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Address by

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Prime Minister of Norway and
Chairman of the

WORLD COMMISSION ON ENVIRONMENT AND DEVELOPMENT

to

UNCTAD VII

Geneva, 10 July, 1987

Mr President,
Excellencies,
Distinguished representatives,

Let me start by congratulating you, Mr. President, upon your election. I do so with a very special knowledge of your personal qualifications after having worked closely with you on the World Commission on Environment and Development. Let me also express my sincere gratitude to the Secretary General of UNCTAD for inviting me to address this assembly and to present the report of the World Commission - 'Our Common Future'.

I do so with a keen awareness that there is a very strong relationship between UNCTAD's present agenda and our report and call for action. The Commission is ending its work, but UNCTAD will continue to serve as a constant reminder of the weaknesses, the deficiencies and the injustices inherent in the world economic system. UNCTAD should remain a centre for global understanding and solidarity - a common conscience in particular with regard to the weakest and the poorest.

Today, we are becoming increasingly aware that development depends upon the environmental resource base, and that development also affects the environment. Many development trends have a devastating impact on environment. These interactions clearly stand out as the major concern on the international political agenda, on par only with the vital issues of disarmament and security. The interlinkages are close between these issues. In our report, we have also pointed at the non-military threats to peace and the military threats to the environment, topics that are highly relevant, also for the forthcoming UN Conference on Disarmament and Development later this year.

Few would have anticipated a quarter of a century ago that environment and development would be ascending to the very top of international priorities.

We remember the sixties, when development optimism prevailed globally. Growth rates were high in all countries. There were success stories of a number of newly independent states who gained self-confidence as free nations, and made ambitious leaps to catch up economically with the industrialized countries.

At the end of that decade we saw the heavy impacts of the first generation of severe pollution problems. The Stockholm Conference on the Human Environment in 1972 was met with scepticism among many developing nations. What was the intention of the North? Was it yet another quest for luxury? Were we, in fact, trying to slow development in the interest of protecting exotic scenery and species? Was conservation to be achieved at the expense of economic and social development in developing countries? Many of the environmental concerns of the industrialized nations seemed far removed from the preoccupation which the majority of humanity had with basic living standards and, in some cases, with survival itself.

In the seventies, we witnessed discussions on the question of actual limits to growth. In that period, North and South seemed to be fighting completely different battles. Frustrations about the inabilities of our institutions to deal effectively with the most crucial issues were growing. The conferences on water supply, food, women, human settlements, new and renewable energy sources, those involving people's rights to choose the size of their families, all offered hope of improved cooperation on major issues. Yet, the sense of frustration prevailed. The world was growing closer, but the gaps between us seemed to be widening.

It was against this background that the General Assembly gave the Commission its ambitious task. And the call from the General Assembly was an urgent one. Our report back to the General Assembly - 'Our Common Future' - is a political document that covers the whole global political agenda and which carries the consensus signature of Commissioners from 21 countries, most of them from developing countries.

Our report contains a strong message of warning and urgency. We found that present trends and policies cannot continue. They will destroy the resource base on which we all depend. There are presently few signs that we are about to win our battle against poverty, which continues to tie hundreds of millions to an existence irreconcilable with requirements of human dignity and solidarity. We also found that there could be no question of environment versus development. Environmental degradation and the unequal distribution of wealth and power are in reality different aspects of the same set of problems.

Our second, and equally important message, is one of hope and optimism. We believe very strongly that changes are not only necessary - they are also possible. Humanity has the knowledge, technology, ingenuity, and resources. If we use them correctly, we can adjust the course of development so that it enhances the resource base rather than degrades it. Never before in our history have we had similar capacities. But for the necessary decisions to be made, we need a new vision, a new courage, and a stronger political will and determination. We need a new global ethic - a practical ethic - one that can transcend governments, non-governmental organization, the scientific communities, financial institutions, trade unions, and human thinking and behaviour.

The overriding political concept of "Our Common Future" is the concept of sustainable development. It goes beyond sustainability in the environmental sense. It is a broad concept for social and economic progress which we believe can provide new insights and inspiration for global cooperation.

We define sustainable development in simple terms as paths of progress which meet the needs and aspirations of the present generation without compromising the ability of future generations to meet their needs. In a world ridden by poverty, the goal of sustainable development can only be pursued successfully under conditions created by a new era of economic growth. Our report clearly recognizes that there are natural limits which we cannot exceed without dire consequences. It thus sets requirements for the content of growth, yes, but no limits to growth itself.

