

# A Term's Limits

*Many flocked to the banner of sustainable development, but it led them nowhere.*

By Daniel C. Esty

**S**ustainable development has been the rallying cry in the environmental realm since 1992, when 100 presidents and prime ministers endorsed it at the Rio de Janeiro Earth Summit. Nearly 10 years later, sustainable development has largely failed as an organizing principle. The lack of progress in confronting climate change, biodiversity loss, and other pressing global environmental challenges is glaring, as is the lack of improvement in the developing world's air and water quality.

As tempting as it may be to put the blame solely on a lack of international will, the seeds of sustainable development's failure were in fact sown at its inception.

In 1987, the World Commission on Environment and Development (known as the Brundtland Commission) challenged the world community to fulfill "the needs of the present without compromising the ability of future generations to meet their own needs." Under the rubric of sustainable development, the commission sought to accommodate the competing desires of developed countries to combat worldwide environmental threats and of developing countries to put poverty at the top of the global agenda. It also hoped to shift environmentalists' focus away from "limits to growth" arguments, which posited that economic growth was incompatible with environmental progress.

The concept of sustainable development reframed thinking in three fundamental ways. First,

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it made clear that poverty is a source of terrible environmental degradation, and therefore there is an inescapable connection between economics and the environment. Second, it called for integrated thinking across disparate arenas, recognizing that environmental outcomes are a function of policy choices in trade, agriculture, transport, energy, and finance, as well as business activities. Finally, sustainable development served as a reminder that problems such as the buildup of greenhouse gases emerge over years or even decades and therefore require a long-term view and careful balancing of intergenerational equities.

Yet, for all its laudable goals and initial fanfare, sustainable development has become a buzzword largely devoid of content. A recent Internet search generated 570,000 hits on a term for which there is no agreed definition. Focus groups and surveys show that the public has no idea what it means. Worse yet, some officials, especially in the developing world, have begun to argue that "sustainable" refers to the continuity of economic growth without even acknowledging the term's environmental dimension.

As a political compromise, the term papers over a deep North-South divide and fails to answer critical questions, including how poor countries can afford to address environmental concerns (some of which entail trade-offs with economic goals) in parallel with their development efforts. These divergent perspectives and gaps in understanding mean that the concept provides little policy traction. And the U.N. body set up at Rio to advance the environment-economics linkage, the Commission on Sustainable Development (CSD), has proved to be little more than a talk

a sustainability report in which pollution issues are buried deep in the text. And one cannot help but wonder whether Shell's commitment to a tripartite "balanced scorecard" brings the social dimension into the calculus as a way of diluting poor marks on a narrower set of environmental criteria.

Ultimately, the sustainable-development edifice appears to be founded in part on a mistake. In pushing to overcome policy fragmentation, the concept's authors overstated their case. The Brundtland Commission insisted that economic development

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shop. Burdened with an impossible mandate covering every imaginable environmental issue and goal, little political support, no sense of priorities, and a Christmas tree approach to agenda setting, the CSD has consumed enormous governmental time and resources with almost nothing to show for it. In fact, one long-time environmental observer recently suggested that the CSD seemed designed to waste time and money and keep environmental advocates off track.

Many businesses have begun to organize around the concept of sustainability. This sister concept to sustainable development provides companies with a starting point for integrated thinking and for understanding the strategic elements of their environmental and social behavior. But a "people, planet, profits" focus—to quote Shell Oil's much-trumpeted phrase—often fails to translate into better environmental results. Synergies across environmental and social issues are limited, and pollution control and natural-resource stewardship risk being swamped by an extensive list of pressing social concerns: human rights, global poverty, and the training and treatment of workers. Paired with the social agenda, the environment tends to get short shrift.

Limiting emissions, minimizing waste, and wisely using resources demand systematic attention, solid engineering, and environmental training. The risk that a company will take its eye off the environmental ball while playing the sustainable-development game is more than theoretical. For example, ABB, an energy, automation, and industrial firm that was once a leader in corporate environmentalism, recently issued

and environmental protection were "impossible to separate." In fact, fostering development and protecting the environment are linked but separate imperatives. Economics must inform environmental choices, and economic policies must recognize that resource pressures and pollution burdens can significantly offset the social welfare gains from growth. But environmental and economic policy goals are distinct, and the actions needed to achieve them are not the same. One measure of this reality can be found in three jurisdictions—Mexico, Bolivia, and the German state of Baden-Württemberg—that set up ministries of sustainable development in the past decade. Two have abandoned them in favor of more traditional structures with separate development and environment agencies, and the third is considering such a move.

One can imagine a future where environmental consciousness in the policy and corporate domains is so strong that no separate environmental entities are required. But until that day arrives, the world needs concrete pollution control and natural-resource management initiatives—for starters, a better global environmental regime, improved data and performance measurement and dissemination of environmental best practices, and a beyond-Kyoto climate change strategy. Yet as the 2002 World Summit on Sustainable Development in Johannesburg approaches, none of these appear to be in the offing. The time for grand vision and flowery rhetoric has passed. The challenges ahead require sharper focus, real commitment, and concrete action. **FP**