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RealityCheck

The Canadian Review of Wellbeing

Two years into Martin's $9 million commitment: What's been done? What remains to be done?

In February, 2000, Finance Minister Paul Martin gave two federal agencies $9 million for a three-year project to develop indicators of environmentally sustainable development. Until then, most Canadian work on new indicators had been carried out by non-profit groups, often in collaboration with Statistics Canada. The surprise budget announcement promised to catapult the movement to new heights. Martin gave every sign of recognizing the import of his actions.

"In the years ahead," he said, "these environmental indicators could well have a greater impact on public policy than any other single measure we might introduce."

Two years into the project, *Reality Check* spoke with key participants to find out what's been done, and what Canadians can expect to come out of the process in the year that remains.

Martin's announcement seemed to envision a joint project involving Environment Canada and the National Round Table on the Environment and the Economy, with technical support from Statistics Canada. Negotiations to that end faltered, however. Environment Canada and the Round Table ended up splitting the money, with each getting $4.5 million to work on separate projects. The Round Table concentrated on producing a conceptual framework for sustainable development indicators, while Environment Canada worked on a system for collecting the data that would feed that system.

Environment Canada created a task force to design an environmental information system offering "easy and timely access by decision-makers, citizens, communities, researchers, and the private sector to the reliable information they need to make informed decisions relating to the environment." Last October, the task force recommended the creation of a stand-alone agency to be known as the Canadian Information System for the Environment (CISE), modelled in part on the Canadian Institute for Health Information (CIHI), the national clearinghouse for health statistics.

The Round Table, meanwhile, assembled a steering committee of academics, federal bureaucrats, representatives of NGOs working on alternative indicators, and executives from industries likely to be affected by environmental policy. Chaired by former Ontario Liberal leader Dr. Stuart Smith, the steering committee focussed on creating natural capital accounts. Such an accounting system would treat critical natural endowments, like forests and wetlands, in much the way businesses treat buildings and equipment: Their depletion would be seen as a reduction in national wealth, not as income (which is how the GDP sees it).

The Round Table has drawn fire for its failure to consider the social dimensions of sustainability, and for ignoring equity issues and measures of consumption. Smith dismisses equity issues as inherently political, but acknowledges that changes in social cohesion can have intergenerational impacts. These social indicators could be considered in the "next round," says Smith.

"The Round Table sees sustainable development as broad, and says there will be additional steps," said Bill Jarvis, Environment Canada's Director General for Policy Research. "CISE, I think, will always focus on environmental issues."

Environment Canada's next step is to develop pilot databases in such areas as water and air quality, climate change, and biodiversity. Smith and Jarvis predict that their work under the $9 million allocation will be completed by this time next year.

For more information on the federal effort to produce indicators of sustainable development, see Environment Canada's CISE website at ***www.ec.gc.ca/cise/eng/Index.cfm*** *and NRTEE's sustainable development indicators website at* ***www.nrtee-trnee.ca/eng/programs/Current_Programs/SDIndicators/index.html****.*

The debate over the design of new indicators continues in this issue of Reality Check*. On page four, Stuart Smith explains and defends the Round Table's approach. In a column on page two,* Reality Check *editor Ronald Colman makes the case for measures that take account of consumption and equity.* ✓

A tale of two provinces
Conventional economic measures distort our sense of who's well off and who's not

Newfoundland is Confederation's poor stepchild, while oil-rich Alberta is Canada's second richest province. That's what the standard economic indicators tell us. The 2001 Census results, just released, show Alberta's population booming while Newfoundland's shrinks. The standard conclusion – Albertans are doing well; Newfoundlanders are doing poorly.

Trouble is, for all of Newfoundland's entrenched economic problems, the notion that it's desperately poor doesn't feel quite right. Wellbeing indicators help explain the disconnect between what the GDP tells us and how it feels to pass a sunny July afternoon with family and friends on a Conception Bay wharf.

Last summer, Alberta's Pembina Institute produced a comprehensive picture of wellbeing trends in Alberta over the last 40 years. At the opposite end of the country, GPI Atlantic produced similar research for Newfoundland.

