnonationalist and secessionist movements in Bulgaria, Romania, and the USSR (especially in the Baltics). The statement establishes a linkage between Indian policy and foreign policy.

4. In Dobriansky's address (op. cit.), Indian particularism is contrasted with U.S. policies (like "affirmative action") designed to "foster genuine equality among diverse groups" and to "overcome, and even to reverse, discriminatory practices" based on race and gender. The apparent contradiction is apparently contained by a more general agenda, promoted within the CSCE, to "create conditions for the promotion of the ethnic, cultural, linguistic, and religious identity of national minorities on their territories." Dobriansky does not mention that Indian lands in the United States are held in perpetual "trust" by the Government and are controlled ultimately by the Interior Department, on behalf of the Indians, who are "permanent wards" of the state. She does concede that integrationist ideals do not converge with the reality that Indians continue to be subjected to prejudice and discrimination in all aspects of social, political, and economic life.


6. See: William Safire, "After the Fall," New York Times 29 August, A29. He writes that in his "Chicken Kiev Speech," Bush was "foolishly placing Washington on the side of Moscow centralism and against the tide of history." He goes on, "... diverse cultures who want to assert independence should have America's support, not finger-wagging at ethnic hatreds to conceal our preference for foreign central control." In an earlier article ("For Division Now" NYT 8 August, A13), Safire suggested a more global approach to secessionist movements: "If the extension of freedom with the avoidance of bloodshed is our aim, we should get creative: we should stop mumbling vaguely about 'loose confederation' and propose serious global talks on semi-sovereignty. This idea, whose time is upon us, could be a transition to separate nationhood, or to free association in a commonwealth, or to confederation that might lead to eventual uncoerced reunion."
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