

Chapter One

ENVIRONMENTAL POLICY IMPLEMENTATION: THE NATURE OF THE PROBLEM AND SOME DIFFICULT QUESTIONS

This book tells a story about the complexities of trying to protect endangered natural resources in developing countries. It describes why efforts originating in nations of the "north" to protect natural resources in the countries of the "south" often fail, and what can be done to improve such efforts. It offers concrete solutions to address the political, economic, and cultural complexities that underlie large-scale environmental problems.

We are all too familiar with the vivid image of giant fires destroying the rainforests of the Amazon, fires that can now be seen by astronauts circling the globe. We have heard the cries of endangered animals such as the panda and the cheetah, archetypes of a simpler and wilder time. We know that polluted water, air, and land is damaging human health and natural ecosystems worldwide. These types of problems, which seem impossible to solve, comprise an environmental crisis of truly global dimensions.

While significant environmental problems exist in all parts of the world, this book deals with solving these problems as they affect the developing world. This is because the puzzle that needs to be unlocked to resolve environmental problems in the developing world

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is exceedingly complex, due to the interplay of international and national politics, culture, and economics. If this puzzle can be better understood, it will reveal valuable lessons that can be used to address environmental problems in both developed and developing nations.

In response to the environmental crisis that exists in most of the developing world, environmental groups in the United States and Europe have pressured their own governments to force international development assistance agencies, including the World Bank, the U.S. Agency for International Development, and the Inter-American Development Bank, to reform their lending practices to protect limited natural resources. New laws have been adopted, policies written, regulations introduced, and professional experts sent abroad to implement them. Although some successes have occurred, these efforts have generally not worked. As a result, limited natural resources that are under severe pressure to feed fast growing populations, pay off foreign debt, and improve the standard of living continue to be mismanaged.

If this trend continues, there may not be enough natural resources left to provide for the future economic and political stability of developing nations. This in turn could lead to tremendous economic burdens on industrialized nations as international markets for their goods and services shrink or, in the worst cases, are eliminated, requiring cash subsidies from developed countries that are already strapped for capital because of the worldwide recession of the early 1990s.

This dilemma raises a number of questions. Why are limited natural resources being destroyed so quickly, and why are they not managed more effectively? What special interests prevent natural resources from being preserved, despite tens of millions of dollars spent each year by a plethora of environmental groups, and major pro-environmental initiatives of the donor agencies.¹ Can the developed nations effectively promote environmental protection among the nations of the developing world, given the basic cultural, political, and economic differences that divide them?² Should industrialized nations exert economic and political pressure on developing countries to protect resources perceived as part of the global commons? The purpose of this book is explore these and other issues.

In the Caribbean, which is the focus of this study, major fisheries are being depleted, fresh water supplies for entire communities polluted, reef systems destroyed, forests illegally cut, and large stretches of coast eroded away because of overdevelopment. Large development projects, funded by the same donor agencies that es-

pouse environmental protection, displace local villages and fail to create the economic opportunities promised. Experts question whether the current rate of development can be sustained in the long run, given the environmental problems that are surfacing. This situation is not unique to the Caribbean; on the contrary, the Caribbean seems to be representative of what has happened, and what can happen, in South America, Asia, Africa, the South Pacific, Eastern Europe, and Eurasia.³

THE COMPLEXITY OF ENVIRONMENTAL POLICY MAKING

While national and international policies created to stem the tide of environmental destruction in developing countries often fail, I believe that the policy-making process can be improved. I believe that environmental policies targeted for developing nations, especially those policies initiated by donor agencies and environmental groups in industrialized countries, simply do not show an understanding of three key components of the policy-making process, and how these components interact. The components of policy making that need to be better understood are the negative effects of the closed policy-making process, the critical role of local and national culture in decision making in developing countries, and an excessive dependence on United States-style economic growth.

The closed nature of environmental policy making, both within donor agencies that sponsor large-scale development projects and within the governments of countries where projects are built, promotes a distinct anti-environmental bias. Special interest groups influence national political leaders in developing countries and donor agencies' senior officials, who are usually political appointees, to promote economic growth even when it is well known that severe environmental damage will result. This mutually reinforcing behavior between senior officials in donor agencies and national political leaders underlies a system that often promotes foreign investment at any environmental cost.