While Newfoundland ranks lowest on standard economic measures like GDP and income, it ranks as high or higher than Alberta on many wellbeing indicators. Here are some statistics that don't appear in the GDP and Census stories, and that are rarely reported.

Since 1962, Albertans have surpassed most Canadians in GDP per capita, personal consumption spending, and life expectancy. Over the same period however, Albertans have endured growing rates of debt, suicide, crime, stress, and family breakdown. Forests have become more fragmented, and Albertans have the largest ecological footprint of any province in the country, signifying a growing impact on the environment.

Newfoundlanders, meanwhile, experience the lowest levels of stress, suicide, cancer, and crime in the country, and they have a smaller ecological footprint than Alberta. While divorce may or may not signify an improvement in wellbeing, it is interesting that Alberta has the highest divorce rate in Canada (252 per 100,000), while Newfoundland has the lowest (146 per 100,000).

Alberta's suicide rate has shot up 81% in the last 40 years to 13.4 per 100,000, exactly double the rate in Newfoundland and Labrador, (6.7 per 100,000.) Some of the difference is likely due to Newfoundland's low aboriginal population, since young native males experience appalling suicide rates. But it may also reflect the fact that Newfoundlanders consistently report the highest levels of psychological wellbeing and the lowest stress levels in Canada, with only 17% of adults reporting high stress compared to 26% nationally.

Newfoundlanders also have the highest rate of charitable contributions in the country and donate nearly 80 million hours a year in voluntary work. That's the equivalent of more than 40,000 full-time jobs and a payroll of about $1.1 billion, or about 12% of provincial GDP.

Surprisingly, despite high unemployment and low

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EDITORIAL Can we measure sustainability without equity?

This issue of *Reality Check* focuses on the federal government's allocation of $9 million to devise sustainable development indicators for Canada. To its credit, the National Round Table on the Environment and the Economy (NRTEE) has invited the input of independent practitioners and experts, has supported ongoing indicator development work, and has adopted a sound and forward looking capital accounting framework for its effort. That approach recognizes our natural resources as capital assets that are subject to depreciation, and acknowledges that we have to live off the interest rather than deplete the principal if we are to live sustainably.

However, the NRTEE process has serious flaws.

First, a vote of the Round Table's indicators steering committee rejected the adoption of any consumption-based indicators. This means the Canadian government's sustainable development indicators will never send a direct message to Canadians about their driving habits, their energy use, or any other aspect of their behaviour that directly affects the environment.

Describing the state of our forests, air, water, and wetlands is vitally important, but without consumption-based indicators, this implicitly puts the onus for sustainability on producers and governments rather than consumers. Canadians can continue to buy SUVs without fear that the new measures will reveal any problem.

Second, the NRTEE regards distributional issues as matters of ideology outside its mandate. This contrasts sharply with the Brundtland Commission's definition of sustainable development, which sees "access to resources" and "the distribution of costs and benefits" as integral parts of the sustainability equation. "Even the narrow notion of physical sustainability," said the Commission, "implies a concern for social equity between generations, a concern that must logically be extended to equity within each generation." The Round Table has chosen not to make that logical extension.

Here's what Statistics Canada has to say on the Brundtland Commission's explicit link between equity and sustainable development:

"A consensus has emerged that sustainable development refers at once to economic, social and environmental needs... A clear social objective that falls out of the definition [of sustainable development] is that of equity, both among members of the present generation and between the present and future generations... The spirit of sustainable development implies that all people have the right to a healthy, productive environment and the economic and social benefits that come with it."

The International Institute for Sustainable Development in Winnipeg, the Pembina Institute in Alberta, GPI Atlantic in Nova Scotia, and numerous other groups working on sustainable development indicators likewise adhere to this view.

This is not a matter of politics or ideology, but of fact and description. The reality is that rich people and nations consume more natural resources than the poor, emit more greenhouse gases, and produce more waste.

