

Canada Watch

PRACTICAL AND AUTHORITATIVE ANALYSIS OF KEY NATIONAL ISSUES

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SPECIAL ISSUE: FOCUS ON SUSTAINABLE DEVELOPMENT

SUSTAINABILITY AND THE FUTURE OF CANADA

BY SERGIO MARCHI

At the turn of the century, Canada seemed poised to undergo profound and radical change. Our population was growing quickly and our social landscape was evolving. Sir Wilfrid Laurier predicted optimistically that the new century would belong to Canadians. He envisioned Canada developing into a strong and prosperous nation and a leader in the international community. At the heart of his nation-building vision were our natural resources. He viewed them as the key to realizing our potential as a country.

In many respects he was right. As the century unfolded, it became clear that even Laurier had underestimated how rich Canada was. Over the years we have harvested a generous bounty from our environment. It has shaped our economy and our way of life. It is a part of who we are and what we do. It is at the core of our identity, helping to draw Canadians of diverse backgrounds and faiths together into one family.

Over the years, however, we have come to realize that nature is not simply a warehouse of raw materials. We cannot afford to exploit recklessly our forests and lakes and mountains. While the environment is remarkably resilient, there is only so much we can ask it to absorb. Unfortunately, in many areas of the world we are reaching the limits of that endurance.

Humanity is placing a tremendous burden on our common home. Population growth and industrialization are having profound effects on the natural world. Since 1950, the global population has dou-

bled. It is expected to increase by an additional one billion over the next decade alone. More and more people inflict a greater strain on the environment. There is an ever growing demand for food to eat, fuel to burn, and materials for shelter.

At the moment, the value of the global economy is estimated at \$25 trillion. This will double in real terms within fifteen years. The impact of economic development and industrialization can be seen everywhere. Increasing air and water pollution, for instance, is affecting the health and welfare of our population. In cities like Toronto and Hamilton, the incidence of childhood asthma is much higher now than it was only 10 or 20 years ago. It is estimated that it will cost \$1

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SUSTAINABLE DEVELOPMENT IN CANADA: BOOM OR BUST?

BY PHILIPPE CRABBÉ

THE 1997 SUSTAINABLE DEVELOPMENT REVIEW

"In March 1997, leading organizations of civil society and business from around the world will gather in Rio de Janeiro to evaluate our planet's progress towards sustainable development in the five years since the Earth Summit". So says the Earth Council in its

invitation to the Rio +5 Forum which is meant to move sustainable development from *Agenda to Action*. In June 1997, the United Nations General Assembly will review national governments' progress since Rio as well. What will Canada's report card show?

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In the second part of this edition of *Canada Watch*, we offer our readers a fresh perspective on the national unity issue. In late September, following publication of a controversial article on the Quebec sovereignty movement in the respected journal *Foreign Affairs*, a subcommittee of the United States Congress convened public hearings on Canada's national unity problems. American scholars who

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are close observers of the Canadian scene were invited to offer their views on the implications of Quebec secession for American interests. Three of those scholars—Joseph Jockel of St. Lawrence University, Earl Fry of Brigham Young University, and Christopher Sands of the Center for Strategic and International Studies in Washington—subsequently edited their remarks for publication

and their articles appear in this issue of *Canada Watch*.

While the three American scholars disagree on some issues—including the controversial question of whether the “rest of Canada” would remain united as a single country in the event that Quebec were to secede—their comments also reflect broad areas of agreement and common ground. For example, all three Americans make a sharp distinction between American interests prior to, versus following, Quebec secession. Prior to secession, American interests lie squarely in maintaining a united Canada. If Quebec secession were to become a reality, however, the Americans see their interests shifting in the direction of minimizing the economic and political fallout from the change in Quebec's political status. They all raise the possibility that the United States might be called upon to put together a “bailout” package similar to that negotiated for Mexico following the collapse of the peso in late 1994. America's position on this and other issues should be guided by its own self-interest, which consists in attempting to prevent the collapse of the Quebec and Canadian economies.

We expect that all Canadians with an interest in this issue—whether they be sovereigntists or federalists—will find these American perspectives extremely sobering. The same reaction might well be produced by the final contribution to this month's issue, John Thompson's article “The Price of Independence”. Thompson, an expert on conflict resolution, points out the high social and economic costs that have typically been associated with unilateral dec-

larations of independence over the past 175 years. His analysis is particularly pertinent given the recent debate over whether the Quebec government has the right to issue a unilateral declaration of independence under either Canadian or international law.

