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Introduction

This book is about implementation of environmental policy in developing countries. The book uses the case of protected areas to understand the main institutional obstacles to effective policy implementation and possible ways to overcome them. One key question concerns the role of government in trying to foster economic development and environmental protection at the same time.

Environmental problems in developing countries stem from both economic development and the lack of it. The modern, affluent segment of developing countries consumes large amounts of energy and natural resources and produces waste at a rate similar to that of developed countries. As countries achieve rapid economic growth, these problems tend to intensify. In contrast, widespread poverty causes other kinds of environmental problems, such as water pollution from the lack of sanitation in urban areas and deforestation from unsustainable slash-and-burn agriculture of poor peasants.

Thus environmental protection and economic development are linked but not linearly. More economic development does not necessarily mean more environmental impacts of all kinds, and less economic development does not necessarily mean that there will be no environmental impact. In this context, government has a dual mandate. On the one hand, governments are in charge of designing policies to spur economic development. On the other hand, government is responsible for protecting the environment in most countries, and the way they foster economic development can help or hurt. Nowadays, any development action has an environmental impact, and vice versa, and these

roles often conflict. This book attempts to analyze the conditions under which these mandates can be compatible.

In developing countries, rapid economic development is often the highest government priority. Pressured by low incomes, governments create different kinds of policies to foster economic growth. As a result, development-oriented agencies tend to be politically influential and powerful. They usually receive large amounts of funding to perform their tasks compared with nondevelopment agencies. Environmental agencies and issues, in contrast, often obtain little funding because they are not a political priority or because they involve highly politicized actions, such as expropriating land or restricting development. The puzzle in this book is to understand under what conditions and under what institutional arrangement governments tend to prioritize environmental concerns in their development agenda.

Another question is which institutional arrangement governments can use to implement environmental policies effectively. In the past, policies pursued under highly centralized governments often resulted in failure. Decentralization showed promise as a way to increase government efficiency and accountability. However, most of the literature has tended to look at how to decentralizing government tasks to lower levels of government, instead of examining different ways of decentralizing and whether decentralized governments implement policies effectively. This book focuses on how environmental policies are implemented in a decentralized manner, through decentralization at the same governmental level and in some degree of devolution to lower governmental levels.

The book examines the main institutional obstacles to effective environmental policy implementation in developing countries, focusing on the creation of protected areas. Governments usually fail to implement environmental policies because key implementing agencies lack political support, financial resources, institutional capacity, and coordination at the local level. I am particularly interested in understanding how and why, in some cases, governments have been able to overcome obstacles to create environmentally protected areas.

This research attempts to make several key contributions to the field of environmental policy implementation. First, the book argues that placing environmental protection in the mainstream development agenda seems to be at the core of the solution to try to overcome the obstacles mentioned above. Second, it provides one practical alternative to mainstreaming environmental policies: transferring some of the re-

sponsibilities to implement environmental policies to development-oriented agencies. For example, growing interest in nature-based tourism has stimulated governments in developing countries to create and manage protected areas through development agencies, such as tourism, planning, and urban development agencies. Third, the study "rediscovers" a forgotten form of decentralization in the literature: the "horizontal decentralization" (decentralizing the same task to several agencies at the same government level). This means that several agencies, instead of a central one, may implement the same environmental policies simultaneously more effectively, under certain conditions. Fourth, the study detects the two main conditions that should be in place to make development-oriented agencies to implement environmental policies adequately: the provision of incentives to the implementing agencies to do the environmental job and the existence of an independent system of checks and balances. Fifth, the book provides a framework for analyzing environmental policy implementation based on four obstacles governments should overcome to implement policies effectively: the lack of political support, financial resources, institutional capacity, and/or coordination at the local level. Finally, the book highlights the need for more in-depth empirical studies of implementation of protected area policies. This case study of Bahia, Brazil, shows how the involvement of development agencies in the creation of protected areas was able to overcome several of the political, institutional, and financial obstacles to policy implementation.