- Can we speak of the health of our forests without acknowledging that the richest one-fifth of the world's people consume 84% of all paper, the poorest just 1.1%?
- Can we speak of energy without noting that the richest one-fifth consume 58% of it, and own 87% of all vehicles in the world, while the poorest 20% consume 4% of energy and own fewer than 1% of vehicles?
- According to Bill Rees and Mathis Wackernagel of the University of British Columbia, if everyone in the world were to consume at Canadian rates, we would need four planets Earth to provide the necessary resources and waste assimilation capacity.

To omit consumption-based indicators and equity issues from the discussion of sustainable development is a convenient way to let Canadians off the hook. The reality is that in a world of limited resources, excess consumption by the rich directly undermines the prospects of the poor. Ignoring equity as an inherent element of sustainable development perpetuates the fiction that we can continue living beyond our means, and beyond the capacity of the natural world to supply our wants, without having to make potentially painful lifestyle adjustments.

Indicator practitioners certainly welcome the federal government's initiative, and its willingness to identify and implement sustainable development indicators for Canada. But we owe it to the integrity of the process to expose its flaws and to produce the best possible measures of sustainability, both for the sake of future generations and for the benefit of those alive today.

We cannot leave matters solely in the hands of government or experts, or make these vital decisions behind closed doors. In the spirit of constructive, democratic debate, we invite readers to voice their own opinions, and we hope that Reality Check will become a forum for that lively discussion.

Don't kill the GDP

The first issue of *Reality Check* pointed out some of the problems that arise when we measure progress by the GDP and similar statistics. The response from some readers indicates that more discussion is needed on the relationship between GDP and the new wellbeing indicators being developed throughout Canada.

For indicator researchers, the purpose of the new measures is not to replace GDP or to invalidate it in any way. The GDP does what it was meant to do extremely well: It provides a quantitative measure of the size of our economy – the sum total of all goods and services produced. We will always need that measure.

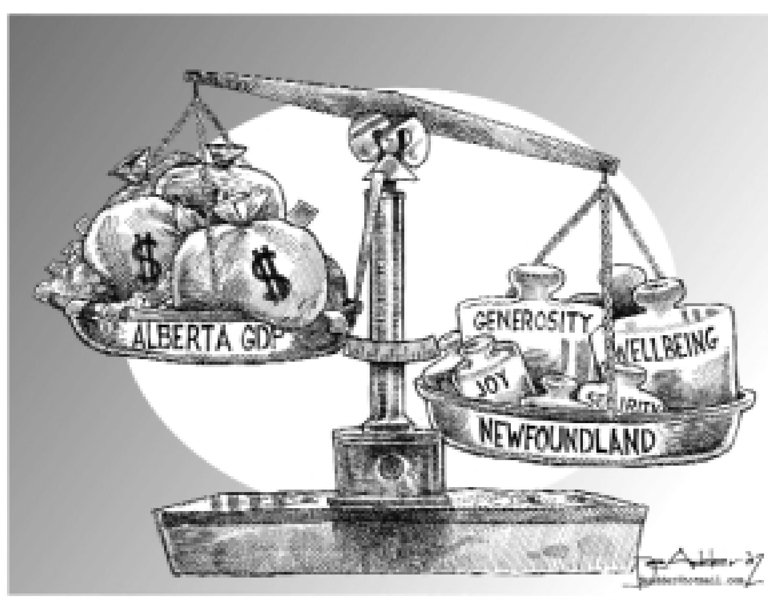
The problem arises when the GDP is misused as a measure of wellbeing and how well off we are as a society – purposes for which it was never intended. The purpose of the new wellbeing measures is to measure the quality of our lives, not the quantity of economic activity. These are two separate functions, and both are necessary.

Using the GDP to measure wellbeing, said the originators of the US Genuine Progress Indicator, is like a policeman measuring the success of his day's work by the quantity of street activity he observes. A lady walking her dog, a thug attacking a passer-by, children playing on the street corner, someone breaking into a car; at the end of the day he has added up 356 activities. Better than yesterday, he congratulates himself, when he observed only 340 activities.