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That issue has now been referred to the Supreme Court, which is expected to hear arguments in the case in February or March of 1997. Meanwhile, Quebec Premier Lucien Bouchard is having difficulty kick-starting the Quebec economy given the lingering uncertainty over the timing and result of a promised third referendum. We expect that Bouchard will face increasing pressure in the next few months to postpone the promised third referendum. The problem for Bouchard is that acceding to that pressure will alienate many PQ activists and may, in fact, split the party. All of which makes for extremely difficult but interesting times for the Quebec Premier over the next year. 🍁

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SUSTAINABLE DEVELOPMENT

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Over the last decade, sustainable development has become the political ideology of the times at the international, national, local, and organization levels. It came about as a political compromise between the advocates of economic growth and the supporters of environmental conservation. Growth was and still is widely perceived as necessary to remedy poverty, while poverty, especially in the rural areas in Less Developed Countries, was perceived as the enemy of environmental conservation. Growth, on the other hand, is seen as being at the expense of future generations who may see the very basis for growth being eroded above their head and under their feet: clean air and water, productive soil for agriculture, natural fibres and products.

Sustainable development was supposed to be a different kind of growth in which considerations of both intra- and inter-generational equity were prominent. Economic growth is necessary, but it must be subordinate to the moral doctrine of distributive justice. Sustainable development is not only a political ideology; it is also a moral doctrine for society. Its individual moral tenets were less clear except for the “Think globally, act locally” bumper sticker exhortation. The tensions between economic growth and economic development are a dialectical component of sustainable development. Growth is the increase in the Gross National Product, i.e., an economic, unidimensional, and objective valuation concept

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we can sort out who has the responsibility and capacity to act. Each level of government and civil society has a part to play, drawing on their particular strengths, and pooling their resources.

I firmly believe that it will be Canada's diversity and openness which will allow us to confront the challenges of the twenty-first century. In the natural world, diversity is the raw material of evolution. It makes nature productive and adaptable. This is also the case in society. Growth, be it social

or economic, depends on a willingness to broaden horizons and look for innovative solutions to problems. Innovation will be the key to lightening our footprint on the world. Canadians have shown that they have the creativity and talent to make a difference.

We have many choices before us as we approach the new century. The stakes are very high. The federal government has a clear responsibility to do everything it can to protect and preserve our natural inheritance for future gen-

erations of Canadians. After all, the environment is a key to their health, their economic opportunities, and their heritage. The ultimate responsibility goes far beyond elected officials in Ottawa. It lies with all governments, all industries, and all Canadians. I know that Canadians care passionately about the environment. It is a source of wealth, nationhood, and spiritual sustenance. The key to preserving this, and the key to our national development in the twenty-first century, will

be the imagination and dedication of our people. I firmly believe that we are limited only by our commitment and ingenuity. 

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SUSTAINABLE DEVELOPMENT IN CANADA: BOOM OR BUST *from page 4*

measured in money, while de-

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velopment is a multidimensional and subjective concept akin to quality of life. What is becoming increasingly clear is that, beyond a certain threshold, the two concepts cease to be positively correlated. This phenomenon is not picked up by the UNDP Human Develop-

ment Index. Sustainable development, both as moral doctrine and political ideology, is also communitarian. Given the increase in the globalization of the economy and the progressive demise of the nation state, the crumbling of the welfare state and the increasing alienation of the public from government bureaucracy, the community is perceived as the last refuge against the disintegration of the social fabric. Communities and their organizations are called social capital. Next to familiar physical and human capital, natural and social capital is to be conserved through proactive investments. Sustainable development aims at linking together economic, environmental, and social objectives.

RECENT AND ALARMING CHANGES IN THE INTERNATIONAL RHETORIC

At the last meeting of the IUCN in Montreal, a French representative pointed out that the expression "sustainable development" had been used only once in the official communiqués of the G-7 meeting in Lyon, while the

expression "sustainable social growth" had been used much more frequently. The international rhetoric of the IMF and the World Bank has turned to sustainable global growth, which conveniently forgets the environmental tenets of sustainability while keeping the others. The concern here is very much about old-fashioned non-inflationary growth, job creation, and exchange rate stability based on a so-called new paradigm, the knowledge partnership, the sharing of the "global commons of knowledge". According to Neo-Classical Economics ideology, knowledge and not the environment is the true limiting factor for economic growth. The new knowledge paradigm underpinning sustainable global growth has now turned investment into human and social capital, and the elimination of poverty into investment in infrastructure, i.e., into productive spending and development of human resources. The moral doctrine of sustainable development has been transformed under the magic utilitarian wand of

Neo-Classical Economics into a culture of development, where results are assessed by the "quality" of human and social infrastructures. The Conservation Movement in North America spanned two generations. Sustainable development may not even have the opportunity to span one!