1.1 THE CASE STUDY

As in many parts of the developing world, local and state governments in Northeastern Brazil[1]—the most economically disadvantaged area of the country—want to spur rapid economic development. Since the end of the 1980s, this region has adopted tourism as one of its top economic development strategies. Federal, state, and local governments have invested several million dollars in tourism infrastructure and expected this investment to be matched by considerable investment from the private sector. Bahia, the largest of the Northeast's nine states (Figure 1.1), invested heavily in tourism-related projects in the 1990s (Bahia State Government, 1997).

Tourists come to the Bahian coast searching for scenic beaches and dunes and tropical settings framed by coconut trees and picturesque

villages. Together with the region's cultural richness, coastal destinations are some of the most important tourist attractions in Bahia. On the other hand, tourism has exerted a series of negative impacts on the natural environment. These are likely to hinder tourist activity itself and hurt the region's economy if they are not managed well. Therefore, to be success-ful, tourism-related activity in a region like the Bahian coast depends on preservation of the area's natural resources. Local and state governments in Bahia responded to internal and external pressures to increase environ-mental protection while encouraging tourism to expand. To fulfill this dual mandate, the state government of Bahia created a significant number of *environmentally protected areas* (APAs[2]) in the1990s—one type of pro-tected area. Between 1992 and 1998, the number of APAs increased by 1,200 percent, and their area multiplied by 130 (CRA, 2004).
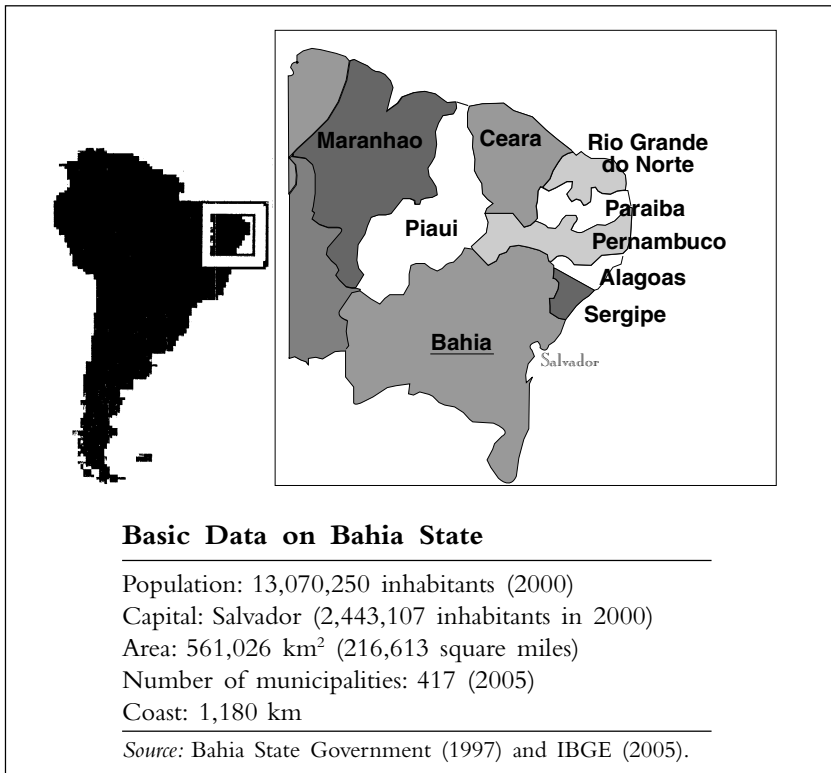

Basic Data on Bahia State

Population: 13,070,250 inhabitants (2000)
Capital: Salvador (2,443,107 inhabitants in 2000)
Area: 561,026 km^2 (216,613 square miles)
Number of municipalities: 417 (2005)
Coast: 1,180 km

Source: Bahia State Government (1997) and IBGE (2005).

Figure 1.1 The Brazilian Northeast and Bahia. *Source:* SUDENE, 1999.

APAs transfer certain development rights from private landowners and municipal governments to a group of actors composed of state and municipal governments as well as members of the local civil society, according to plans coordinated by state agencies. APAs permit the state government and civil society to interfere in matters usually handled by municipal governments, which are responsible for land-use planning. However, unlike areas under stricter conservation guidelines, such as state and national parks, no land expropriation is necessary to create an APA. This means that the financial burden of buying land is avoided, as well as possible conflicts with private landowners.

