

Shams, Rasul

Article — Digitized Version

Environmental policy and interest groups in developing countries

Intereconomics

Suggested Citation: Shams, Rasul (1995) : Environmental policy and interest groups in developing countries, Intereconomics, ISSN 0020-5346, Nomos Verlagsgesellschaft, Baden-Baden, Vol. 30, Iss. 1, pp. 16-24,
<https://doi.org/10.1007/BF02926357>

This Version is available at:

<https://hdl.handle.net/10419/140482>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Rasul Shams*

Environmental Policy and Interest Groups in Developing Countries

As the debate over the structural adjustment policies of the 1980s showed, the success of government policies in developing countries is also partly determined by the activities of a variety of interest groups. The same is also likely to apply to environmental policy. This article looks into the ways in which the efficiency of environmental policy measures is influenced by the activities of such interest groups.

The international discussion of global environmental problems in recent years has meant that an increasing number of environmental laws are now also being passed and environmental policy institutions being established in developing countries. However, rather like traditional development policy before it, the new discussion of "environmentally-oriented development policy" also tends to ignore politico-economic problems associated with drawing up and enforcing efficient environmental policies in developing countries. Yet as the debate on structural adjustment policies in the 1980s demonstrated, the success or otherwise of government policies in developing countries is also partly determined by the activities of a variety of interest groups. Particularly in the environmental field, the picture is unlikely to be much different. This article therefore sets out to examine how the efficiency of environmental policy measures is influenced by the activities of the interest groups concerned. The findings of such an enquiry may be helpful in a bid to improve the chances of a more efficient environmental policy being enforced in these countries.

Context of Environmental Policy Decisions

From the point of view of political economy, when the development-policy agenda is expanded to include the environmental dimension the policy-making bodies involved (politicians, bureaucracies, etc.) enter into reciprocal relations with other societal groups, and the form of those relations is determined by the political institutions in place. The process

begins with an increase in demand for the public good of "environmental quality". Nevertheless, in view of the low per capita income level in developing countries the growth objective continues to predominate. As a result, it is normally assumed that demand for environmental quality in developing countries is low. What this view fails to consider, though, is that the demand for environmental quality not only depends on per capita income but also, for any given level of per capita income, on the state of the environment itself. This is the only way the existence of growing environmental movements in countries such as India, Kenya, Brazil or Malaysia, also especially among poorer sections of the population, can be explained.

Of course, the external demand for improvements in the quality of global environmental goods (rain forests, biodiversity, global climate) has been a much stronger factor than such internal demand in persuading developing countries' political bodies in recent years to take action on the environmental front. Hence it is necessary when attempting to improve one's understanding of environmental policy in these countries to consider the influence of external as well as domestic interest groups on the formulation and enforcement of environment-policy measures. The two classes of interest groups will be examined successively below.

Governments of Donor Countries

Among the most important of the external interest groups are the governments of donor countries. As early as the mid-1970s, criticism of the environmental consequences of development projects led to the introduction of environmental impact assessments for development projects. Under pressure from broad

* Hamburg Institute for Economic Research (HWWA), Hamburg, Germany.

sections of their electorates, politicians in the industrial countries now feel increasingly compelled to urge developing countries to pursue environmental policies which will respond especially to global environmental dangers (the greenhouse effect, destruction of the ozone layer, etc.).

The most decisive instrument the donor countries have to exert pressure upon developing countries in this regard is the ecologicalizing of development aid which can assume various forms (intensification of environmental impact assessments for traditional projects, redistribution of development aid to specific countries to favour specifically environment-oriented projects, trade restrictions, etc.).

At the same time, however, the donor countries' influence on developing countries' environmental policies is weakened by numerous contradictions:

□ Environmental policy in the industrial countries themselves is based on a compromise of interests, and thus has loopholes in it of varying sizes. This deprives them of a good deal of credibility when they demand rigorous environmental policies from the developing countries.

□ The effect of particularized interests in the donor countries can give rise to activities running counter to the ecological criteria they themselves seek to tie their aid to (e.g. protection of their exporting interests or of domestic jobs by promoting ecologically dubious projects, exporting waste, importing resources causing major environmental damage, etc.).

□ The pursuit of environmental objectives may create conflicts with development-policy objectives, as in the case of environmental protection projects in rural areas which jeopardize the near-term security of food supplies.