I shall not repeat here the painful list of environmental disasters and grim statistics which have alerted us to the grave crisis facing our planet. Suffice it to remind us that the atmosphere is a fragile, closed system, not a limitless garbage sink for by-products of industrialization. Global heating, and the threat of climatic change must be countered in a joint determined effort in view of the risks of rising sea-levels and ensuing severe impacts on food-production and settlement patterns. Acidification, hitherto a disease of the rich countries, is also making its impact felt in many newly industrialized areas in the developing world. The loss of tropical rain forests, which continues at alarming rates, not only threatens vast numbers of living species with extinction, but affects the global climate as well. Over 11 million hectares of forest are destroyed yearly, which means forests the size of Denmark are lost every 12 weeks. Each year 6 million hectares of productive dryland are turned into worthless desert, in other words, dryland the size of Switzerland is turned into desert every 9 months. Soil erosion is regarded as problem No 1 by the Food and Agricultural Organization.

The Commission focused on poverty as one overriding issue - not least as a major cause and effect of environmental degradation. This is not to say that the developing world is the main source of present global pollution. Severe threats to the global environment come from excesses of affluence in many countries in the North which consume the earth's resources at rates that can lead to their rapid depletion. But international economic inequalities are a root cause of the environment-development stalemate. Clearly, the developing countries will have little opportunity to follow sustainable paths of progress unless external conditions allow them to develop their human and economic potential.

The environment and natural resources of developing countries, the capital on which they depend, has become the ultimate victim in a world economy troubled by serious imbalances. That victim must now become an ally.

A new era of economic growth, which the Commission strongly calls for, can create the capacity to solve environmental problems and alleviate mass poverty. It must be based on international economic conditions that can enhance the resource base rather than degrade it. Trends have all too long been working against these objectives. Slow growth in the industrialized countries, the collapse of commodity prices, the debt crisis and the decline in financial flows have caused immense problems for developing countries. The pressures on budgets have forced many countries to axe environmental programmes. The pressure to export more in order to service debts and finance imports has led to over-exploitations of natural resources, that only in the short term can alleviate payment problems and current account deficits.

To pursue a new era of economic growth we need a revival of the multilateral approach to solving the problems. We need to realize that it is in our own self-interest, in developed as well as in developing countries - to chart a new course for action. The industrialized world will have to accept an obligation to ensure that the international economy helps rather than hinders the possibilities for sustainable development.

The present level of debt service in many countries, in particular in Latin America and Africa, is a serious obstacle to sustainable development. Urgent action is necessary to alleviate debt burdens in ways that represent a fairer sharing between debtors and lenders. The massive drain of resources from developing countries has increased the pressure on the environment and dramatically increased the numbers of urban and rural poor in desperate struggle for survival.

Let us be frank about this: much of the debt will not be paid back in any real sense. To maintain such a demand will entail political disturbances in many countries of such magnitude that they would be completely unacceptable. What is needed is new lending on concessional terms, new investments and economic and social reforms. Major debtors also need more loans on commercial terms. New policies must comprise debt relief, long-term rescheduling and conversion to softer terms.

But lending alone will not suffice. Aid must be expanded after years of decline. Developing countries need significant increases in financial and other contributions. But even internationally agreed targets are far from being met. The 0.7 per cent GNP target, reiterated at the summit of the seven major western industrialized nations, now must be followed by concrete commitments by all major donors. Additional resources must be forthcoming for projects that aim at sustainable development.

Aid and lending efforts are essential. In the longer term, measures to secure increased income from commodity exports and the abolishment of protectionism in international trade are equally important. Real commodity prices have never been so low since the 1930s. A growing number of developing countries are making notable success in expanding into manufacture and high technology. But the basis for diversification must be provided by a fair income from the traditional and current exports. We need to consolidate and improve commodity agreements and establish new ones.

UNCTAD has been dealing with these issues for more than two decades. The negotiations which will take place in UNCTAD, in GATT, the World Bank and the International Monetary Fund, regional development banks, UNIDO, UNDP, WHO, and FAO, to mention some very key agencies, will be at the core of the process of change that we call for. Sustainable development must become a goal and a guideline for international cooperation. Sustainability criteria must be integrated into policies and programmes.

In the light of recent debate about our report, where scepticism came out about the implications of what some conceived as new conditionality as an underlying element, it is necessary to underscore some important elements of the Commission's thinking.

It is more than understandable that it would give rise to considerable resentment if environmental assessments of international organizations and other aid agencies were conceived as imposing yet another tier or

pretext for delaying or cutting aid flows. I emphasize very strongly, therefore, that the Commission was quite emphatic in coupling its demands for a higher quality of more environmentally sensitive aid with increased aid flows, and wider international economic exchange. Developing countries will evaluate their own needs and define their own priorities. External conditions must be designed to allow them to make choices that will keep options open for the future.