CANADA'S LAGGING BEHIND

Canada had been a leader in promoting sustainable development internationally and nationally. "When environmental considerations conflict with economic considerations, environmental considerations will prevail", said the Federal Minister of the Environment in 1989, when environment was considered as the top priority by two-thirds of Canadians. Canada was one of the first countries to promote a communitarian approach to sustainability by creating national and provincial roundtables on the environment and the economy. These were first discussed in 1986 (a year before the UNCED

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Brundtland Report was made public!). These roundtables were meant to bring together business, labour, environmentalists, government, academia, Aboriginals representatives, and others and allow them to make recommendations to the first minister of their respective jurisdiction. They would be able to gather the views of various sectors of society which would buy in very early to the process of formulating sustainable development policies. In 1990,

[D]evolution must be consistent with the principle of subsidiarity which says, in a nutshell, that local problems are best handled by local authorities while broader ones must be handled by higher-level jurisdictions. This is especially true for sustainable development.

"Canada's Green Plan for a Healthy Environment" definitely raised the political profile of the environment in Canada. The 1992 *Projet de société* aimed at developing a sustainable development strategy for Canada. Model Forests were supposed to advance the goals of sustainable development in forestry. Some Canadian businesses, e.g., Transalta, Loblaws, Shell, Quaker Oats, and others were at the forefront of sustainability. Transalta cre-

ated an Environmental Advisory Panel. It has endorsed full-cost pricing and the "polluter pays" principle. Loblaws

The elimination of the deficit and job creation have now replaced the public's and governments' concern with sustainable development.

is well-known for its line of "green" products, the first company to adopt such a strategy in North America following the success of similar ventures in Europe. Shell International Exploration and Production—the parent company of Shell Canada—has developed Social Impact Assessment procedures which are clearly part of Environmental Assessment and thus part and parcel of the sustainable development agenda. Social impacts include demographic, socioeconomic, health, social structure and organization, natural resources (rights over and access to resources), lifestyles and cultural life, and property impacts.

How long will it take for Canada to be lured by the sirens of international rhetoric? Several provincial roundtables have been wiped out. The Green Plan and the *Projet* are now dead. Remaining sustainable development initiatives are singularly low-key. The elimination of the deficit and job creation have now replaced the public's and governments' concern with sustainable development. Though reduction in the level

of indebtedness is indispensable for Canada given its weak productivity, attention to the economic pillar of sustainability should not be at the expense of the social and environmental ones lest the whole structure collapses. The devolution of many federal responsibilities to the provinces and from the provinces to local governments offers new opportunities for social and environmental sustainability initiatives. However, this devolution must be consistent with the principle of subsidiarity which says, in a nutshell, that local problems are best handled by local authorities while broader ones

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must be handled by higher-level jurisdictions. This is especially true for sustainable development. Devolution without transfer of resources is tantamount to capacity destruction.

More than ever, Local Agenda-21 initiatives must be supported with government resources. These initiatives should satisfy the five sustainability goals which have been formulated for the Fraser River Basin: maintain ecosystem integrity and diversity; meet basic human needs for social and economic development; maintain intergenerational distribution and options; improve intra-generational distribution and entitlements; and improve local empowerment and decision-making. These local initiatives should ideally be part

of a federal-provincial sustainable development strategy, which insures consistency horizontally (with other local initiatives) and vertically (with higher-level policies). Since such a federal-provincial strategy cannot be developed within a few months, perhaps the Commissioner for the Environment and Sustainable Development jointly with the National Roundtable could, at least, insure this consistency within areas of federal jurisdiction. Environment Canada could insure that appropriate funding is provided and that performance is evaluated according to the five Fraser River Basin sustainability goals criteria. With appropriate funding, a local initiative would be allowed to truly develop into a new governance structure and become a model for other communities. This is what Canada could bring to Rio +5 and to New York in order to move the sustainable development *Agenda* one little step closer to *Action*. 

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