International Organizations

In addition to donor countries' governments multilateral organizations, such as the World Bank in particular, also take an active part in the environmental field. As it has increasingly integrated environmental protection into its development activities in recent years, the World Bank has undoubtedly been exerting a substantial influence on environmental protection policies in developing countries. However, as in the case of the bilateral donors, a number of systematic weaknesses tend to deprive its policy of the necessary punch:

□ As the World Bank, like other multilateral

organizations, is unable to completely insulate itself from the particularized interests of its member countries, political considerations have a tendency to take precedence over environmental concerns.

□ Because the World Bank pursues a number of objectives (growth, poverty reduction, environmental protection), there is a considerable risk of conflicts arising among those objectives, and hence also of priorities being set one-sidedly in favour of a particular single aim. That risk is all the greater the more the World Bank tends to over-emphasize the harmony between the environmental protection objective and its other goals.¹ In this situation, it is easy to overlook the potential conflicts arising.

□ The World Bank is a bureaucratic institution. The formal objectives of such institutions are liable to come into conflict with the bureaucratic interests of their own staff. On the one hand, the expansion of the World Bank's activities to take in environmental policy is quite in accordance with bureaucratic interests. Yet on the other, the careers of staff members tend to depend more on the number and volume of loans authorized than on the actual success of the projects (Wapenhans Report). So in reality formal objectives may be pushed into the background relative to bureaucratic objectives.

The next major multilateral external factor for environmental protection policy in developing countries is the UN system. The United Nations constitutes a forum within which developed and developing countries interact on an equal, sovereign basis in a formal, legal sense. As such, it is virtually made for the task of discussing global problems such as threats to the global environment. Yet at the same time, the UN is especially poorly predisposed to actually solve such problems. Two main factors are responsible for this. For one thing, the UN is a cumbersome, bureaucratic organization with many sub-organizations which suffer from a lack of mutual coordination. For another, whatever solutions are arrived at to deal with global problems inevitably consist of compromises rather than optimum solutions, reflecting the interests of governments in the two groups of countries and also the balance of true power between them. The Global Environmental Facility (GEF) established in 1990, which is a joint operation involving the UNDP, UNEP and World Bank, is a typical case in point. Both the project's funding –

¹ Cf. World Bank: Development and Environment, World Development Report, Washington, D.C. 1992.

in which the World Bank takes the lead role – and the small budget available suit the interests of the industrial countries. For Third World bureaucrats, meanwhile, GEF acts as a new means of financing additional activities, even if the volume is not large and the funds are not always a genuine addition to the overall total.

The UN system, then, does not exert any autonomous influence on environmental policy in developing countries. However, being a global forum it does provide opportunities for the governments of industrial and developing countries to air their different policy interests. The solutions and institutional developments emerging from this process shape international environmental policy, thus in turn influencing the environment-policy decisions taken in developing countries.

A further group of organizations exerting an external influence on environmental policy comprises private international environment-protection organizations (environmental NGOs), which have an impact via their campaigning and publications. Thus their influence is largely indirect, via consciousness-raising activities. Only to the extent that they sponsor "debt-for-nature" swaps do they actually invest in environmental protection in the developing countries and hence shape their environmental policies directly. Because protecting the environment is the prime objective of these organizations and they are not therefore directly involved in the problems associated

with development, their activities on behalf of the environment are quite liable to come into conflict with development objectives (e.g., protecting tropical rain forests versus poverty reduction). A number of these environmental NGOs have actually begun in recent years to take account of development needs in their assessment of the situation. Despite this, however, the possibility remains that they will adopt a point of view which is one-sidedly geared to the interests of industrial countries, and purely ecologically oriented.²

Multinational Corporations

Whether as users of natural resources or as suppliers of environmental protection equipment and technology, multinational corporations also have an interest in the developing countries' environmental policies. Since most developing countries have lacked any substantial environment-protection policy in the past, the market for environmental protection equipment and technology remains a potential one for the time being. The influence of their multinational suppliers on policy has so far been slight, and can only be expected to gradually increase as environmental awareness grows in the countries concerned. On the other hand, users of natural resources already exert a substantial influence on the shaping of resource-management and hence environment-protection policies in these countries, as demonstrated by the active involvement of logging firms in South-East Asia.

Wassilios Skouris (Ed.)