We expect more of our policeman. We expect him to make qualitative decisions – to distinguish beneficial from harmful street activities, and to act accordingly, protecting the former and preventing the latter. We should expect no less from policy makers. The simply quantity of economic activity does not provide enough guidance to enable policy makers to protect the public interest.

Of course, we do need to know the quantity of activity as well. It is a better use of our policeman's time to station him on a busy street corner where 356 activities take place than on a quiet one with only 20 activities. And so, we will always need the GDP. But the new measures of progress will render the GDP less important, because it will no longer be misused as a gauge of our national wellbeing. Instead, we will be able to evaluate the health of our communities, our natural resources, and our population in more reliable ways.

A TALE OF TWO PROVINCES...



income and educational attainment, residents of Newfoundland and Labrador report higher levels of work satisfaction than the national average, and they have the lowest rates of new cancer cases, asthma, allergies, and back problems in the country. Some 71% of Newfoundlanders rate their own health as excellent or very good, compared to 63% in Alberta. The low stress and good health Newfoundlanders enjoy may reflect the strong communities and social support on which they can draw.

Crime rates provide a stark contrast in the relative wellbeing of Albertans and Newfoundlanders. As Alberta's economy has boomed, so has its crime rate – up 230% since 1961 in the case of property crime, a staggering 576% for violent crimes. The direct and indirect costs of crime – for police, courts, security systems, loss of property – are soaring too, up 103%. Crime now accounts for 2% of Alberta's GDP – a classic example of how purely economic measures mistake growth for progress.

Newfoundland and Labrador, meanwhile, has the lowest reported crime rate in Canada, 24% below the national average. Some 76% of Newfoundlanders feel very satisfied about their own safety from crime, compared to just 44% of Canadians. And 68% of Newfoundlanders feel very safe walking alone in their neighbour-hood after dark, compared to just 43% of Canadians. Among Newfoundland women, 53% feel very safe walking alone in their neighbourhood after dark, compared to only 28% of Canadian women.

Not surprisingly, Newfoundland and Labrador needs fewer police to keep the peace than any other province – just one police officer for every 706 residents, versus one for every 553 nationally. But having a peaceful society does nothing for the GDP. Every dollar spent on police, lawyers, and prisons makes the economy grow.

Even in purely financial terms, standard economic measures hide important realities. The GDP tells us how much income is generated, but not how it's distributed. Alberta's oil jackpot, for example, has not been equitably shared. The richest 20% of Alberta households saw their disposable income go up by an average of $9,800 per household (up 12%) between 1990 and 1998, the largest increase of any group in any province in Canada. During the same period, the poorest 40% of Alberta households saw their real incomes fall by 6%.

Alberta is now by far the most unequal province in the country, with the biggest gap between rich and poor. In 1990, the richest 20% of Alberta households brought in 7.4 times as much disposable income (after taxes and transfers) as the poorest 20%. By 1998, they were taking in 10.4 times as much, a huge increase in inequality in a very short period of time. By that standard, Newfoundland is the third most equal province in the country after PEI and New Brunswick. In Newfoundland the richest 20% earn 7.3 times as much as the poorest 20%.

