THE EFFECT OF INSTITUTIONAL CULTURES ON SOCIOECONOMIC DEVELOPMENT AND ECOLOGICAL CONSERVATION

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Contents

Summary

The main argument of this article is that sustainable development is loosely defined and can be operationalized in many ways. Differences in institutional culture lead to conflict over its meaning. Sustainable development will only be achieved by removing the barriers to open communication between institutional cultures. Scholars who write about institutional cultures argue persuasively that institutions shape and are shaped by the culture(s) in which they are situated. Institutional cultures that value the enhancement of human capacity for creative self-expression in a way that conserves economic, social, and environmental capital are the type of social rules and norms that facilitate sustainable development. To illustrate the difficulties inherent in developing such norms, I describe a World Bank development project related to social dimensions of irrigation practices in Mexico. The project's goal was to encourage infrastructure management to move toward a more participatory and self-sustaining form. Implications for sustainable development are described.

1. Introduction

The choir of critics against organizations associated with global governance, such as the World Bank, the International Monetary Fund, and the World Trade Organization, has become vocal and strident, as the protests in Seattle (November/December 1999), Washington DC (April 2000), Cancun (September 2003), and Hong Kong (December 2005) illustrate. Grass-roots protest machinery in the United States, dormant for a

decade or more, has mobilized in support of this issue. The essence of the criticism seems to be that these global organizations are too far removed from the critics' perception of good governance: delivery of public goods through processes characterized by participation, inclusion, fairness, and sustainability. There is a growing concern that business as usual is unacceptable, that ecological devastation and growing social inequities cannot continue. The critics demand that the intergovernmental organizations like the United Nations deliver what they promise and make better promises. Because agitation for change in these organizations has not lead to the desired gains in environmental and social well being, those who argue for the creation of different organizations are gaining political support.

At this juncture, constructive alternatives to the status quo are often couched in the language of sustainable development. According to the World Commission on Environment and Development, sustainable development is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Further delineation of the meaning of sustainable development for individual nations and particular issue contexts is the responsibility of the officials, industry leaders, non-governmental organizations and private citizens who will be most affected. People who have experience with sustainable development should be on hand to advise and inform, but the process of discovering how and what communities want sustainable development to mean for their immediate social, economic, and environmental context is an integral part of sustainable development. As a result, the definition of sustainable development is usually intentionally vague.

The many nations that have signed Agenda 21 (ostensibly) acknowledge the urgent need to resolve socio-ecological dilemmas and the contribution that sustainable development can make toward that end. Building on this understanding, Agenda 21 specifies a program for effecting economic, social, institutional, and environmental changes that facilitate sustainable development. Further agreement on the meaning of sustainable development at the international level is difficult to attain. Because of myriad political, economic, and economic processes and stakeholders that may be affected, sustainable development is a contested concept.

A process for channeling such disagreement into constructive political outcomes is a key part of Agenda 21. Included in Agenda 21 is a recommendation that environmental concerns be incorporated into all levels of economic and political decision making. The program also advocates public participation in political decision-making, especially with regard to environmental impact assessments. Regarding consumption, Agenda 21 calls on governments, consumers, and producers to find ways to advance their standard of living without weakening environmental processes or undermining the ability of the less fortunate to provide for themselves and their families. Activities in support of this objective include dissemination of information on the environmental costs associated with consumption choices, development of more efficient technologies, waste minimization, recycling, and reinforcement of the values underlying these activities.

A growing number of scholars from the fields of political science, sociology, cultural anthropology and communications theory are writing on the topic of institutional cultures. Their work advances the view that institutions shape and are shaped by the

culture(s) in which they are situated. If a culture prizes short-term monetary gains and values timber more than forests, it is likely to produce institutions to denude its forested land. Some cultures stress the interlocking values of economic, ecological, and social sustainability; others do not. Consequently, some institutional cultures are more supportive of sustainable development than others.

This essay summarizes the views of leading scholars on the topic of institutional cultures and applies their analysis to sustainable development. It asserts that some cultures are more conducive to sustainable development than others. Specifically, institutional cultures that value the enhancement of human capacity for creative self-expression in a way that conserves economic, social, and environmental capital are institutions that facilitate sustainable development. To illustrate the difficulties that arise when working toward this end, I discuss in detail a World Bank project intended to reorganize the social infrastructure of irrigation on Mexico and the implications of this project for efforts to develop institutional cultures supportive of sustainability.

Sustainable development is being operationalized—translated into practice—in many different ways by multilateral development banks, bilateral development organizations, transnational businesses, and non-governmental organizations in the U.S. and around the world. Despite various efforts to coordinate interpretation and implementation of sustainable development, it remains an essentially fragmented and ambiguous concept. This is both its strength and its weakness. It is a strength because it shifts our focus to long-term economic, environmental, and social ramifications of current practices. It also is a strength because it encourages implementation of ideas related to sustainable development in a manner that is consistent with local economic, social, and political realities. But this useful ambiguity is a weakness because it can be used to camouflage undesirable environmental and social impacts associated with short-term economic gain and because it can lead to misunderstanding and mistrust.