Advertising and Constitutional Rights in Europe

A study in comparative constitutional law

In view of the major economic and political importance of advertising, a comparative study on the constitutional parameters of this activity is long overdue. It has been undertaken for the first time by a group of Professors of Public Law from the Member States of the European Union who have each carried out a detailed and systematic account of the protection of advertising in the light of fundamental rights as guaranteed in their own legal systems. The various and disparate restrictions imposed on advertising in each Member State constitute the central point of the study. The national reports along with a report on the European Convention on Human Rights provide the basis for a comparative analysis, which reveals both common and divergent features among the various countries as far as the constitutional protection of commercial speech is concerned. This comparative analysis is arguably the first of its type. Distinguished experts from Europe have contributed to this unique work intended for those interested in Constitutional and European Community Law. The book also contains invaluable information for those engaged in advertising.

1994, 397 p., hardback, 138,- DM, 1076,50 öS, 138,- sFr, ISBN 3-7890-3461-4

◆ NOMOS Verlagsgesellschaft • Postfach 610 • 76484 Baden-Baden ◆

To summarize the above observations on external interest groups it has to be said that, when taken together, they can indeed have a considerable influence on developing countries' environmental policies. The most important channels of influence are consciousness-raising on environmental threats on the one hand and attaching development aid to ecological factors ("ecological conditionality") on the other. Such external influences do not by any means add up to a rational environmental policy. Rather, the design of environmental policy in developing countries is subject to constant pressure, in line with the external interests asserting themselves, in the direction of:

- ☐ giving priority to global environmental protection aims before national environmental concerns,
- ☐ and giving priority to environmental objectives before development-policy objectives.

As they are themselves affected by a variety of interests, the external influences applied also harbour various contradictions which reduce the force of their arguments and may undermine their credibility.

However, the extent to which external influences, complete with their own peculiarities, are actually converted into environment-policy measures that are put into practice will ultimately depend on what other influences generated by interest groups within the country are ranged against them.

Domestic Industry and Agriculture

Developing countries differ considerably as regards which societal groups are most affected by the environmental crisis, or as regards the nature and scope of environmental policy conflicts. As a general rule, though, a distinction can be drawn in all of these countries between environmental destruction resulting from industrialization and that resulting from poverty.

As in the industrial countries, industrial growth in the developing countries is a major source of water, soil and air pollution. So any rigorous environmental development policy will necessarily have to restrict the productive activities of polluting industries while encouraging the use of new plant and technologies. The implication of this for industry is higher costs. Consequently, owners of industrial plant will do what they can to evade or to minimize such costs. The

extent to which they will be able to bring their influence to bear upon policy-making will vary according to whether the industries concerned are state or privately-owned, to whether the capital has come from home or abroad, and to the size of the industrial units themselves.

The chief beneficiaries of industrial environmental protection policy are the manufacturers of environmental protection equipment and facilities. However, such companies are at present largely concentrated in the industrial countries, making an increase in imports of such equipment likely in the short term at least. In the longer term though, it is possible that production of these items may increase in the developing countries themselves.

Export-oriented industries in the developing countries are in a special situation. If these consist chiefly of foreign-controlled job-processing firms, it is possible that production may be shifted to other developing countries which still have lower environmental standards. In the case of domestic companies with exporting interests, these may be particularly ready to support environment-protection policies if environmental awareness in their customers' countries is high, with policies to match. Hence the exporting industries in countries such as India and Indonesia have already begun to respond to ecological demands emanating from the countries they export to.

The workforce and trades unions make up another group affected by environment-protection policies for industry. It is quite possible that they will have an ambivalent attitude towards the implementation of environment-protection policies. Increasing air and water pollution give rise to a rapid increase in health hazards, especially in the cities, which of course affects everyone and not just the industrial workforce. At the same time, as companies are liable to have adjustment problems there is a threat that jobs may be lost. Thus the attitude taken towards environment-protection policy by trades unions will also depend upon how many new jobs are likely to be created in environmental protection industries, and upon whether any labour-market measures are to be taken to back up environment-protection policies. The more the latter is indeed done and the greater the health hazards arising from previous industrialization policies, the more support can be expected from trades unions for environmental measures.

A crucial cause of environmental pollution in developing countries' rural districts is the increasingly widespread use of modern agricultural technology,

² Cf. Detlev Ullrich and Edith Kürzinger-Wiemann: Umweltbewegung und Entwicklungspolitik, in: Wolfgang Hein (ed.): Umweltorientierte Entwicklungspolitik, Hamburg 1992, pp. 165-182.

with substantial emphasis placed on the use of fertilizers, pesticides and herbicides while production is confined to just a small variety of crops. Quite apart from the damage to human health, the contamination of soil and water, and the destruction of biodiversity, another problem this generates is the redundancy of labour, which exacerbates migration from the country into the towns and cities, and swells the ranks of the poor in cities and country alike.