Environmental protection policies that originate in donor agencies, consulting firms, and environmental organizations in developed countries are grounded in a Eurocentric world view that promotes misconceptions about how individuals and institutions in the developing world think and act. An overemphasis on large-scale, United States-style economic development strategies creates projects that most countries cannot sustain because of the sophisticated

technologies and continuous expenditures of capital required to keep them operating. By themselves, these components each have a great impact on the way international environmental policies are created and implemented. If any one factor is not understood it can spell environmental disaster. If all of these factors are not understood, as is often the case, limited natural resources are depleted and destroyed despite well-intended policies and laws that have been adopted to protect them.

In the remainder of this chapter, I will describe in more detail what kind of environmental problems result from failures in the policy-making process. I will then define in more detail what the key components of international environmental policy making are, and how they interact to enforce the pattern of environmental destruction. I will describe why a more open public policy process is needed to protect limited natural resources. Finally, I will explain why I chose the Caribbean as the focus for three case studies of failed environmental policy making, how the problems in the Caribbean apply to all developing countries, and the methods I used to create the case studies that are presented here.

SOME COMMON NATURAL RESOURCE PROBLEMS IN DEVELOPING COUNTRIES

The nature and extent of environmental problems in developing nations is well documented.⁴ How shortcomings in the policy-making and policy-implementation process allow these problems to occur is not as well understood. But before the major obstacles to an effective environmental policy-making process are presented, I would like to review some of the major environmental problems that developing countries experience.

Population growth is one root cause of environmental problems in the developing world. World population growth increased to an annual rate of 1.9 percent between 1950 and 1955, compared to .8 percent between 1900 and 1950. The majority of population growth now occurs in developing countries in Latin America (including the Caribbean), Asia, and Africa. These regions accounted for 85 percent of the growth in world population between 1950 and 1985.⁵ Although some effects of population growth can be accommodated with scientific innovation such as more efficient agricultural production, the demands on scarce natural resources are always increased when population grows.

Coastal marine ecosystems, which are a major source of protein in the form of fish harvested at ocean fisheries for many developing countries, are being depleted in many regions of the world. Coral reefs, mangrove ecosystems, estuaries, and lagoons, which serve vital roles in the life cycle of many marine species, are all being depleted. Some species are being overfished, while others are permanently displaced by ports, harbors, and industrial facilities. Inadequate waste disposal systems result in polluted near-shore waters, which harms marine life. Sand mining for cement production, and construction of tourist resorts and housing on beaches, result in coastal erosion and destruction of the near-offshore habitat needed to support local fisheries.⁶ This trend appears especially serious given that the world fish catch increased from 21 million to 66 million metric tons between 1950 and 1970, an annual growth rate of 6 percent, but then slowed to less than a 1 percent annual increase after 1970, apparently the result of overfishing.⁷

Destruction of tropical forests causes local impacts on soils, water quality, fisheries, and wildlife, and contributes to regional and global problems as well. Slash and burn agriculture, cattle ranches, large mining operations, charcoal production, and programs to resettle communities commonly lead to deforestation. Deforestation leads to at least two major environmental problems. First, destruction of large areas of tropical forests, particularly in South America and Asia and Africa, is causing a loss of biological diversity. Scientists are finding that the ecology of tropical forests is based on a delicate and complex set of relationships among the plants and animals that have evolved in the moist tropical environment. It is not merely the immediate physical destruction of the forest, which causes erosion of thin tropical soils and a permanent loss of fuelwood, that concerns scientists; rather, the loss of biological diversity in tropical forests is the primary concern. Fifty percent of earth's life forms live in tropical forests, and of these 8 to 10 million species, only 1.5 million have been named.⁸ According to leading scientists such as E.O. Wilson, this barely tapped biological reservoir may, and almost certainly does, contain cures for cancer, heart disease, and other human maladies—cures that could be refined and sold to the world's population. Thus, the loss of biological diversity represents potential immense long-term economic losses for both developed and developing nations.