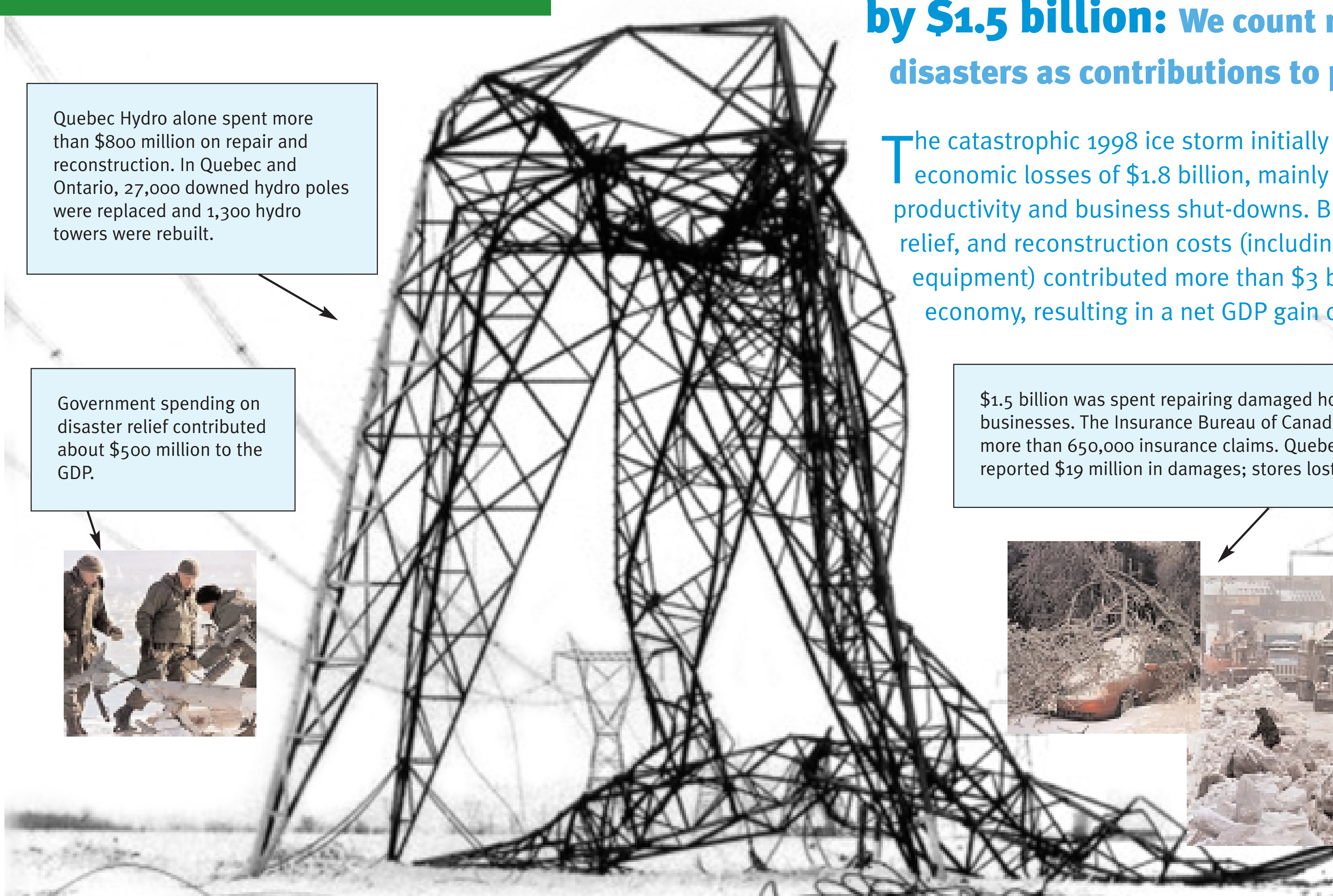
Make no mistake, Newfoundland has serious economic and social problems. Livelihood security is a critical dimension of wellbeing and Newfoundlanders may continue to head to Alberta in search of jobs. But the growing sophistication of wellbeing indicators also shows there's more to real wealth than the number of dollars changing hands.

The Alberta GPI Accounts consist of more than 50 ledgers for economic, social, and environmental capital that attempt to answer whether Albertans are better or worse off today than they were in 1961. For more details see ***www.pembina.org/green/gpi****.*

mis-LEADING INDICATORS

How Quebec's ice storm grew the economy by $1.5 billion: We count natural disasters as contributions to prosperity

The catastrophic 1998 ice storm initially produced economic losses of $1.8 billion, mainly due to lost productivity and business shut-downs. But cleanup, repair, relief, and reconstruction costs (including wages and equipment) contributed more than $3 billion to the economy, resulting in a net GDP gain of $1.5 billion.



Quebec Hydro alone spent more than $800 million on repair and reconstruction. In Quebec and Ontario, 27,000 downed hydro poles were replaced and 1,300 hydro towers were rebuilt.

Government spending on disaster relief contributed about $500 million to the GDP.