To avoid the risks inherent in this ambiguity it is essential that effecting and affected parties communicate with one another about the course of action they plan to take. For sustainability programs and projects to be effective, there must be some shared understanding of the meaning that sustainable development holds for the society in question.

Arrival at this meaning can be achieved through dialogic and non-dialogic processes and is likely to result in institutionalization of a subset of dominant perspectives. The relative discursive power of competing interpretations will vary from context to context, depending on the mix of values that have been privileged by the cultures participating in the dialogue.

2. Cultures Shaping Institutions

Communication cannot be taken for granted: it doesn't always happen. For an audience and a speaker to understand one another, they must share some frame of reference or comprehension of one another's way of life (for example, culture). Power is effected through culture and communication; it is not external to cultural processes. Using this form of power, the winning ways of thinking become the accepted, "natural"

perspectives on the way to make sense of one's own and others' experiences: the "conventional wisdom." They become the values deemed worthy of support by the social norms internalized by important individuals, groups, and organizations in society.

Societies establish social norms to establish cultural values. Once cultural values are established, both social norms and society evolve. Some scholars argue that the social norms governing organized entities tend to become "isomorphic" (e.g., equal in form) with those favored by the cultural environment that surrounds them. If poverty reduction is not a serious concern of the powerful elements of a society, organizations that work to redress poverty will find little public support for their efforts. If consumers insist on buying produce that is "certified organic," agribusiness is likely to move toward organic farming.

Institutions are structures and mechanisms created to pursue a social purpose. The organic food example illustrates the relationship between norms, cultural values, and institutions. There is a cultural value held by a growing number of people in the United States to promote healthy lifestyles and environmental protection. This has led to a norm within those that hold this value to purchase organic produce and the creation of institutions to certify whether food has been produced in a manner that is consistent with this norm.

The pressure on institutions to adapt to changes in their cultural surroundings comes from their need for legitimation. To be seen as legitimate, institutions must reflect some approximation of the normative injunctions of the culture in which they operate. Institutions that accomplish this task increase their survival prospects. If a private enterprise sells unwanted goods that nobody buys, it will not stay in business long. If a politician works against the interests of powerful constituents, he is unlikely to stay in office.

These dynamics apply at many levels. At the national level, there are likely to be many different cultural perspectives. Some are likely to hold more influence over decision-making than others. As arbitrary as the process of nation-state delineation and construction may be, it is likely that sizeable resources have been devoted to the creation of a nation-state culture. Such a thread of unification provides some basis for effective communication within the nation-state.

Communication is also important at the international level. The existence of institutional cultures that are transnational in scope facilitates this process.Transnational cultures may play an important role in the success of efforts to develop and implement global environmental agreements. To have a positive effect, such institutions must have institutional cultures that facilitate expression of the aims of the agreements that they are supposed to implement. If we want to realize sustainable development, implementing agents must be rewarded for achieving intended outcomes, rather than spending the requisite amount of resources.

Negative program evaluations can lead to political pressure for organizational change. If an organization is failing to deliver, its legitimacy may be questioned. If an opponent wishes to inflict such questioning on an organization, an independent investigation is

often launched. For example, the environmental justice movement in the United States was significantly advanced by a demand of a Democratic congressman from North Carolina for a Government Accounting Office (GAO) report into the siting of hazardous waste management facilities in predominantly African American communities.

3. Institutions Shaping Cultures

Institutional cultures are likely to have an important effect on the implementation of sustainable development because they do not only adapt to the culture that surrounds them, they help to make it. Institutional cultures can dictate normalcy of mind and body and some scholars have shown how institutions can establish the categories of thought and memory for their members: by constraining the categories of thought that are acceptable, institutions establish the ways in which people come to know their history and themselves. Thus, individuals think, establish preferences, and understand justice through the categories provided by the institutions of their society.

By extension, the effects of institutional cultures for public policy are profound. The internal values, rules, and reward structures in governing institutions have an important impact on what and how public policy is formulated and implemented. Institutional cultures (for example,,EU adherence to the subsidiarity principle) help to establish political stability in periods of social change and can be used to evaluate intra-institutional as well as inter-institutional cultural differences and adaptations.

Interdisciplinary research supports the view that individual organizations can reflect multiple cultures. They argue that institutions and culture are interdependent and mutually constitutive. To the extent there is cultural plurality in society, there will be pressure upon organizations to accept cultural plurality as well. Organizations that reward tolerance and cross-cultural understanding will create pressure among their members to adopt similar ways of thought. Individuals are constrained by the institutions of their culture, but they are also capable of altering those institutions within certain bounds.

With regard to sustainable development, the question is whether such institutional evolution will occur in time to avoid prolonging the growing toll of extreme weather events, related natural disasters, and inadequate access to food and clean water faced by huge numbers of people around the world. In 1999, the International Federation of Red Cross and Red Crescent Societies reported that natural disasters over the previous year caused more damage than disasters in any prior year had caused. They also report that the natural disasters of 1998 produced 25 million "environmental refugees."

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