

Prime Minister
Gro Harlem Brundtland

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Keynote Speech
Opening Ceremony

This is my first visit to the beautiful city of Prague since the peaceful revolution two years ago. It is a privilege to be here and to meet those people who brought about the changes in this country, - that is the political leadership of the free Czech and Slovak Federal Republic, and not least the people of Czechoslovakia itself through all of you who are present here today. I am also glad to see representatives from other new democracies in Central Europe with us here today.

You represent that democratic spirit which could never be extinguished in a country which is so much part of our common European heritage. And we are gathered here to discuss themes vital for our common future, not only for Europe, but for the future of life on Earth.

A changing Europe

The old division of Europe has gone, and a new order of peace is being built. The level of armaments is being greatly reduced on both sides. Through the far-reaching proposals made by President Bush only two weeks ago for withdrawals of battlefield and short-range nuclear weapons and the quick response by President Gorbachev, the danger of a nuclear conflict between East and West has been significantly diminished.

Today our task is to build new structures for cooperation in Europe which can enable us to multiply the ties between old adversaries. We must make interdependence an instrument for peace. Through the expansion of political, economic, cultural and other ties, we must create a common web of concerns that will make new conflicts in Europe unthinkable.

Peace, democracy and human rights are necessary preconditions for a new European order. Through the CSCE process, we have already laid the foundations. It is a fitting tribute to the people and leaders of Czechoslovakia that the secretariat of the CSCE process has now been established in Prague.

Sustainable development

But the efforts to achieve a new order in Europe also must

address the issues of economic growth, unemployment and of ecological degradation. This must be done in a situation where the old way of managing economic development, through national decision-making, is rapidly being overtaken by the process of internationalization.

The World Commission on Environment and Development called for a new era of economic growth. We believe new and equitable growth is necessary to combat the poverty and devastation that is deepening in much of the developing world. Similarly, economic growth is necessary to stop the increase in unemployment that we now see in many countries in Europe itself.

But this growth must be based on policies that sustain and expand the environmental resource base. A perpetuation of the present style of growth is clearly not sustainable. The concept and quality of growth must be changed. Progress must be measured and kept within the parameters defined by the carrying capacity of nature.

To achieve the transition to sustainable development, we must focus on the positive incentives for change. This is a challenge for all governments, but it will be particularly important for economies which are in transition. We need to find the right mix between government regulations, government incentives, and industry's self-control and corporate strategies.

There is today a growing recognition of the important complementary roles of the public and private sectors in development. Support is rising for a more market-friendly approach to development. The market can help us to ensure a better balance between supply and demand, to enhance the efficiency of production and to achieve a more decentralized distribution of goods and services.

But the market requires a legal and regulatory framework that only governments can provide. The war against hunger, disease, poverty, or ecological degradation cannot be left to the market to fight.

Governments must establish the framework conditions that can accelerate the development and dissemination of environmentally benign technology. Market mechanisms must be adjusted so that prices reflect the true environmental costs of what we do and what we consume.

Sustainable development is the only viable strategy for global change - an imperative to save our common future. It means that we must integrate ecological concerns into all levels of economic decision-making. We must change the way economic decisions are made, nothing less.

President Havel strongly underlined this point in his opening speech to the Conference "Environment for Europe" in Dobris Castle in June of this year. That conference marked a major initiative by President Havel and Environment Minister Vavroucek

to bring the countries of Eastern, Central and Western Europe closer together in the formulation of a common European environmental programme. This programme must now be followed up.

Financial resources

We all know that access to capital is essential. In Central and Eastern Europe, there is an enormous need for new investments.

The governments of Western Europe must give concrete and substantial assistance to this transition. Through the establishment of the European Bank of Reconstruction and Development, we have established a funding mechanism. The Nordic countries have established a Nordic Environmental Finance Corporation as an additional instrument to this end.

The cost of rehabilitating the natural environment from the long years of abuse and neglect will be very high, much higher than what can realistically be met by public budgets alone. Huge private investments will be needed. But in a global economy, investments will be directed to where the prospects for return profit are best.

What we now need are common rules that influence market forces so that what makes sense economically also makes the best sense environmentally.

The private sector often finds itself squeezed between the need to respond to environmental demands and short term profit objectives. The urge to maintain a competitive edge often works against the environment in an international economy where competitors may be subject to more lenient requirements. Consequently, the ground rules for economic operators must be determined in a wider geographical context.

Unless we are able to develop new approaches to merge environmental and economic concerns, we risk stagnation. The whole process of change is at risk.

The strategy of the past has so far favored uniform percentage reductions of emissions from each country. The reductions achieved through such traditional approaches are not sufficient. We have actually applauded smaller reductions than we would have obtained if the best available technology had been used, or if our efforts had been better targeted.

What we now need is a new partnership in a new generation of environmental agreements. In the current negotiations on a world climate convention, Norway has proposed an approach based on a cost-effective implementation of the targets set to limit global emissions of greenhouse gases. The parties to the climate convention should be encouraged to implement its provisions individually or in cooperation with other parties. This would encourage investments in countries where significant reductions could be achieved at lower costs than in high-cost countries. It would tap new sources of capital, encouraging the private sector to take part.

At the regional level, we should also seek new strategies to reach effects-oriented and cost-effective agreements. We know that the marginal costs for cleaning for instance SO₂ emissions are substantially higher in Norway, where significant reductions have already been achieved, than in Central Europe. We should therefore aim for agreements promoting differential obligations where more of the reductions needed can be achieved in Central and Eastern Europe. This would mean substantial benefits both environmentally and economically compared to agreements based on equal percentage cuts for all countries, disregarding the starting point.