$1.5 billion was spent repairing damaged houses, cars, and businesses. The Insurance Bureau of Canada reported more than 650,000 insurance claims. Quebec farmers reported $19 million in damages; stores lost $250 million.

The 1998 Quebec ice storm killed 25 people, sent 100,000 to shelters, cut power to 1.4 million people (some for weeks), and kept 2.6 million home from work. Productivity losses were estimated at $1.6 billion. But economic gains from cleanup, relief, repair, and reconstruction outweighed losses in the GDP, and spurred economic growth.

Thus, measures of wellbeing based on economic growth statistics misleadingly count natural disasters, wars, and other calamities as contributions to prosperity rather than costs, simply because money is spent. Similarly, climate change contributes to GDP several times over, through expenditures on fossil fuel extraction; burning those fuels in industry and every time we drive, and then through cleaning up after the intense storms, hurricanes, and extreme weather events that are predicted to result from global warming.

A more accurate "capital" approach to accounting that assesses losses of man-made, natural, and human capital (including the value of lives lost) pegs the true cost of the Quebec ice storm at $4.2 billion. In contrast to the GDP, alternative measures like the GPI count natural disasters, pollution, greenhouse gas emissions, natural resource depletion, crime, sickness, and other liabilities as costs rather than gains to the economy.

Sources: Conference Board of Canada, Hydro Quebec, Insurance Bureau of Canada, Dore and Etkin at www.colorado.edu/hazards/ss/ss99/ss33.html.
Compiled by Laura Landon

REALITY BITES

Canada #7 in Wellbeing of Nations

Canada ranks seventh in the world, but no country is anywhere near sustainability, according to a new scale that measures both human and environmental sustainability.

The Wellbeing of Nations, a new book by Canadian Robert Prescott-Allen, Victoria-based consultant to the World Conservation Union (IUCN) and the UN Commission on Sustainable Development, offers a global, nation-by-nation assessment of human wellbeing and environmental sustainability, giving equal weight to both.

Some of the results are counter-intuitive. The top five – Sweden, Finland, Norway, Iceland, and Austria – are all European social democracies, but Dominica slips into sixth place, just ahead of Canada, while Guyana (10th), Latvia (16th), and Peru (19th) all place higher than the United States at 27th.

The Wellbeing Index (WI) has two components. A Human Wellbeing Index (HWI) combines 36 indicators of human health, population, wealth, education, communication, freedom, peace, crime, equity, and other variables. An Ecosystem Wellbeing Index (EWI) combines 51 indicators including land health, protected areas, water quality, water supply, global atmosphere, air quality, species diversity, energy use, and resource pressures. A Wellbeing/Stress Index (WSI) measures the amount of human wellbeing a society produces per unit of ecosystem stress it causes.

Prescott-Allen portrays the results graphically in a Barometer of Sustainability, that shows a society's human and ecosystem wellbeing, how close it is to the goal of sustainability, how it compares with other societies, its rate and direction of change, and its major strengths and weaknesses.

By Prescott-Allen's reckoning, most western democracies have "ecosystem deficits" – high standards of living but unsustainable impacts on the environment. Twenty-seven nations have "human deficits." Mostly in Africa, these countries make low demands on the ecosystem but endure desperate poverty. Most sobering are the 116 "double deficit" countries, combining weak environmental performance and inadequate development. The worst performers are Afghanistan, Syria, and Iraq.

Ecosystem stress tops human wellbeing in 141 countries, a sign that efforts to improve human development are inefficient and overexploit the environment.

Robert Prescott-Allen: The Wellbeing of Nations *(350 pp. ISBN 0-88936-955-0. $40 from International Development Research Centre, P.O. Box 8500, Ottawa, ON, K1G-3H9, or pub@idrc.ca.) Thanks to reader Chris Morry of the World Conservation Union for recommending this book.*

Test drive the SD dashboard

The Consultative Group on Sustainable Development Indicators, whose secretariat works out of IISD's Winnipeg headquarters, has developed a visual model of national progress toward (or regression from) sustainable development in the form of an instrument panel or dashboard. You can download the latest edition of the dashboard, displaying the performance of over 170 countries by close to 50 sustainable development indicators at www.iisd.org.