The second major environmental problem associated with deforestation is a worsening of the global Greenhouse effect. Burning trees produce carbon, which is dispersed into the earth's upper at-

mosphere, adding to carbon loading and contributing to global warming. The precise contribution of deforestation in the tropics to the Greenhouse effect is not known, but it is known that carbon loading in the atmosphere is increasing. Other effects of deforestation include alteration of the hydrologic cycle, which has changed rainfall patterns in several areas, changing a moist landscape to one that is arid and barren of water. This in turn affects the ability of regions to support irrigation practices for agriculture, displacing communities, forcing migration to urban megacities that have their own problems resulting from rapid population growth.

Desertification is another major environmental problem in developing countries. Alteration of local microclimates has also been related to desertification. Desertification commonly occurs when local water and soil resources are mismanaged due to overly intensive agriculture practices. Productive land is converted to wasteland due to overcultivation, overgrazing, clearing of forests, and irrigation practices that leave behind deposits of salt and heavy metals that denitrify the soil. In Africa alone an estimated 6.9 square kilometers of the sub-Saharan region, an area twice the size of India, has characteristics that make it ripe for desertification. Large scale irrigation projects that convert large blocks of marginal soils to new farmlands, based on the U.S. and European model of industrial agricultural production, have contributed to this problem.⁹ Large-scale agricultural operations also tend to create agricultural industries that produce one type of commodity, such as groundnuts in Africa or bananas and sugar in the Caribbean and South America. This monotype agriculture is generally easier to manage as it requires uniform production techniques, but at the same time it makes countries dependent on single export commodities subject to trade restrictions and international competition, something that the sugar and banana industries constantly face.

Other serious environmental problems typically found in developing countries include pollution of fresh water supplies from poor sanitation practices and disposition of pesticides and fertilizers from agricultural operations. Poor land-use decisions, resulting from a lack of trained planners and clear land-use guidelines, allow landfills and industrial facilities that generate water and land pollution to be located close to urban communities. In addition to land-use practices that degrade limited natural resources, a dependency on particularly large-scale projects can cause substantial environmental damage.

Examples of large projects that can damage natural resources, because of their immense size and physical impact, are the Polonoroeste Project in Brazil, the Sardar Sarovar Dam in India, and the Pak Mun Dam in Thailand. The Polonoroeste Project was initiated in 1982, funded by a \$500 million loan from the World Bank to Brazil. The project had several objectives: to pave Highway 364 along Brazil's northern border in the state of Rondônia, which transported 200,000 migrants to the rainforested interior in 1985; the construction of several dams for generating electricity; and promotion of new cattle ranching, mining, and cash-crop farming. Areas that had been slated for environmental protection, based on consultants' reports that fragile soils would not support intensive agriculture, remain unprotected, and are being developed by impoverished migrants. Indigenous Indians in the region have been placed in conflict with newly arrived miners, farmers, and ranchers, and also lack adequate protection.¹⁰

The Pak Mun Dam in Thailand, to be financed by the World Bank with a \$55 million development loan, was slated to start construction in 1993. The dam will flood farmland and destroy fisheries that are used to feed local communities. It has been estimated that 20,000 villagers will be negatively affected or displaced by the dam; in March 1992 a petition signed by 12,000 villagers protesting the dam was presented to Bank officials. In May 1992 800 villagers met near the dam site to protest its construction and to rebuild a religious shrine that had been destroyed by French contractors. Farmers who are being required to resettle away from the construction area refuse to leave, believing that the land in the resettlement area is not suited for cultivation.¹¹

The Sardar Sarovar Dam in India is funded by a \$450 loan and credits approved by the World Bank in 1985. The dam, under construction, will forcibly displace 90,000 residents of rural communities. Eight basic environmental studies that were to be completed by 1985 as a precondition for the dam have not been completed.¹² While the Bank has established a special Independent Mission to review the project, and has budgeted a \$150 credit towards protecting the Narmada River watershed where the dam is located, the projects' sheer size will permanently impact the natural and cultural resources in the region. In short, this type of massive capital improvement projects, which also take the form of highways, airports, pipelines, refineries, and industrial plants, cause their own widespread environmental damage. These projects, which are intended to

and often do provide some economic benefits, create a entire new class of environmental problems. The physical environment is degraded or destroyed, boom and bust communities are created that do not provide for sustainable long-term economic growth, cultural traditions and values are lost, and special local knowledge of natural resource trends and conditions, essential to creating environmentally sustainable development strategies, is neglected.

