

# World Bank Launches New Environment Policy

*Bringing the environment to the center of policy concerns will take some doing, given the powerful influence of conventional economic thinking*

**W**ORLD Bank president Barber Conable has announced a major reorganization of the bank that will include much more attention to resource conservation and the environmental aspects of development projects.

Environmental matters have traditionally been the province of the Office of Environmental and Scientific Affairs. Their status is now being upgraded with the creation of an Environment Department overseen by the vice president of policy, planning and research. The staff will be expanded from 17 to about 60. The director is yet to be chosen.

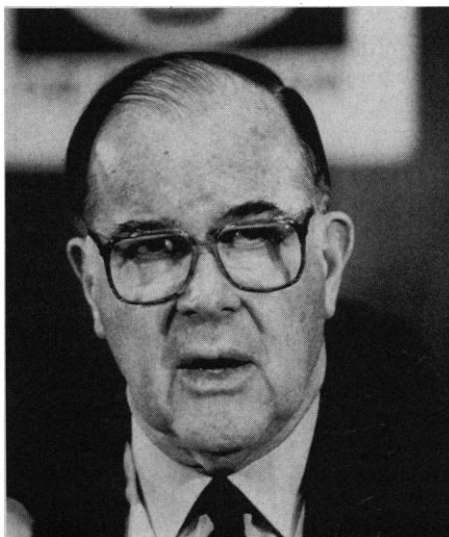
In addition to bringing environmental concerns to the center of policy-making, the bank also plans to beef up the technical side by adding new scientific and technical personnel to the four regional offices in Asia, Africa, Latin America, and Europe. "We have an economic screen; what we're going to have now is an environmental screen," said W. David Hopper, the new senior vice president for policy, planning and research, at a press conference announcing the changes.

The changes culminate 4 years of congressional hearings and constant badgering by environmentalists, who have long held that many bank projects have negative effects on the environment and on indigenous people who have been displaced by large-scale agriculture and resettlement projects (*Science*, 14 November 1986, p. 813). The bank is now expressing special concern about what it calls "the human environment" and plans to include anthropologists and sociologists in the new department.

Conable has named the environment as one of his top three concerns, the others being population growth and the status of women in developing countries. In a speech delivered at a World Resources Institute dinner on 5 May, Conable also announced four new environmental initiatives: a 5-year assessment of the most severely threatened environments in 30 developing countries; a new effort to stem desertification and deforestation in sub-Saharan Africa; a hefty increase in annual funding for forestry proj-

ects, from \$138 million to \$350 million in 1989; and a cooperative effort with Mediterranean countries to protect the Mediterranean Sea.

In his speech, Conable delivered "probably the most forthright acknowledgment of past problems I have ever seen from a bank official," according to economist Robert Banque of the Treasury Department, which oversees United States policy in the bank.



**Barber Conable.** "Sound ecology is good economics."

Conable said, for example, that the Polonoroeste project in Brazil, involving massive resettlement and land cultivation, is "a sobering example of an environmentally sound effort which went wrong. The bank misread the human, institutional and physical realities of the jungle and the frontier." Payments for that much-criticized project were interrupted in 1985.

Environmentalists are generally pleased about the environmental reorganization. Thomas Stoel of the Natural Resources Defense Council calls it a "significant breakthrough." But they are waiting to see how the plan is implemented. Bruce Rich of the Environmental Defense Fund, one of the sharpest critics of bank lending policies, says the major concern right now is how the new

department will be staffed—"whether they will be ecologically trained people or whether they will just shuffle around the same people." Another bank observer put it more strongly: "we don't know if it means recycling deadwood economists and calling them environmentalists."

It would be a dramatic change for the bank to give environmental impacts the same degree of attention as that accorded to traditional economic measures. As Banque observes, economists—who make up the majority of bank professionals—are taught to quantify what can be computed in monetary terms and to treat qualitative considerations as "externalities."

Economists and environmentalists do not understand each others' languages, as was evidenced in an informal meeting held at the bank 3 years ago. The meeting was led by two junior bank professionals who wanted to educate their colleagues about environmental principles. They didn't get very far. For one thing, the economists at the meeting rejected the idea that resources could be finite. Said one: "The notion that there are limits that can't be taken care of by capital has to be rejected." Said another: "I think the burden of proof is on your side to show that there are limits and where the limits are." They were suspicious of well-worn ecological terms such as "carrying capacity" and "sustainability." Said one: "we need definitions in economic, not biological terms."

The economists also rejected the idea that population growth necessarily has adverse consequences on economic growth in developing countries, pointing to the lack of "hard empirical evidence" that high population density is linked to low human welfare. As one economist pointed out, the differences in viewpoints were very basic, reflecting divergent concepts both of the nature of the physical world and the nature of technology (the economists were far more optimistic about the promise of future technological developments). Said one economist: "much of the argument is not about whether resources are finite but what are the determinants of technological change. Environmentalists don't come to terms with the fact that increasing scarcity evokes responses."

The World Bank's sole ecologist, Robert Goodland, has said, "the most important thing for the environmental movement is to revamp orthodox economic thinking." Conable in his speech acknowledged the need to reconcile the two fields. "Sound ecology is good economics," he said. "I believe we can make ecology and economics mutually reinforcing disciplines." Given the traditional absence of linkages, that will take time. ■

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