As in the industrial sector, the rural areas need measures to be taken which could encourage instead of discouraging the use of alternative, environment-friendly technologies. That, however, entails higher production costs and hence a loss of competitiveness. In the case of agricultural commodities for export, there is also the risk that the country concerned might lose its comparative cost advantage.

Depending on the amount of political clout they carry, landowners will tend to behave like industrialists in doing their best to avoid having to bear such costs. As an environment-friendly agricultural policy would also hit the chemicals industry, it is quite possible that powerful coalitions of interests could arise between the agricultural and industrial sectors to resist such policies. On the other hand, a conversion of agricultural production to an ecologically sound basis would lead to the opening-up of new market segments which also, for export-oriented agriculture at least, would help raise the acceptance level of such policies.

Poor Groups

The poor sections of the population are the groups most severely hit by the negative consequences of environmental degradation in developing countries.³ Yet at the same time, the survival strategies to which these groups are driven by their poverty also in themselves destroy the environment by way of deforestation, over-grazing and over-cultivation, the decimation of tropical rain forests, etc. Due to the immediate distress in which they live, these groups cannot be expected to support an environment-protection policy which deprives them of their livelihoods for the sake of conserving nature. That being so, these groups in particular have a pronounced time preference. Of course, such a purely

formal statement suffers from the defect that these sections of the population have not chosen their survival strategies voluntarily. The familiar causes of their situation are the dismissal of rural labour due to agricultural modernization, extreme inequality in the distribution of land, unchecked population growth, and the resettlement or displacement of people from their traditional habitats for economic or political reasons.⁴ In these cases, the environment cannot be protected without first establishing a policy to combat poverty, and that in turn calls for a thorough reappraisal of the development strategies of the past. The problem is that the political muscle of the urban and rural poor is often far less than it needs to be if they are to assert such changes politically. Paradoxically, it may eventually be the consequences of such large-scale poverty for the environment which finally make other people sit up and take notice of the plight these population groups find themselves in as a result of their poverty.

The indigenous peoples make up a special category among the poor, as their minority status means they are frequently politically sidelined. The traditional habitats of these peoples tend to be in the forest regions which give them what they need to maintain their livelihoods (e.g. Indian tribes in South and Central America and forest communities in Asia). National governments tend to regard their indigenous peoples as "under-developed". The development plans conceived on their behalf usually involve resettling them, abolishing their collective rights of ownership, and transferring their traditional lands and forests into state ownership. Frequently, as illustrated in the Philippines for example, private-sector mining, agribusiness and logging interests will contribute to the displacement of these people with government support.⁵

With certain exceptions, the indigenous peoples generally lead lives which are adapted to their natural environment and are compatible with it.⁶ In other words, displacing and resettling them is tantamount to a policy of environmental destruction. In such instances, a policy of environmental protection would consist in recognizing these peoples' land utilization rights in their traditional lands and in granting them self-administration and appropriate rights of representation via their own institutions. However, any such policy would run

³ Cf. Dennis Anderson: *Economic Growth and the Environment*, World Bank, WPS 979, Washington, D.C. 1992.

⁴ Cf. Hans-Jürgen Harborth: *Armut und Umweltzerstörung in Entwicklungsländern*, in: Hermann Sautter (ed.): *Entwicklung und Umwelt*, Berlin 1992, p. 43.

⁵ Cf. Marcus Colchester: *Sustaining the Forests: The Community-based Approach in South and South-East Asia*, in: *Development and Change*, Vol. 25 (1994), No. 1, pp. 69-100.

⁶ Cf. H.-J. Harborth, op. cit., p. 45; M. Colchester, op. cit., pp. 80f.

counter to the powerful interest coalitions made up of the state, the logging industry, major landowners and the mining industry, all of which want to exploit the forests commercially.

