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Volume 33

Issue 2 *The North American Experience Managing International Transboundary Water Resources: The International Joint Commission and the International Boundary and Water Commission, Part 2*

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Spring 1993

## Commentary

Ulises Canchola

### Recommended Citation

Ulises Canchola, *Commentary*, 33 NAT. RES. J. 405 (1993).

Available at: <https://digitalrepository.unm.edu/nrj/vol33/iss2/16>

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ULISES CANCHOLA\*

## Commentary

After listening to all the works discussed during this conference and after some personal reflection, I think that the real environmental and economic challenge is a philosophical shift. This afternoon we have listened to papers that invite us to perform a severe intellectual work in that direction. I will pose my comments on the keywords contained in both works: sustainable development and environmental regional cooperation.

Professor Sadler's paper shot right between the eyes when trying to bring the International Joint Commission's tasks within the 'sustainability' scheme. Until now there have been few works that try to implement the concept of 'sustainable development' in a practical way. In this sense, his work is quite provocative. Nevertheless, he deals with a word that is still a Trojan horse for it is an idea that has been filled up with whatever content the national jurisdiction think is proper to their economic plans. Sustainable development is not yet as clear a concept as we might wish.

Although Professor Sadler cited the 1987 Great Lakes Water Quality Agreement as a working and supportive document for the implementation of sustainable development, the Free Trade Agreement discussions have shown how different the Canadians are from the Americans. Furthermore, there has already been an implicitly attempt to implement a similar scheme to a common issue between Canada and the United States. In 1959 a complete inventory of costs and benefits was made regarding the construction of a tidal power project in the Passamaquoddy Bay between Maine and New Brunswick. Whereas Canada concluded that the project was not feasible, the United States thought it should be built. The difference was at the different discount rates, an element contained in the concept of 'sustainability,' given by both governments.<sup>1</sup>

Since it is unfair to criticize a work for what it is lacking (in this case, an analysis on the referred concept), allow us to make some reflections on this regard. It can be assumed that there are two meanings generally accepted for sustainable development:

- (a) sustainable development as a long term policy aimed to secure natural resources for future generations,
- (b) sustainable development as an optimum balance between economic growth and the environment's resources exploitation.

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\*Ulises Canchola is a lawyer and Mexican Foreign Service Officer.

1. See T. Tietenberg, *Environmental and Natural Resource Economics* 81 (2d. ed. 1988).

Although we can provide a bilateral or multilateral policy with a solid and crystal clear definition still the interpretations could be hindering the implementation of such plans. The first definition poses two problems:

- (1) On the one hand, when dealing with long term policies, considerations of time, costs and results are most important are most important. According to present needs an administration gives the future a certain economic value. The discount rates applied by several states could always be different depending on the economic policy's necessities.<sup>2</sup> The higher the discount rate applied by a government, the less it is thinking of future circumstances. Maybe that was what happened in the case of the tidal power project that we referred to before. The problem is not that easy so as to establish a standard rate. It seems quite complex to give such an international discount rate: the ratio would have to tackle inflation and its different percentages in each country; it would have to consider each nation's opportunity costs (from the commercial point of view); and finally it should address the main problem, i.e., how to measure environment's value accurately and in a pragmatic sense. We have an already existing similar situation along the United States-Mexico border, where the Santa Teresa project is threatening the viability of agriculture and life itself in the area. This could suggest how economic growth still precludes environmental conservation.
- (2) On the other hand, policy 'cost-benefit' analysis or calculation of opportunity costs incurred when deciding on saving or exploiting natural resources frequently lead to wrong conclusions. This latter could be due to miscalculations done when evaluating magnitudes of damages and values. However, the main problem is precisely that nature cannot always have a specific economic value as looked for by most economists and public administrators. What we need is an environmental consideration of economic analysis in addition to economic considerations of environmental management. A common analysis pattern could be like this: cut the trees, sell them and invest the profits (because now it's more worthy to cut than to preserve, for instance). Although this scheme could be considering reforestation measures, it is not taking account environmental consequences on the area, such as damages to water cycle, biodiversity, et cetera. Theoretically, measurement of environment's economic value is possible. Nevertheless, its practical determination as well as the introduction of its qualitative feature within gross national product (GP) calculation is yet distant from accomplishment.

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2. See, e.g., R. Cooper, *Evaluating the Future Effects of Climate Change: Choice of Discount Rate*, (Harvard Law School; Apr. 1990).

It is interesting to observe that part of literature deals with 'sustainability' as an adjective to an also unclear and ambiguous concept.<sup>3</sup> The word tries to be a reconciliation of two old problems that met their origins but developed in different directions. However, it is not only the problem between ecology and economic growth which we can label as a more domestic issue. Rather, the reconciliation is also intended between the developed world and the less developed countries. This is the global issue that was not addressed until the late 1960s (K. Boulding, *Economic Analysis* (1966)) and early 1970s (B. Ward & R. Debois, *Only One Earth* (1972)). The relations between North and South are a main feature within the concept.