Bilateral cooperation will continue to be necessary. In my own talks with President Havel and Prime Minister Calfa today and tomorrow, we will continue to explore possibilities for new cooperation between Norway and Czechoslovakia. We have already initiated a closer cooperation on environmental issues, through the bilateral agreement signed in February this year. During president Havel's visit to Oslo in May, we agreed to establish a forum for energy and environmental issues which will be an important framework for future cooperation.

Energy

Energy is at the core of most environmental problems. The use of energy cannot be substituted in the same way as certain chemicals. Take for example the problem of substances which deplete the ozone layer such as those regulated by the Montreal Protocol. It is possible to develop new chemicals or new technical solutions to some environmental problems through new technologies. What remains is the dissemination of the technology. Certainly this can be difficult or costly, but it is doable.

Environmental problems related to energy are entirely different since all activities require energy in one form or another. We have yet to find technological solutions to the energy problem which are also sustainable.

The need for energy will increase in the future. A doubled world population, which may be a reality some time in the next century, will require more energy. That is why we will have to use energy more efficiently and to increase research in energy in order to harness more environmentally benign sources of energy.

But this is unlikely to happen if the prices of the most polluting energy sources are low. The situation today is that energy prices are generally misleading. Some of them are even subsidized. They do not reflect environmental costs, nor do they reflect scarcity of resources.

The big questions are: How can we speed up the development and dissemination of energy-saving technology when current prices encourage business as usual and when increasing prices on imports encourage the use of more polluting domestic sources, such as lignite, in many countries.

The ongoing changes in Europe entails opportunities to make quantum leaps forward. There are no single solutions to the European energy problems. International organizations, governments and the private sector all play critically important roles.

We need an international framework which can support rapid changes and which will make investments in the energy sector attractive. The Prime Minister of the Netherlands has proposed a European Energy Charter as a common European framework for energy activities. This autumn, the countries of Europe are meeting in Brussels to negotiate common rules that will facilitate energy supplies and efficient uses of energy. It is necessary that the Energy Charter also has a strong environmental pillar.

All countries must recognize that energy, economy and environment are inextricably linked. Economic restructuring and efficiency improvements in the energy supply of Central- and Eastern European countries will significantly lower abatement costs of air and water pollution in Europe as a whole. We now have a chance to bypass several generations of old, polluting technologies in Europe. We must seize this opportunity.

Public participation

One important lesson was restated during the dramatic events in Eastern Europe, that it is not possible to maintain order by power and suppression. The new world order must be firmly based on public consent and political participation, not on passivity or alienation.

People must have a right to information about activities which affect their environment or their health. People must have a right to participate in democratic decision-making and to speak up when their interests are trespassed upon.

All sectors of our democracies must take part in the effort now needed. Sustainable development requires true participatory democracy. If implemented, it will strengthen our democracies.

One of the most encouraging signs in the preparations for the UNCED is the tremendous response from the independent sectors of society.

Environment and development groups, industry and business leaders, trade unions, local authorities, religious and spiritual groups, indigenous peoples, women and youth are holding summit meetings to prepare inputs for the Earth Summit in Rio. This series of important Public Forums, organized by the Centre for Our Common Future together with locally based organizations, and involving grass-roots organizations from all regions of the world will converge in a Global Forum in Rio next June - in a massive declaration of public interest in what governments are doing, or not doing. Equally important, these groups will not only present demands to governments, they will also tell the world what they are doing themselves, as concerned partners in the efforts to

save our common future.

Governments cannot do the job alone. Partnership, participation and pressure from the people are the requisites of change. Therefore, it is so vital that people use their democratic freedoms. We should not sit idle and let others make decisions for us. An active and informed population is the best line of defence against environmental degradation. So I say; take care of our common interests. Don't be sure that others will do it for you.

Global governance

We must deal with problems at the level where they occur. To deal effectively with global problems we need a stronger United Nations.

We need to establish stronger international authority to ensure more effective implementation and monitoring of environmental rules. We need global policies in which environmental concerns are integrated into the global economy. We need to develop an international public sector based on existing institutions which must be able to act forcefully and consistently.

The time has come for Europe to rise to the occasion and to play a more important role in world politics. For centuries, Europe was a laboratory of ideas which later has become the common property of all nations. Democracy, human rights and fundamental freedoms originated in Europe. The future prospects for those ideas have never been more promising.

I am convinced that Europe - East, Central and West together - has an important mission in the world society of the 21st Century.

We have the opportunity to show the world that previous rivals can cooperate, that we have made war and armed conflicts obsolete on our continent.

We can show the world that economic well-being for all citizens can be ensured without destroying our natural heritage, that we have started to rehabilitate our environment rather than continue destroying it.

Last, but not least, we must not separate interdependence in Europe from interdependence globally. We should never forget that the poorest in the poor countries also have a key to our common future. These are the ones that are now looking towards developments in Europe, wondering whether all new financial resources will be channeled to this continent, whether they will again be the losers in the competition for resources and technology.

We can show the developing world that we are their allies and not their rivals in the efforts to achieve sustainable development. We must make sure that agreements on the key issues for sustainable development are reached before Brazil. We must show

the world that Europe is in the vanguard in the global efforts to save our common future.