There are several reasons why this pattern of environmentally damaging projects has emerged. Under the best of circumstances, when abundant renewable natural resources, trained personnel, and the political will to develop environmentally sustainable projects are available, such development is still extremely difficult to do. Even if development planners go through all of the steps to design an environmentally sound project, the effort to transform these ideas into concrete action in countries with political systems that tend to be closed, blocking key parties from participating, requires a high degree of innovation and accountability that usually does not exist.

Decision making processes that create and implement both environmental policies and development projects are closed. Leaders in developing countries with a relatively short history of democracy and sovereign government, and top officials in donor agencies who depend on lending money to advance in their careers, collaborate to keep control of decision making. They perceive that they will lose control, power, and prestige if they allow new pro-environmental interests to have a real voice in the development and policy-making process. Hence, environmental laws and policies, and conditions attached to projects to protect natural resources, often remain ineffective and unenforced. Long-term environmental and economic stability is traded for short-term political control and economic gain. As a result, economic development and environmental protection are pitted against one another, instead of being framed at the policy level as two parts of an integrated, sustainable planning and development process.

Because of this single-purpose planning process, which values perceived short-term economic benefits over long-term natural resource management, other critical elements of a sustainable development process are also left out or undervalued. Unorganized interest groups, called stakeholders, such as local non-governmental organizations and resource users and producers, are left out. These parties often possess special knowledge about two key elements of the environmental planning process; the status of local ecosystems, and how they are affected by a range of human actions, and

how the local political system operates. Cultural attitudes and traditions that drive human behavior, communication, and interactions with the natural landscape are not understood or seriously considered by decision makers.

To understand the human and institutional shortcomings in environmental decision making, one must first reflect on the benefits of open decision making in a society. What elements of open, more democratic decision making are important? Does a more open environmental decision-making process lead to policies that protect resources? Are public institutions capable of responding to the need for more open decision making? A brief review of democratic theory, and how a democracy attempts to account for different viewpoints, will help start to answer these questions.

DEMOCRATIC DECISION MAKING: INDIVIDUAL AND INSTITUTIONAL BEHAVIOR

The traditional principles of democratic theory are based on the idea that all citizens should participate actively and meaningfully in the decisions their governments make. James Q. Wilson describes three kinds of democratic political systems. The first kind of democratic system is one that serves the "true interests" of the citizens, with their direct participation, or indirect participation through government. This is admittedly a broad definition of democracy. The second kind of democratic system is one that approximates Aristotle's "rule of the many," which occurs if all, or most, citizens directly take part as policy makers or elected officials. The third kind of democratic system is one where political leaders dominate competitive struggles, commonly known as elections, and win the right to represent the citizens, and make decisions on their behalf.¹³ While this form of governance, also called representative democracy, is the closest to the contemporary expressions of democracy found in modern societies, several critical factors influence how this method of decision making works, and whose interests are served.

Within representative democracies public policy decisions are made by elected officials, supported by public institutions such as a ministry or office of the executive branch. These public institutions are generally staffed by career civil servants or bureaucrats who are responsible for two key elements of the public policy process, policy design and policy implementation. When a government is initially considering whether to adopt a new policy, career civil ser-

vants are often responsible for formulating a set of alternative policies for political leaders to choose from. Then, when the political leaders choose which policy to adopt, civil servants are responsible for designing an administrative mechanism—which can be a new program, project, or set of guidelines—to implement the policy that was chosen. However, public policies are seldom designed and implemented in such a clear and consistent manner. This is because of the relationships within bureaucracies and between the bureaucratic institutions and individuals who run them.

A top layer of officials in the bureaucracies is typically staffed by non-career political appointees. These senior officials typically turn over every four to six years, depending on the frequency of national or state elections, when their political bosses are elected or re-elected. It is important to understand the significance of this layer of top political appointees. Individuals in these top positions tend to be very influential in policy making, as they have personal access to political leaders. So, while in an ideal world citizens first demand a new policy, and bureaucrats develop a series of policy options and political leaders choose the best one, this rarely happens. Rather, special interest groups, combined with a variety of other influences, exert pressure on political leaders to create policies that will serve their own needs.