Especially in the 1990s, the creation of APAs became very common. One push for the creation of such areas was the environmental protection demands of federal and multilateral banks (such as the Bank of the Northeast[3] and the Inter-American Development Bank). For state agencies to obtain large loans from these banks for investment in infrastructure for tourism, the agencies had to comply with environmental requirements. Local governments, developers, and landowners eager to attract private tourism-related investment did not oppose the loss of some of their unfettered development rights, as they saw APAs as protecting their investments. Environmental groups also increasingly influenced public policymaking around the same time, because of the country's democratization process.

In this study, I examine the creation of APAs and the extent to which the government of Bahia was able to overcome the political, institutional, and financial obstacles to establishing and managing them. I explain what organizational arrangement led to the successful creation of APAs at the state level.

This study uses a combination of quantitative data and qualitative information drawn from semistructured interviews with government officials at the federal, state, and local level; local citizenry; members of nongovernmental organizations (NGOs); academics; and developers. As it turned out, I needed to make sense of the stories that took place in Bahia. I pieced together most of this story by talking to officials in the state capital, Salvador, and in the regions affected by the APAs. This story explains how different policy actors interacted to overcome the usual barriers to establishing protected areas. The case shows empirically under what conditions APAs were established.

1.2   ARGUMENTS IN BRIEF

Tourism has become an important economic activity in many parts of the world (WTO, 1999). Improvements in transportation and increasing incomes and vacation time have allowed more people to travel more often to more distant places (Tyler, 1989). Today, most parts of the world can be readily reached. One important feature of modern tourism is the growing popularity of nature-based tourism (Boo, 1990; Honey, 1999). This kind of tourism offers an appealing form of economic activity, especially for developing countries rich in environmental resources. However, the quick disappearance of the natural environment owing to unrestrained development—some of which is due to tourism itself— poses a threat to the sustainability of such activity in places that have just begun to enjoy its benefits.

Government-managed protected areas have therefore emerged as one of the main types of tourist destinations. Besides promoting them as tourist attractions, many governments have relied on protected areas to control land development and preserve rare fauna and flora. In some developing countries, however, public agencies have had difficulty establishing and managing significant numbers of protected areas. This is partly because they lack many of the financial, institutional, and political resources needed to create and maintain them and fend off powerful development interests. Still, some governments have been able to create and manage protected areas.

This study examines why and how some governments have supported protected-area policies and have been able to overcome the political, institutional, and financial obstacles to establishing and maintaining them. I am particularly interested in understanding how the rise of the environmental movement and growing international interest in nature-based tourism can stimulate the creation and effective management of protected areas in developing countries.

In this book, I develop an analytical framework for understanding the obstacles to implement environmental policies, using the case of the establishment of protected areas (see Chapter 3). Based on the literature of protected-area policy and management, I identify four main obstacles to the creation and management of protected areas: the lack of political support, financial resources, institutional capacity, and/or cooperation from local actors. In my case study of Bahia, I use this analytical framework to understand why and to what extent Bahia was capable of overcoming

these obstacles to create and manage a considerable number of protected areas. This research adds to the scarce literature on protected areas in developing countries. That literature mostly provides normative recommendations or descriptive analyses (Ceballos-Lascurain, 1996; McNeely, 1993) of protected areas. The lack of empirical research has made it difficult to understand how protected areas are established and managed in the field, as well as integrated with development policies.

Decentralization of decision making turns out to be key in the story. Had Bahia state government not allocated responsibility for creating and administering APAs to a variety of state and local agencies, it would not have been possible to create such a large number of APAs. Horizontal decentralization allowed an increase in the state capacity for creating protected areas. Instead of centralizing power in the hands of a single state environmental agency (CRA), the government allowed other state agencies to initiate APAs on their own—especially the State Secretariat of Culture and Tourism (Sectur) and the Company for the Development of the Metropolitan Region (Companhia de Desenvolvimento da Regiao Metropolitana, or Conder).