I have a clear impression that the World Bank is looking at its own structure and capacity to be able to take on this challenge. It is a challenge that it should be given by the international community. What is needed is the bridging of the knowledge and experience at the grassroot level in many countries with the broader economic assessments of the institutions of the Bretton Woods system. The integration of sustainable development into the various organizations must come in response to hopes, expectations and priorities of the developing countries.

Policy adjustments are needed that allow the developing countries to grow at rates far beyond the present. This will have consequences for many important sectors.

The impacts of agricultural policies are examples of the world-wide interlinkages. The Commission calls for a shift in global agriculture production patterns to where the demand is. The production of enough food to feed a doubled world population is within reach. The real problem now is securing access to food for those who need it and ensuring environmentally sound agricultural practices in all countries.

Therefore, northern subsidy-driven agricultural production systems must be reconsidered. Much greater resources are needed to promote sustainable agriculture in the Third World, using techniques adapted to local conditions. The income of the small subsistence farmer must be a common objective.

The fuelwood crisis is a reality with which hundreds of millions of people grapple. The only solution in many areas is to launch vast afforestation campaigns involving people more strongly in the process. Policies, including industrial and trade policies, must be adjusted to treat trees as a subsistence crop.

The role of women is crucial. In many countries they are the ones who have to meet the daily needs for food and fuelwood. They are the ones who first of all suffer the consequences of agricultural conditions and forestry practices and who have to work even more hours to provide for their families.

An important priority is to slow population growth. It is difficult to see how a disastrously declining living standard and further deterioration of the environment can be averted if present trends continue. However, there is no short-cut to lower birth rates. Population strategies must deal with the underlying social and economic conditions of underdevelopment, and must be based on improved health service and education. In many countries little can be done until the status of women is raised, their economic contribution recognized and their literacy increased. Only in a world which is safer and which gives the poor more self-respect and hope for their future, will they have real choices, including the choice to limit the size of their families.

But the population issue is not one of numbers alone. It is also one of consumption patterns and lifestyles. We know only too well how some people - many of them in the North - use the world's resources at rates that cannot be sustained, while hundreds of millions consume far too little.

Energy is of vital importance. The Commission recognizes that developing nations will require far more energy, while the industrialized world must aim at stabilizing and reducing its consumption. Energy efficiency must now become the cutting edge of national strategies. Still energy efficiency is not a final solution. No present mix of energy sources is available today that are dependable, safe and environmentally sound. Large scale research in renewable energy and transfer of energy technology to developing countries is imperative.

The Commission advocates a full integration of environmental considerations in economic decision-making, at all levels, public and private. Environment and economics are not in contradiction but should be seen as mutually supportive allies. We must break away from our traditional sectoral approach. Sectoral organizations tend to pursue sectoral objectives, and to treat the impacts on other sectors as more or less irrelevant for their own. Sustainable development requires that such fragmentation be overcome.

We must attack the problems at their source. We must clearly recognize that the policies of sectoral ministries such as Ministries of Finance, Industry, Energy, Agriculture are the ones that determine the state of the environment and consequently our options for the future. Sustainable development objectives must be integrated into the goals of all branches of public administration as well as the legislative bodies.

A new deal in international cooperation is equally called for. The process of integration must also take place at the global level. International organizations must be made responsible and accountable for ensuring that their policies support sustainable development.

Our hope is that the United Nations and the Secretary General will provide guidance and leadership and that the coming General Assembly will respond responsibly and constructively to "Our Common Future".

The report from the World Commission on Environment and Development is - above all - a strong call for renewed international cooperation. At this juncture, where multilateral cooperation, particularly in the North-South field, is at a low ebb, we need countries or governments infused with a moral vocation which goes beyond pursuance of narrow-minded national interests. The time has come to restore the credibility and authority of the international institutions we have created.

Mutual interests bind us all together. The interrelationships between national actions and their international implications are becoming all the more obvious. The environment respects no boundaries. We cannot act as if it did.

I have little doubt that as we approach the twenty-first century, our perceptions of the future will increasingly cease to be defined essentially in national terms. The stability of human progress will depend on our realization that we are all neighbours on a fragile planet and that 'OUR COMMON FUTURE' depends upon how we subordinate our separateness to our oneness.

Mr. President,

Your conference will during the next three weeks deal with many of the crucial issues that the Commission has taken up. The setting is urgent. The development crisis is real. UNCTAD and the whole international community are at a cross-roads. Business as usual will not do. We must all join forces in a new partnership between North and South in the fight against poverty and for a sustainable development. UNCTAD VII could make a fresh start for invigorated multilateral cooperation. Following a decade and a half of stand-still and even decline in our ability to jointly address the real and crucial issues of our time - the time has come to act together. Thank you.

NOTE EMBARGO