Interest groups are only one of the influences on the policy-making process, but they are a significant one. Representatives of interest groups influence policy making at many levels, including how laws are designed, ratified, and implemented. This influence takes many forms, including the appointment of senior officials in bureaucracies, who in turn influence the policy-making process on behalf of their special interest clients, who may have contributed time, staff, and energy to help elect the political leaders who appointed them. These close relationships among special interest groups, political leaders, and political appointees within bureaucracies have been called “subgovernments.” But I believe that this special relationship between individuals and institutions of power is more than a subgovernment, and constitutes an interest group of its own.¹⁴ This is especially true of governments that are young and lack democratic traditions, as is often the case with developing countries that have been independent of their former colonial sponsors for a small part of their history. In these countries, the influence of this government interest group is magnified for several reasons.

In most developing countries, national policies are set by a small group of political leaders, supported by their senior civil ser-

vants and political appointees. This is especially true in countries that have adopted parliamentary systems of government, most commonly modeled on the British system. Many scholars and practitioners who work on environmental policies in developing countries do not seem to understand the significance of the parliamentary system in the policy-making process. The characteristics of the parliamentary system of governance are rarely, if ever, mentioned as a major contributing factor to failed environmental policies.

Within a parliamentary system the prime minister is selected to be the head of the national government by fellow members of parliament. The members of parliament supporting the selection of the prime minister are generally all from the same political party. This is not always true, as on occasion the majority party lacks a real majority, and must join with a minority party, or parties, to form a coalition government. However, coalition governments seem to be much more common in industrialized nations, which tend to have more sophisticated electorates. The prime minister then chooses various fellow members of parliament, who have just elected him or her as head of government, to be members of the cabinet. Together, the prime minister and the cabinet make up the national government, now firmly controlled by the ruling, or majority party. The parties, or party, that is in the minority becomes the opposition party and is basically left out of the national policy-making process, reduced to attacking the initiatives of the majority party.

The power dynamics between the majority party and opposition party affects national policy making in two fundamental ways. First, it creates a basic power imbalance between the parties and the citizens they represent. Members of the majority party are clearly insiders; they are consulted when the government formulates new public policies, and the interest groups that helped put them in power are listened to. Second, a strange sort of equilibrium develops between political leaders of the majority and opposition. The majority proposes new policies and the opposition inevitably attacks them, with their only goal being to cause enough damage to become the majority party in the next national election. If the opposition party does unseat the majority in the next election, many of the policy initiatives created by the majority are arbitrarily thrown out, causing great discontinuity in the national policy-making process.

These fundamental dynamics of a parliamentary system of government are exaggerated by a set of social, economic, and political conditions found in many developing countries. The flow of public information is often controlled by a government news ser-

vice, such as the Ministry of Communications, in place of a free press. Political newspapers published by the majority and opposition parties may be the only forum in some countries. Frequently there are no regularly scheduled public hearings to solicit public comment on proposed public policies. In many countries there are no government-sponsored public hearings of any kind. These characteristics of decision making are the opposite of what exists in true democracies: a free press, a government that is directly accountable to citizens, and civil servants that are insulated from political retribution if they disagree with the political leadership.

When these conditions persist, affecting all aspects of national policy making and related decisions, governments are not perceived by those they govern as legitimate. Citizens are not allowed to participate in their governments in an active and meaningful way. Rather, the citizenry realizes how political decisions are being made and knows that its interests are not being represented. As a result the governed lose faith in their government and are alienated from it. The pattern of "insiders" and "outsiders" is magnified and becomes a fixture of policy making.

Large institutions such as donor agencies tend to behave in a similar manner. Top jobs are given to political appointees who routinely overrule recommendations from professional staff, preferring choices that promote the financial and political objectives of the institution. Internal deliberations that debate which policy to adopt are closed to the public, or are not officially recorded. The professional staff grows wary, not wanting to risk opposing those above them. As these tendencies are reinforced through repetition, institutions develop a collective memory that in turn creates an internal tradition for the way that decisions are made. Like the countries they often collaborate with to develop natural resources, whether it is a dam project, a highway, an airport, a redevelopment area or an agricultural project, donor agencies also create and maintain a closed decision-making process. Such a closed process virtually eliminates the wide scope of conflict that effective democracies must accommodate.

