



The Challenge of Sustainable Development in Asia

Report on the 2nd APO World Conference on Green Productivity (Part 2)

The 2nd World Conference on Green Productivity (GP) held in the Philippines, 9–11 December 2002, featured a total of 42 presentations. To accommodate them within three days, the program was divided into six plenary sessions with 18 presentations and four concurrent sessions with 23 presentations. The plenary sessions dealt with the broader issues of sustainable development, while the concurrent sessions focused on specialized and technical aspects of GP. The full program, including the list of speakers and their respective topics, can be viewed at the APO Web site at: www.apo-tokyo.org. This second part of the report on the conference highlights the special message of Asian Development Bank (ADB) President Tadao Chino which he presented at the opening session of the conference and the gist of three presentations selected for their complementary perspectives on sustainable development.



President Chino

ADB to reward positive GP behaviors

President Tadao Chino began his message with the reaffirmation that the ADB is firmly committed to poverty reduction. Asia's remarkable growth, he said, has often been accompanied by resource depletion and environmental degradation. The resulting hazards are causing severe suffering to many Asians, especially the poor. President Chino contended that for economic growth to be sustainable, it must take a different path from the past. To encourage this, the ADB is increasing its assistance to its developing member countries for integrating GP and cleaner production concepts in their development policy and planning. "We believe that such assistance, combined with a strengthened SME sector, will help countries achieve environmentally sound economic development and reduce poverty through job creation and more efficient productivity."

For wide-scale adoption of GP, President Chino advocated the establishment of multi-stakeholder partnerships involving business, government, NGOs, development agencies, research and academic institutions, and local communities to initiate and implement a multitude of actions. The key, he said, is to achieve sustainable development based on shared interests and goals.

President Chino noted that Asia will soon dominate the world's industrial production. In this context, the greatest challenge, particularly among SMEs, is to incorporate GP principles and practices into the production process. He called for the development of new approaches to provide a strong incentive for investors and designers to work together to expand GP across the region.

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"Customer needs do not remain static. There is no such thing as a permanent list of customers' needs."

Joseph M. Juran

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Asian Productivity Organization
Hirakawa-cho Dai-ichi Seimei Bldg. 2F
1-2-10 Hirakawa-cho, Chiyoda-ku
Tokyo 102-0093, Japan
Tel: (81-3) 5226-3920
Fax: (81-3) 5226-3950
E-mail: apo@apo-tokyo.org
Web site: www.apo-tokyo.org



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Overview of sustainable development

The first presentation selected for our special focus on sustainable development provided a kaleidoscopic overview of the concept, its current status, and its significance to productivity. The speaker was Professor Emil Salim, a former cabinet minister of Indonesia and Chairman of PrepCom4 of the United Nations World Summit on Sustainable Development (WSSD).



Prof. Salim

Sustainable development, Prof. Salim said, comprises three interdependent components: social, economic, and environmental. These are supported by social, economic, and natural capital, respectively. Social capital refers to societal and human resources; economic capital to finance and trade; and environmental capital to natural resources, including ecological systems and biodiversity resources. Sustainable development is the enhancement of these three resources and this should be achieved through public-private partnership as the task is not just that of the government alone but of business, civil society, and international institutions as well.

In the pursuit of sustainable development, Prof. Salim added, there should be: 1) diversity of approaches to reflect the diverse needs of countries; 2) multi-lateralism as each country should have the right of self-determination; 3) regionalism to reflect regional differences; 4) an inclusive process involving all stakeholders; and 5) a holistic approach covering the social, economic, and environmental aspects.

As Prof. Salim sees it, the government, business, and civil society form a triangle of power in development. However, in Asia, this triangle of power is in disequilibrium, with civil society being the weakest member. As a result, the market system registers only the needs and interests of government and business. The emphasis therefore is on economic development. "This is the reason why Asia faces the problem of poverty and environmental degradation." The solution is to achieve equilibrium by empowering civil society.