Environmental Groups

The influence of environmental groups on environment-protection policy should not be underestimated, as their activities force politicians to justify their decisions, prevent environmentally damaging projects from going ahead in some cases, and generally raise public awareness of environmental problems. However, the environmental movement in developing countries is very heterogeneous. In part, it imitates the environmental movement in industrial countries, and is driven forward by urban intellectuals. Another section of the movement, especially in relatively poor developing countries, has its origins in conflicts among different social groups (industrialists, farmers, land speculators, indigenous peoples, etc.) as to who should have control over natural resources. In this latter instance, economic and environment-policy conflicts go hand-in-hand. Especially in rural areas of developing countries, this is because environmental destruction not only generates health hazards for the general public but often also robs the native people in the affected areas of their economic livelihoods as they lose their traditional land-use rights.⁷

Looked at in broad terms, then, the picture is somewhat different for the constellation of domestic interest groups from that described earlier for external interest groups. The key perpetrators of environmental damage (owners of industrial plant, landowners) have no interest in any rigorous policy of environmental protection. However, as export-orientation grows at least some members of the above groups may gradually develop such an interest if environment-friendly behaviour is rewarded in their foreign markets. Another group of potential proponents of environmental protection are industrial firms which have specialized in producing environmental protection equipment and facilities. Other groups such as the workforce and the poor could be won over as advocates of environmental protection if the policies involved were closely intermeshed with development policy and appropriate consideration were thus given to their

interests (back-up adjustment measures, poverty reduction).

Hence the pressure from internal interest groups to improve environment-protection policies is limited overall. Only domestic environmental groups, if these already exist, are likely to mount any unequivocal, active opposition to a development policy which neglects the environment. What form it is possible for any environment-protection policy to take under these circumstances will also depend upon such factors as the political institutions in place in the developing countries concerned. This aspect will now be examined more closely.

Political Institutions

Politicians and administrations in developing countries find that they face a certain constellation of foreign and domestic interests when it comes to dealing with problems of environmental protection. At the same time, however, they pursue their own interests such as the mobilization of political support and the expansion of their sphere of influence. The ecologicalizing of development policy does in fact provide certain benefits for politicians and bureaucrats:

- ☐ The powers of parts of the bureaucracy can be increased, new budgets can be managed, and the overall size of the bureaucracy increased.
- ☐ New sources of development aid can be tapped.
- ☐ Political support can be expected from the beneficiaries of environmental protection measures.

Simultaneously though, there are a number of ways in which politicians and bureaucrats may lose power and political support by rigorously pursuing environment-protection policies:

- ☐ Especially in urban areas, environmental protection measures (providing water supplies, refuse disposal, clean-air measures) call for considerable government investment, the funding of which can disrupt the existing balance of different group interests.
- ☐ Such policies involve refraining from or reappraising major infrastructure projects (dams etc.). As well as restraining the potential influence of politicians and bureaucrats, this can also provoke resistance from the beneficiaries of such projects.
- ☐ Environment-policy measures may impose higher costs on the political backers and other groups

⁷ Cf. Madhav Gadgil and Ramachandra Guha: Ecological Conflicts and the Environmental Movement in India, in: *Development and Change*, Vol. 25 (1994), No. 1, p. 133.

associated with politicians and bureaucrats. This can undermine the government's political support.

□ The enforcement of a rigorous environmental policy may subsequently have negative economic consequences, such as direct investors turning elsewhere, structural unemployment, reduction of government revenue (e.g. loss of income from granting concessions) and loss of export earnings (e.g. timber).

□ Transfer payments from industrial countries which are tied to environmental concerns may be accompanied by a reduction in the volume of traditional development aid.

How politicians and bureaucrats will behave at the end of the day therefore very much depends on how they weigh up the pros and cons of prioritizing ecological issues in their development policy. The cost-benefit analysis they make will be strongly determined by such factors as the particular

configuration of interest groups prevailing in their country, which in turn will affect the individual interest groups' capacity to influence political decision-making. In western democracies, certain sets of rules prevail which institutionally govern the exertion of influence by interest groups, thus keeping some restraint on distributional struggles. However, developing countries generally lack a consensus on what those sets of rules should be. As a result, the political market takes on a much greater significance than the economic market in resolving distributional conflicts. The scope for rent-seeking activities, too, is correspondingly broad. A wide variety of such activities is therefore found, and violent conflict may also be involved.

Group Configurations

The large number of possible group configurations in developing countries makes it impossible to present a uniform analysis of the political decision-making process. However, a sub-division into three

Hans-Eckart Scharrer (ed.)