At this point it is worthwhile to ask whether sustainable development could be deemed as a new paradigm—besides realists, neorealists and historical materialism theories—to explain new complexities within international relations.<sup>4</sup> In our opinion more than the establishment of a relationship, sustainable development policies have been used more as prescriptions from the developed to the less developed countries.<sup>5</sup>

But beyond what could 'sustainable development' mean, there is a constant point at the bottom line: the relationship between environment and economic growth. No matter if we are dealing with intergenerational (past-present-future) or intergenerational equity (present-present) issues,<sup>6</sup> we will always be talking about "environment versus economic growth."<sup>7</sup>

Economic growth, read as 'development,'<sup>8</sup> is a substantial problem per se. 'Development' as its standards seem not yet to be well defined. On the one hand, development has almost meant everything! Its mean-

3. "[D]evelopment itself nonetheless remains an ambiguous elusive concept, prey to prejudice and preconception. It is a 'Trojan horse of a word' . . . a term which is sufficiently empty that it can be filled at will by different users to hold their own meanings and intentions." W. Adams, *Green Development: Environment and Sustainability in the Third World* 4 (1990).

4. See P. Hass, *Saving the Mediterranean, The Politics of International Environmental Cooperation*, 33-65 (1990). The author tries to demonstrate how classical political science's approaches fail to explain international environmental relations.

5. "Sustainable development is usually thought of in the context of developing countries' sustainability, without attention being given to the international structures within which such countries are located." M. Redclift, *Sustainable Development: Exploring the Contradictions* 17 (1989). Although Redclift finds international trade and division of labor as a link between developed and less developed countries. Furthermore, he seems to be suggesting 'autarchy' as the only regime where sustainability is feasible: "The point is that decisions over the use to which natural resources are put are clearly influenced, directly and indirectly, by the trading patterns established by the developed countries. Environmental problems are not reducible to international economic relations, but they would not have assumed their present gravity if the developing countries had been able to practice the sustainable resource methods which often formed part of their traditional systems . . ." *Id.* at 57 (emphasis added).

6. E. Weiss, *In Fairness to Future Generations, International Law, Common Patrimony and Intergenerational Equity* (1989).

7. See, e.g., W. Johnson & J. Hardesty, *Economic Growth vs. The Environment* (1970); R. Lecomber, *Economic Growth vs. The Environment* (1975).

8. "Development is usually defined principally in terms of economic growth: as countries experience increased growth their productive capacity expands and they 'develop.'" Redclift, *supra* note 5, at 15.

ings go from a measure of economic inequality among states to the speech of Pope Paul VI at the General Assembly where he stated that development was a synonym for peace.<sup>9</sup> On the other hand, there is still a debate among economists on parameters for economic growth.<sup>10</sup>

Usually, the literature of the mid-1960s and 1970s refers to the dichotomy as environment versus economic growth. In this regard, it is worth remarking that during that period, as we will see, economic growth meant development. Within that conceptual frame what is only a part of a wider concept became the concept itself. During the 19480s and the 1990s the dilemma was 'reshaped': environment versus development. Nevertheless, the same conceptual approach still remains.

We could continue this analysis but for the moment that will be enough to argue that sustainable development is still in process. Once the world has agreed on sustainability as a common goal to pursue, it is necessary to develop patterns for its practical implementation. If we cannot draft such schemes in the short run, we could lead the best efforts to an absolute failure for 'sustainable development' runs the risk to become a rhetorical word. We need a point in which we can agree. This common place has been described as sustainability. Professor Sadler's paper is a good proposal in that direction. However, if it is an empty goal there is not much we can do. Environment and development would remain at an 'impasse' waiting for another chance to be reconciled. The lack of proper means could pose two scenarios:

- (1) Sustainable Development would become rhetoric and as such could be condemned to indifference. No matter how important its contents could be, it would be regarded as an old fashioned and nonproductive policy hindering international understanding.
- (2) Due to its amplitude and narrow characters, the concept could mean whatever thing we could think of. Thus, instead of promoting good international policies toward environmental management it would be more likely to expect an increase in the number of unaccomplished and violated international treaties.

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9. M. Flory, *Droit International de Developpement* 13-16 (1977). As Iraida Alechina argues: "It may be considered that total and definitive disarmament and the attainment of peace on earth are a sine qua non condition of man's survival, and that they may therefore be put forward as the first objective of society." *The Contribution of United Nations System to formulating Development Concepts, in Different Theories and Practices of Development* 24 (1982).

10. "From an environmental standpoint, then, GNP is a particularly inadequate guide to development since it treats sustainable and unsustainable production alike and compounds the error by including the costs of unsustainable economic activity on the credit side, while largely ignoring processes of recycling and energy conversion which do not lead to the production of goods or marketable services." Redclift, *supra* note 5, at 16.

Regarding Dr. Szekely's paper I have only one comment since I am running out of time. I agree with him. After the Wide Caribbean and the Mediterranean examples a regional agreement is not a matter of 'new fashion' but of urgent need for preventive schemes. However, besides the challenges to be faced by the International Boundary and Water Commission and whether it is meant to remain or not to deal with these new needs, there is a fourth one not mentioned by Dr. Szekely. At a national level there is a lack of coordination among the different Ministries involved in the several faces of environmental issues. Think again of the Santa Teresa project in the Conejos-Medanos region as an example. Despite this fact, it is not only a matter of coordination. It is also a matter of understanding and here we come again to the concept referred to by Professor Sadler and how sustainable development could be sometimes quite deceitful.