Although Asia is seen as the "engine of growth" of the 21st century, its current development, according to Prof. Salim, is characterized by: 1) uneven growth among countries in the region; 2) structural transformations in several economies; 3) increasing urbanization; 4) rising poverty; 5) worsening environmental degradation; and 6) population explosion. To resolve these issues, Prof. Salim calls for an Asian paradigm shift from economic development to social and environmental development. He prescribed five remedial measures: introduce total factor GP; replace nonrenewable sources of energy with renewable ones; promote greater use of clean technology; reduce and recycle waste; and ensure more equitable sharing of the benefits of development.

Good governance and sustainable development

"Governance and sustainable development are two of the most important concerns that ought to be addressed by any government entity if only to promote the general welfare of its people." This was the central message of the Philippine Congress Senate Majority Leader Loren Legarda in her address to the conference. Governance, she said, is the collective exercise of the government, private sector, and civil society to manage a nation's affairs. She cited a number of the principles of good governance, including: grassroots participation through decentralization and localization; transparency and accountability; effectiveness and efficiency; and social justice and ecological integrity.

Senator Legarda went on to state that the challenges of achieving sustainable development are almost always concomitant with the absence of good governance. Among the common problems most nations faced are: 1) prevalence of graft and corruption; 2) lack of encouragement for NGOs to take responsibility; 3) insufficient governmental support; 4) limited avenues for public participation; and 5) limited public access to environmental information. Sustainable development anchored on good governance would require a holistic and broad-based strategy that embraces the political, social, economic, and cultural aspects of a nation, the senator added.

Senator Legarda listed the initiatives undertaken by the Congress of the Philippines to provide good governance for sustainable development. A number of laws were enacted in this regard. The earliest official policy statement was the 1989 Philippine Strategy for Sustainable Development which has 10 guiding principles.

"While the crafting of laws is an important aspect of governance for sustainable development, good laws that are not effectively implemented are worthless." The senator believes that good governance should start at the *barangay* or local community level where it is doable and achievable. A possible constraint is the lack of funds which is compounded by the problem of graft and corruption. She said that legislation and other initiatives should respond to the problems and issues that need to be addressed. "The responsible leadership of the government should be at the forefront in this endeavor."



Senator Legarda

Noncompliance—bane of sustainable development

The final paper to be highlighted touched on the neglected subject of non-compliance. The speaker was Dr. Goh Ban-Lee, Associate Professor, Universiti Sains Malaysia School of Social Sciences. Despite the fact that several specific international agreements have been ratified, like the Basel

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Convention, Montreal Protocol, Climate Change Convention, Convention to Combat Desertification, and the Convention of Biodiversity, and that a number of laws, by-laws, and municipal rules and regulations has been introduced by each nation in the world to protect the environment and promote the welfare of its people, ecological degradation continues to worsen and poverty is on the increase. The culprit is noncompliance. "Although there are no comprehensive data, from the little that is known, there is no doubt that the incidence of non-compliance with environmental rules and regulations is high."

Dr. Goh said that the overall consequence of noncompliance is environmental degradation, the development of unpleasant and unhealthy human settlements, and ultimately erosion of the quality of life. Among the possible reasons Dr. Goh cited for noncompliance, at least with regard to municipal rules and regulations in urban Malaysia, were: ignorance of the rules and/or their rationale; unclear rules; indifference; high cost of compliance; inadequate penalties; and inadequate or absence of enforcement action against those who do not comply. He believes that the same reasons are also applicable to acts of noncompliance with national laws and international agreements.

Poor governance is seen as the most significant reason for the high incidence of noncompliance. This is reflected in its inability to undertake: 1) activ-

ities to protect the environment; and 2) measures to enforce compliance. Dr. Goh further said that an effective way to encourage good governance is to provide programs that business and governmental leaders can implement. One such program that has great potential is the APO GP program with its twin objectives of productivity enhancement and environmental protection. "Crude as it may sound, without the carrot of increasing productivity, it is very difficult to get many businessmen to embrace strategies that protect the environment." In addition, the GP approach, with its emphasis on participation, teamwork, and consultation, has the characteristics of good governance.

In concluding his presentation, Dr. Goh warned that every single case of noncompliance not only contributes to environmental degradation but also sets a bad example for others to follow. Taken to the extreme, he said, the whole concept of the rule of law is threatened, and civil society as we know it will become untenable.



Dr. Goh