Economic and Monetary Policy Cooperation: The EC and Japan

Any meaningful discussion about "managing macroeconomic interdependence" must take into account the national policy objectives, institutional arrangements, and socioeconomic challenges. This collection of papers presents seven contributions of European and Japanese economists relevant to that issue.

Peter Bofinger analyzes potential conflicts between policy coordination on the European and international levels. The following studies deal with the scope and limits of multilateral coordination from the points of view of the United Kingdom (Richard Brown) and Germany (Beate Reszat). Two other papers address more specifically the processes of exchange rate decision-making and coordination in Germany (Jochen Michaelis) and the EMS (Peter Bofinger). The final two articles take up the Japanese dimension, focussing at important current and long-term issues of fiscal (Yukio Noguchi) and monetary (Kazumasa Iwata) policy.

The volume is of interest to economists, political scientists, and all active observers of European, Japanese, and international economic policy.

1994, 176 p., paperback, 48,- DM, 374,50 öS, 48,- sFr, ISBN 3-7890-3419-3

(Veröffentlichungen des HWWA-Institut für Wirtschaftsforschung – Hamburg, Bd. 8)



NOMOS Verlagsgesellschaft • Postfach 610 • 76484 Baden-Baden



typical configurations elaborated by the author in another context⁸ can also be useful for analysing environment-protection policy.

Configuration 1: The state is dominated by a strategic coalition in which the government, the civil service, industrialists and possibly also the armed forces closely cooperate. Other societal groups (the workforce, farmers and peasants) are not included in this cooperative relationship, but are bound to it in a more or less authoritarian manner. Because several powerful groups are jointly controlling the state, distributional conflicts are rendered less intense. An aggressive policy of industrialization and economic growth provides the best means for this strategic coalition to safeguard its own interests and its perpetuation.

Configuration 2: One single strategic group made up of what may be quite heterogeneous élites dominates the state. The state is completely instrumentalized to assert the economic interests of the members of this group. Other societal groups are subjugated to the dominant group's control, and their interests are neutralized or channelled using political/ideological, administrative and possibly even military means. In this configuration, the state does not play the role of a distributor of rents, but is in fact itself the most prominent rent-seeker.

Configuration 3: Several strategic groups of equal strength compete for power over the state. Unstable alliances formed for periods of time allow particular groups to gain power over the state. However, governments of this kind are continually preoccupied, often without succeeding in the long-term, by attempts to secure their own survival. Distributing rents is the main instrument used in these bids to secure survival.

Examples of Configuration 1 have been the East Asian NICs of South Korea and Taiwan. Owing to the high priority attached to the objective of economic growth, the environment in such countries is initially completely neglected. Rapid industrialization is accompanied by rampant destruction of the

environment. As environmental awareness begins to grow, so too attention gradually begins to be paid to environmental protection. This new consensus ensures that environmental policy will be efficient. Thus the strategy pursued by these countries can be summed up as "get dirty, clean up".⁹ A number of other factors also ensure that, once environmental protection is on the economic-policy agenda, environmental policy can operate more or less efficiently. For one thing, the first generation of Asian NICs is poorly endowed with raw materials, so the chief environmental problem they face is that of industrial pollution. At the same time, these countries have already reached a high level of industrial development. That means their industries are capable of adjusting very flexibly to changing circumstances, and also of absorbing the increased costs generated by better care of the environment by raising their productivity. Apart from that, the considerable investment requirement can help new environmental industries to develop, thus triggering off new direct investment in such fields which will give yet another boost to the process of economic growth. For all of these reasons, resistance to environment-protection policy ought on the whole to be rather limited in these countries.

The situation is a different one in the ASEAN countries (with the exception of Singapore) which, in terms of growth policy, are now in the course of imitating the first generation of NICs, with varying degrees of success. International pressure towards an ecological development policy is depriving these countries of the opportunity to apply a "get dirty, clean up" strategy without any need to worry. Especially due to their large areas of tropical rain forest, they are now in the international spotlight because of their forestry policies. Moreover, the political regimes in these countries sometimes exhibit structures reminiscent of Configuration 2 above. Politicians and bureaucrats often themselves have commercial interests, and are therefore directly involved in activities which destroy the environment. Meanwhile, environmental damage in these countries has already attained vast proportions. In mega-cities such as Bangkok, environmental problems are more than just a threat to public health.¹⁰ In the shape of such phenomena as chronic traffic problems, they also generate huge economic costs which are a direct burden on firms.