Corporate Social Responsibility Week

From May 6-10, 2002, the Conference Board of Canada will highlight examples of good corporate citizenship, sustainable economic development, community investment, environmental stewardship and more, in the context of corporate social responsibility. According to the Conference Board, the Canadian public expects "businesses to set higher ethical standards and help build a better society."

*For more information, see **www.conferenceboard.ca/ccbc/CSR_week/default.htm** or email Camille Beaufort at beaufort@conferenceboard.ca.*

IISD sees NAFTA opening – a crack

A recent declaration by NAFTA trade ministers has pledged greater openness in tribunals hearing disputes under the trade pact, says the Winnipeg-based International Institute for Sustainable Development (IISD). The institute, which monitors international trade and investment policy from a sustainable development perspective, cautions that tribunals may not implement the declaration.

Investment disputes under NAFTA's Chapter 11 can have environmental implications because tribunals often dismiss environmental regulations as violating investors' rights. Greater openness would give sustainable development groups easier access to, and possibly influence over, panel deliberations.

...continued on page 4

Interview: Stuart Smith National Roundtable on the Environment and the Economy

Dr. Stuart Smith is Chair of the National Round Table on the Environment and the Economy, which received $4.5 million from the federal government to develop sustainable development indicators. A psychiatrist by training, Smith is also chairman of Ensyn Technologies Inc. and a former Ontario opposition leader.

Reality Check: ***What have you accomplished so far?***
Stuart Smith: We've set up a steering committee that has just about everybody who's been working in the field of indicators, and we've developed a general strategy, a "natural capital" strategy. We've set up groups of specialists working on detailed measurements within each sector. We've met with some of Canada's leading economists to see how acceptable these concepts are. We've also been able to support groups around the country working on some of the next generation issues we hope to tackle in the future — issues in the category of social sustainability. I think we've accomplished a fair bit. I'm confident we'll bring the ship into port on schedule.

What's left to be done?
We have most of the specialist group reports now. We'll take these back to the steering committee and winnow out the core indicators. The indicators will be deliberately simplistic. Something as complex as the environment and sustainable development cannot be summed up in a couple of numbers that are clearly understandable and totally transparent to everybody. You can only do that by summarizing. So we will also recommend a far more detailed set of national accounts for use by people who want to know about sustainable development in detail. But for the general public and for a kind of shorthand, we want what we're calling core indicators – probably four of those, or maybe four plus two.

Can you explain the natural capital approach?
Our focus is on inter-generational equity. What endowments do we have that we really have no right to use up ourselves, but should leave to future generations? What do we have we can live off but must not draw down? In that sense it's like capital. You live on the interest rather than eat up the principal. We're looking at those natural processes or natural endowments that lead to flows – flows you can call consumption, if you like.

We're looking specifically for those assets that cannot be easily substituted by other forms of capital. If you use up a non-renewable resource like copper, it won't be there for the future. But it doesn't make a lot of sense to leave it there forever, so you can argue that you can sell it and use the money to invest in another form of capital, such as education. That might be a sensible strategy: to substitute human capital for non-renewable natural resources. But look at the ability of forests and wetlands to clean the air and the water: do away with those and, unless you're a wildly optimistic techno-fixer, there's no substitutable form of capital you can count on. We are focusing on those non-substitutable forms of natural capital that we have absolutely no right to be drawing down.

What are your four plus two core indicators?
Well, I don't want anybody to think I've made up my mind before I've heard from our steering committee, but I could see something like an indicator for air, water, forests, and wetlands, for example. The other two would be human capital, largely education, and non-renewable resources. I'm not sure whether we're going to end up with those — there's a lot of arguments that haven't been decided.