When both the countries and institutions largely responsible for establishing the policies and projects that develop natural resources employ closed decision making, they cater to traditional interest groups who possess the most political and economic power. This pattern of closed decision making excludes the opinions and interests of non-traditional stakeholders who have a stake in protecting natural resources. These non-traditional stakeholders include resource users who work day to day with the natural envi-

ronment, such as fishers, farmers, and indigenous communities; environmental professionals within governments and donor agencies; and citizens represented by non-governmental environmental organizations, both foreign and domestic.

This trend of exclusion, which is contrary to the basic tenet of a democratic society, particularly harms efforts to implement new environmental protection policies. This is because environmental policies are among the newest within the policy arena and must compete for political capital and institutional resources with policies that favor economic development. Ministries within governments and departments that are newly created to design and implement environmental policies are at a distinct disadvantage, compared with existing institutions that favor long-standing economic development policies and the interest groups that benefit from them.¹⁵

I have found, and the case studies that follow will show, that closed decision making within developing countries and donor agencies has led to severe environmental damage in the Caribbean. But this pattern of environmental policy making, and the resulting damage to limited natural resources, is not limited to the Caribbean. The mutually reinforcing behavior of top officials in national governments and donor agencies leads to decisions that prevent natural resources from being protected and properly managed. This is because efforts to make and implement environmental policies fail to account for these major elements of policy making: the combined behavior of national politicians in developing countries and of political appointees and senior officials in donor agencies, which causes key stakeholders to be routinely left out of the decision-making process and leaves control with traditional entrenched interest groups; the culture of decision making in developing countries, which is the inseparable link between politics and the local culture and is rarely understood by outsiders; and the dominance of economic policies and incentives that promote large-scale projects that damage natural resources and dwarf efforts to manage these resources on a sustainable basis.

WHY DEVELOPMENT DECISION MAKING LEADS TO ENVIRONMENTAL DESTRUCTION

There are several reasons why the current trend in international development that stresses large projects, immense amounts of

capital, and a Eurocentric planning perspective got started, and why this trend continues. I believe that four basic conditions dominate the process of international development and related environmental policy making and allow this trend to continue. Although the evidence I have gathered to show why environmental destruction is occurring is from the Caribbean, these conditions exist throughout the developing world. The lessons and insights that result apply to the vast majority of developing countries in South America, Asia, Africa, the South Pacific, the Caribbean, Eastern Europe and Eurasia. The first three conditions relate to how national policy making takes place in developing countries.

First, national political leaders often exert near-total control over a closed public policy process. Development decisions are made in private. Stakeholders who have an interest in preserving natural resources and who provide vital services for the society, such as farmers, fishers, herders, foresters, and charcoal producers, are excluded from development decisions. National planning agencies and civil servants are controlled by powerful ministers who believe that environmental planning causes unnecessary delays in the development process.

Civil servants who believe their government has an obligation to reject projects that damage the environment may lose their jobs, and occasionally face even greater risks. A St. Lucian familiar with one development controversy in that country said "Civil servants, when faced with pressure from the political leadership, may bleed inside if they disagree with a development project, but can't speak due to politics, it is too dangerous to their families." Governments respond to the political aspirations of leaders who favor short-term solutions to economic problems and wish to remain in power.

Many developing countries possess unique cultural characteristics that outsiders, such as donor agencies, do not understand. When outside parties attempt to intervene in the political process, which happens when donor agencies introduce new environmental policies as a condition of approval for development projects, they fail to understand the strong influence that culture has on the public policy process. In countries that have a low level of political and economic development, the effects of culture are especially pronounced. The pace of life in countries with tropical climates is slower than it is in continental societies. It takes a long time for new public policies to be accepted, as politicians wish to slowly gauge their effect on the society. People often develop indigenous methods of dealing with political problems, and guard against interference by outside parties, a

distrust born of a long history of political and economic dependence resulting from the intervention of more powerful countries.