⁸ Cf. Rasul Shams: *Hemmnisse der wirtschaftspolitischen Reformpolitik in Entwicklungsländern*, in: Hermann Sautter (ed.): *Wirtschaftspolitische Reformen in Entwicklungsländern*, Berlin 1991, pp. 135-154.

⁹ Cf. Toshiko Akiyama, Kazuhiro Ueta, Shun'ichi Teranishi and Shigeaki Fujisaki: *Development and Environment: The Case of East Asian Countries*, in: T. Iwasaki, T. Mori and H. Yamaguchi (eds.): *Development Strategies for the 21st Century*, Tokyo 1992, pp. 536-545.

¹⁰ Cf. Sham Sani: *Urban Environment in ASEAN, Changing Concerns and Approaches*, in: Maria Seda (ed.): *Environmental Management in ASEAN*, Singapore 1993, pp. 83-110.

So as environmental pressure upon ASEAN governments grows, an efficient environmental policy would not only jeopardize a "get dirty" growth strategy but partly also politicians' and bureaucrats' own vested interests. In these circumstances, it is likely that these countries will gradually build up some sort of environmental policy, but with substantial frictional losses (delays, lax enforcement, exemptions, etc.). Especially in the field of forestry policy, it is quite likely that these governments will bow to international pressures in a way which gives virtually no consideration to the interests of the rural poor or of indigenous peoples. This likelihood is further strengthened by a tendency already apparent in international policy on the global climate, namely to place environmental protection before poverty reduction.

In Configurations 2 and 3, the prospects for an efficient environmental policy are poor. In these cases, precisely the groups which would stand to lose from such a policy dominate the state, either directly (Configuration 2) or indirectly (Configuration 3). Environmental protection groups, on the other hand, remain largely ineffectual since they tend either to be co-opted and neutralized by the state or else to be persecuted, closely watched or even violently outlawed by it. At the other hand, a complete lack of any government environmental policy would expose these countries' politicians and bureaucrats to pressure from donor countries and the World Bank, which would also mean the loss of transfer payments tied to environmental policies. The "optimum" solution for the politicians and bureaucrats would be to draw up an environment-protection policy which can be credibly displayed to the outside world while still sparing any hardships for the groups which dominate or control the state by virtue of the manner in which it is implemented. Environment-protection policy of this kind would ultimately remain economically inefficient, however much institutional and bureaucratic effort were to be invested in it (environmental protection departments and central bodies, environmental protection surveys and plans, staff training, etc.). The only areas in which it could be expected to be rigorously enforced to satisfy the requirements of foreign financial donors are those in which politically weak societal groups (e.g. indigenous peoples) would have to bear the brunt of it.

In the light of the global environmental crisis we face, the ecologicalizing of development policy is now firmly on the agenda. The environment-policy

decisions which now need to be taken in the developing countries will not be reached in politics-free surroundings. Governments in these countries find themselves under strong pressures from external groups to reappraise their development-policy decisions from an environmental perspective, and indeed, access to foreign financial resources increasingly depends on this. On the other hand, existing domestic interest-group configurations favour the continuation of past development policies. Those groups within society which would have an interest in the ecologicalizing of development policy are generally politically weak, apart from which their support for such policies will remain limited as long as they are compelled to pursue survival strategies which also have a damaging environmental impact.

Conclusions

The political regimes of developing countries, characterized by rent-seeking in the extreme, are likely under these circumstances to favour environment-policy decisions which, while safeguarding the inflow of foreign funds as far as possible, will nevertheless keep to a minimum any impositions on politically influential groups at home which might result from environmental policy. That, of course, can only be achieved if the policy concerned is selective at least in its enforcement, and is only properly exercised in areas where the costs involved can be off-loaded on to the politically weak groups in society. These tend also to be areas which are at the top of external interest groups' list of preferences, and are therefore linked to capital inflows. The selective environment-protection policy which takes hold under these conditions suits the interests both of external groups and of the politicians and bureaucrats in the developing countries themselves. Yet it runs counter to the principles of a poverty-oriented development policy which, at least in programmatic terms, is among the primary objectives of developing countries and also is one of the express aims of development cooperation.

To be acceptable from the development point of view, any influence brought to bear upon the environmental decisions taken in developing countries would have to take poverty reduction seriously as an integral part of environment-protection policy, and would have to endeavour to strengthen the position within society of the advocates of an efficient environmental policy by supporting economic and political reform.