Your conference in March, 2001, drew 600 people. What do you make of that?
We were shocked. We thought we'd be lucky to have 200 people. There's a large group of people in this country interested in measuring something along these lines. Once they got in the room, it became obvious they didn't all have the same viewpoint. There are huge groups of people doing very important work in areas that are not spot on natural capital. Take quality of life indicators. They focus on the environment in part, but also on safe streets, good schools, good inter-cultural relationships, low crime rates. The quality of life folks were worried that what we were doing might usurp their work. There's another group doing a tremendous amount of work on the shortcomings of the GDP. Some people are focused on a broader definition of sustainable development, and are looking strongly at social issues. Others say that if we want to know if our lifestyle is sustainable, we ought to be looking not just at environment and economy but at social cohesion. The social cohesion people were particularly vexed because they felt we were ignoring intra-generational equity.

If rich people deplete more natural capital and produce more waste than poor, doesn't that bear on the environment?
I regard intra-generational equity as the fundamental issue for all of our politics. When I was a kid, most people felt the distribution of wealth meant that some money would come to them, so they were Democrats. As I grew older, most people felt that distribution of wealth meant that money would come from them, so they were Republicans. That's the entire story of politics in the late Twentieth Century.

So why have you excluded those equity issues?
What we're talking about is a set of indicators that have to do with what we're leaving to future generations. There's a good many injustices we could be dealing with, but we've taken the inter-generational view as a context for the GDP. The GDP is giving you a current account or statement of income and expenditures, and we need a balance sheet. The balance sheet is what tells you if this company is likely to be around next year and a hundred years from now. Intra-generational equity is obviously very important – it's the underlying basis for all politics – but it doesn't fit with the inter-generational equity issue we were trying to deal with. You can argue that social cohesion does, and we agree, so we funded some work to come up with robust measures of social cohesion for our next round.

There's a lot of dispute about what is a robust measure of social cohesion. There are many interesting and suggestive measures, but people don't yet agree what it means if the number goes up or down. I don't want indicators that are subject to political interpretation. That's why we need indicators that have validity. They must be robust, they must be clear and transparent. I don't think we've reached that with social cohesion. Social cohesion indicators still require work, but obviously it is important that this work be done so that we can have, over time, a more complete set of valid indicators.

The natural capital approach seems to put all the onus on fishermen, foresters, and farmers. What indicators will you develop to help consumers measure their impact on the environment?
This would be in the set of accounts we're going to recommend in addition to the indicators. The indicators can only draw your attention to something. They only indicate something. If you want to understand what lies behind them, you've got to go farther and farther down. So if we are losing forest cover, it isn't necessarily because a bunch of guys are chopping down the trees. It could be because of climate change. It could be because we're expanding cities into forested areas. If we are losing wetlands, that's not necessarily the farmer's fault. It's more likely a fault of urban development and poor provincial land use policy.

So if the indicators draw attention to a problem, then people say, "OK, this is a bad thing. Now, what's the reason? What can I do about it?" Sometimes they can do a fair bit. Sometimes they can't. But we shouldn't ask too much of the indicators.

Reality Bites...

IISD credits Canadian International Trade Minister Pierre Pettigrew with playing a key role in brokering the declaration, but notes that the statement covers only one of NAFTA's environmentally troublesome provisions. (www.iisd. org/pdf/2001/trade_nafta_aug2001.pdf)

IISD promotes sustainable development in an impressive array of policy arenas. In addition to international trade and investment, the institute monitors economic policy, climate change, the movement for improved measurement and indicators, and natural resource management. Its reports clarify the impact of seemingly obscure international negotiations on sustainable development issues.

In contrast to the National Round Table on the Environment and the Economy, which explicitly excludes indicators of intra-generational equity, IISD insists on a holistic view of sustainable development indicators that includes social values. It promotes a set of assessment guidelines that sustainable indicators should follow.

Developed by an international group of measurement researchers and called the Bellagio Principles, after the Italian city where the conference took place, the guidelines (www.iisd.org/measure/1.htm) declare in part that, "Assessment of progress toward sustainability, should:

consider equity and disparity within the current population and between current and future generations, dealing with such concerns as over-consumption and poverty, human rights, and access to services as appropriate

consider the ecological conditions on which life depends

consider the success of economic development and other non-market activities that contribute to human/social well-being."

Reality Check

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