Political decisions are made based largely on personal relationships, "person to person" communication, ties within political parties, and patronage appointments. As one man who has worked in St. Kitts for several years said, "Outsiders don't understand the tremendous intensity of politics, everything is political. A large part of the culture is political, intense personal communication is part of culture, and most conversations are political." I call the close relationship between politics and culture the "culture of decision making." If outsiders do not understand this phenomenon, they will not be able to work effectively within the political systems of developing countries.

Decisions to develop limited natural resources are based primarily on economic factors. National policies that strongly favor development have been created to respond to persistent high unemployment, balance of payment deficits, and the need for hard currency to buy imported food, oil, and other necessities. The way that governments have responded to these economic problems conflicts with their own environmental policies, effectively canceling them out. For example, in St. Lucia and several other countries, the cabinet offers financial incentives to outside investors, such as repatriation of profits, waivers of duty on construction materials, and subsidies for infrastructure. These incentives are usually given before civil servants have a chance to evaluate the effect of a project on national environmental policies. The incentives constitute an informal political approval, overriding any environmental policies that exist, preventing them from being implemented. As an official in St. Lucia said, "Cabinet approval of concessions does suggest what government wants, and whose wrath will be incurred if a project is denied."

A second way that economic conditions prevent environmental policies from being effective is the lack of financial incentives to protect natural resources. In most instances, countries have not developed a strategy to implement environmental laws and policies, and part of this void is a lack of economic incentives to promote conservation. Donor agencies that possess the financial resources to establish such linkages also are failing with their environmental policies.

Donor agencies have made some progress in making reforms in their lending programs to protect the environment. But this progress has been piecemeal and generally ineffective. This is because there

are countervailing forces at work within donor agencies. Environmental professionals are few in number in most donor agencies, compared to the number of economists, policy analysts, financial officers, planners, engineers, and administrators. It is these environmental professionals who develop and suggest to their superiors that new and innovative policies are needed to protect natural resources. At the same time, top agency officials, who are often political appointees, seek to complete projects and maintain the flow of development assistance without delay. The top officials generally prevail, with the result that environmental concerns are not integrated into project design and implementation. These institutional problems are compounded because many environmental management practices are new and somewhat undefined.

The donor agencies have other systemic problems as well. Most donors place a strong emphasis on environmental analysis at the front end of a project, but do not give enough attention to how to protect natural resources when it is being built. Since environmental protection depends on the effective implementation of specific measures to protect natural resources, this means that environmental policies are undercut and resources damaged. In addition, several donors delegate the responsibility for implementing environmental policies to countries where projects are located, where governments often lack the resources and political will to carry out environmental protection policies. National political leaders depend on the prestige that large donor-funded projects bring, and exert tremendous pressure to get them approved and built, even though "Projects may be a white elephant, but they are big and look good," as a senior civil servant said in Barbados. By defining development within the constraints of the single-project cycle, the donors have created a system that is biased against the long-term solutions that are needed to resolve complex environmental problems.

METHODOLOGY

This study employs a cross-national comparative case research approach, using information gathered in three Caribbean countries and from international organizations headquartered in Washington, D.C. Several sources of information were used to create the chain of evidence in the cases, including open ended interviews, public and private reports, newspaper archives, and my own experiences living and working in the region. The evidence was then organized in three

ways: an annotated chronology of key events, summaries of the major themes, and lessons that emerged from each case. After the evidence was collated, I refined my major working hypotheses that formed the framework for each chapter.

I encountered some difficulties during the field research, because of the politically sensitive nature of the cases and my participation in policy dialogues that are generally not open to outsiders. All of the cases were extremely controversial, because of the large size of the projects, the political stakes involved, and in two instances substantial opposition to them. I found that it was a major benefit to be in the countries when the controversies were unfolding. Insights into the public policy process were easier to obtain by examining them through the lenses provided by the cases. The specific cases gave meaning to my major themes, such as the role of culture in policy implementation, that would have been very difficult to quantify.

To maintain objectivity, interviews were conducted with people from a variety of backgrounds who represented a wide range of opinions about the relationship of economic development and environmental management. I presented myself as an outside participant-observer, gathering factual data to describe why environmental policies were failing in the three countries. My affiliation as a research associate with the Centre for Resource Management and Environmental Studies at the University of the West Indies, Barbados, gave me the credibility that was required to gain access to the people I interviewed. In most instances this affiliation, combined with my role as an outside observer, was advantageous. It created the legitimacy that was needed for people to share confidential information about how their political systems work.