Overall, the effects of decentralization were fourfold, tackling the four obstacles to establishing protected areas examined in the analytical framework in Chapter 3. First, political support for creating APAs grew as development agencies promoted APA policy instead of blocking it. Second, state-level decentralization attracted more funds for environmental protection from alternative sources. For example, Sectur allocated part of its tourism development budget for APA activities under its administration. Third, the involvement of several agencies sparked a competition to create and establish the institutional structure to administer APAs, since in so doing the agencies could enhance their political power and financial resources. Fourth, the participation of development agencies in this endeavor eased the resistance of local governments to state interference in land-use planning, constitutionally interpreted as a responsibility of local governments. Local governments were eager to attract investment in infrastructure, and the involvement of development agencies in APAs raised local expectations of state financial support.

In summary, to become a governmental priority in developing countries, strategies for environmental protection must be reconciled with economic development. Institutions in charge of development should be able to undertake initiatives in environmental protection. Innovative institutional arrangements must be in place to balance the

sometimes conflicting objectives of development and environmental protection. Decentralization seems to be an alternative form of institutional arrangement. However, decentralization should not be conceived as simply a handover of responsibility and power to decentralized organizations. Central institutions must play a crucial role before, during, and after the decentralization process.

Two factors were important in explaining why horizontal decentralization at the state level enabled Bahia to achieve a certain degree of success in establishing APAs. First, although apparently unintentional, decentralization created a system of institutional incentives motivating development agencies to establish APAs. Protected areas were compatible with their development agenda based on nature-based tourism. Second, a system of checks and balances provided oversight for the whole process of development and environmental protection. Both APAs and some development projects needed the approval not only of the state environmental agency (CRA) but also of the state environmental council (CEPRAM), one third of whose members were from environmental groups.

The research findings led to some conceptual and policy lessons. First, policy process should be regarded as one whole process and not divided by stages (such as policymaking, policy implementation, and evaluation). Policymaking can be done effectively only if policy implementation is well understood and analyzed. The framework developed in Chapter 3 of this book can help analyze policy implementation. Second, the literature and practitioners often portray analytical frames in diametrically opposed choices: quantitative versus qualitative research, centralization versus decentralization, top-down versus bottom-up approaches. However, empirical studies have shown that a blending of approaches are necessary in practice and result in more effective policy implementation. The extremes hardly hold good results in practice. Finally, governments should make an effort to integrate environmental policies to the mainstream development policies by decentralizing policy implementation to development-oriented agencies. Environmental agencies should also move from the typical "policing" of other agents to work closely with other public and private actors to find out solutions to make compatible economic and social development with environmental protection.

Layout of the Following Chapters

Chapter 2 examines the relevant literature to understand the role of government in implementing environmental policies in developing

countries. It starts with a debate concerning the dual mandate of governments: economic development and environmental protection. The chapter then introduces debates in the literature concerning institutional arrangements that enable governments to work more effectively. Finally, the main obstacles to implementing environmental policies in developing countries are identified.

Chapter 3 focuses on one of the main environmental management tools that governments can use to minimize the impacts of tourism development: protected areas. I describe the history of the different kinds of protected areas around the world. I also summarize the primary costs and benefits of establishing protected areas and how they are divided among stakeholders. After identifying the four main obstacles to implementing protected-area policy, particularly in developing countries, I then develop an analytical framework based on these four obstacles to apply to the Bahian case studies. This helps to explain how tourism has been a driven force for the establishment of protected areas around the world. The chapter ends by clarifying the general background needed for understanding the situation of protected areas in Brazil.

Chapter 4 analyzes the stories of the establishment of environmentally protected areas (APAs) in Bahia based on the analytical framework developed in Chapters 2 and 3. It investigates how the state of Bahia was able to establish a significant number of APAs with tourism potential in the 1990s by decentralizing APA policy to several state agencies. The involvement of various state agencies prompted them to increase their institutional capacity to handle this responsibility, and attracted funding and political support to both state and local levels. Finally, in Chapter 5 I summarize these results and frame more generally my contributions to planning and policy implementation.