To gather the information needed to construct the cases, I interviewed seventy-eight people in four countries: Barbados, St. Lucia, St. Kitts, and the United States. Among those interviewed were senior civil servants; appointed and elected politicians; representatives of non-governmental organizations (NGOs); as well as representatives of the three donor agencies involved in the cases, the U.S. Agency for International Development (USAID), the Inter-American Development Bank (IDB), and the Organization of American States (OAS).¹⁶ With follow-up interviews to check facts and keep track of events in the cases as they unfolded, I made more than 100 separate contacts with the seventy-eight parties.

Primary sources in each country received drafts of each chapter, and were asked to check my facts and chronology of key events

for accuracy, and to review my basic propositions, such as the relationship of culture to the public policy process. The resulting comments helped me refine the cases. All interviews were kept confidential, and were recorded by taking notes by hand; I did not use a tape recorder, as I felt it would inhibit the subjects. A few people I interviewed were not comfortable with my role as a participant-observer, but this only happened with a few senior civil servants. Ironically, these people invariably referred me to other people, such as recently retired senior civil servants, who proved to be among my most valuable sources of information.¹⁷

SUMMARY

Limited natural resources are being depleted and destroyed in developing countries at a rapid pace. Efforts by international development assistance agencies, also known as donor agencies, to protect these resources are largely failing. Long-term economic losses for both developing and industrialized nations will occur if this trend continues. Efforts by donor agencies to protect limited natural resources are failing because they do not account for three key factors: the negative effects of the closed policy-making process in both developing countries and donor agencies, the critical role that local and national cultures plays in the "culture of decision making" in developing countries, and the dominance of United States and Eurocentric economic development strategies that cannot be successfully implemented with the shortage of money, staff, and political will in developing countries.

In developing countries, typical environmental problems which are growing worse, include deforestation, overfishing, desertification, pollution of fresh water supplies, and loss of biological diversity. Many environmental problems are also caused by massive development projects, such as dams and highways, funded by donor agencies. In general, environmental policies and laws within both donor agencies and developing countries are not followed because they use a closed decision-making process that favors traditional economic interest groups and leaves out environmental interest groups, including local residents, resource producers, civil servants, and environmental professionals.

This type of closed decision-making process caters to powerful interest groups, including political leaders in the countries and top-level political appointees in the donor agencies that want to main-

tain the flow of investment funds and keep their careers. This exclusionary approach to decision making contradicts all of the basic tenets of a representative democracy. Public institutions in developing countries reflect the political preferences of elected leaders, enforcing environmental laws on a limited and selective basis. This behavior is reinforced in parliamentary systems of government where the majority party through the prime minister and cabinet ministers exert total control over decision making. Large donor agencies develop traditions of decision making that cause top officials to overrule environmental professionals, creating an atmosphere of distrust. The combination of top-level control in both countries and donor agencies causes recent environmental policies to remain largely unenforced, allowing natural resources that are already limited to be further depleted.

I conducted research in several developing countries in the Caribbean, examining large donor-funded projects, to determine why the environmental laws and policies of both the donors and the countries are not enforced. While doing this work I also conducted extensive research into the environmental policies and activities of major donor agencies. The result is three case studies that examine why a highway was constructed in a pristine wilderness area, how a high-tech fisheries harbor was built in a country that lacks the expertise to run it, and how a proposed national park stayed in private hands when a tourist resort was built in the middle of it.

In chapter 2 I describe the three case studies, explaining key events and circumstances in the countries and donor agencies that created obstacles to protecting natural resources. Chapter 3 examines the influence of interest groups on the development process. Chapter 4 shows how local and national cultures, and the cultural differences between industrialized and developing nations, hamper efforts to create stronger environmental policies. Chapter 5 discusses how economic factors can be integrated with environmental policies to strengthen environmental protection. Chapter 6 focuses on how behavior within donor agencies affects their ability to implement environmental policies. Finally, chapter 7 presents a new model for strengthening the environmental planning and decision-making process, in both developing countries and donor agencies, to improve environmental policies and how they are used.