

DEVELOPMENTAL ISSUES AND ENVIRONMENTAL POLICY IN SOUTH AFRICA

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Summary

The relationship between economic growth and environmental quality has been a cause for intense public debate in South Africa. In accordance with the country's developing status, economic development and industrialisation are identified priorities, which often impact on the quality and quantity of natural resources in South Africa. In a growth-oriented approach to development, maximising of the GDP should be imperative. However, a correlation has been found between growth and environmental degradation.

The term "sustainable development" was introduced in 1980 by IUCN's World Conservation Strategy and was further refined in the Brundtland report.

In South Africa, the issue of waste management surfaced as industrialisation increased. This generated pollution and waste products that need to be managed for environmental protection.

Macro-economic stability, such as the GEAR strategy, will enhance environmental

improvements.

The role of government in the management of the environment takes place in terms of legislation in all government spheres, within the framework of the current constitutional setting. The natural environment must be treated as an asset in order to recognise its importance in the economy.

Public environmental policy in South Africa is currently designed around a number of goals which are aimed at bringing about optimum utilisation of available resources. In order to facilitate South Africa's integration in the global community, it has become necessary for government to create a framework where business needs can be incorporated with environmental requirements in order to bring about reasonable growth and development without undue damage to an already threatened environment.

1. Introduction

The relationship between economic growth and environmental quality has been a subject of intense public debate in South Africa. In accordance with the country's developing status, economic development and industrialisation are identified as priorities, which often impact on the quality and quantity of natural resources in the country. In a growth-oriented approach to development, maximising of the Gross Domestic Product (GDP) should be imperative. However, such a growth should not be at the expense of the environment. Economic development leading to environmental degradation is no development at all.

The term "sustainable development" was introduced in 1980 by the Union for the Conservation of Nature's World Conservation Strategy, and was further refined in the Brundtland report (see below). In South Africa, the issue of waste management surfaced as industrialization increased, which in its turn generated pollution and waste products that need to be managed for environmental protection. It is realized that the natural environment must be treated as an asset in order to recognize its importance to the economy. In order to facilitate South Africa's integration into the global community, it has become necessary for government to create a framework where business needs shall be reconciled with environmental requirements, in order to bring about reasonable growth and development without undue damage to an already threatened environment. Thus, currently the South African environmental policy is designed to bring about optimum utilization of available resources. In this context, the role of government in terms of passing and enforcing the necessary legislation became crucial. Macroeconomic stability, an aim of the Growth Employment and Redistribution (GEAR) strategy, is expected to facilitate environmental improvements.

2. The South African Context

With its typical third world problems of abject poverty, high unemployment, a low skills base, and so on, the emphasis in South Africa is on the need for economic development. It is also acknowledged that being a capital-scarce country, a higher return on investments will be generated by focussing on the industrial sector as a source of growth, with the possible passing on of benefits to other strata in society. Such an

outlook will, however, have a great impact on the both the quality and quantity of natural resources in the country. Thus, every developmental endeavour should be based on sustainable development. Accordingly, all businesses should strive to make efficient and productive usage of all natural resources, while treating the environment as a scarce resource and an asset.

In its White Paper on Environmental Management Policy (July 1997), the South African government defines the word “environment” as referring to the conditions and influences in terms of which any individual or thing exists, lives and develops. These conditions and influences include:

- The natural environment, including renewable and non-renewable natural resources such as air, water, land and all forms of life;
- The social, political, cultural, economic, working and other factors that determine people's place in and influence on the environment; and
- Natural and constructed spatial surroundings, including urban and rural landscapes and places of cultural significance, ecosystems and the qualities that contribute to their value.

Culture, economic considerations, social systems, politics, value systems—all determine the interaction between people and the environment, the use of natural resources, and the values and meanings that people attach to life forms, ecological systems, physical and cultural landscapes and places. People are part of the environment and are at the centre of concerns for its sustainability.

The purpose of the South African government’s environmental policy is twofold:

- To inform the public of the government's objectives and how it intends to achieve its objectives; and
- To inform governmental agencies and state organs what their environmental objectives are, and what they must do to achieve those objectives.

It is within this context that the relationship between development, growth and the environment is to be studied. The ultimate aim is to see that development, growth and environment complement each other in the search for sustainable development. The subject thus is studied in terms of the inter-relationships among the above cited variables. It is important that the environment is treated as an asset, and the environmental policy as well as environmental management is designed as integral parts of business strategy in South Africa.

3. Growth, Development and the Environment

Chapman sees the following two questions as part of the great debate between development and environmental quality:

- Is world income increasing?
- Is environmental quality advanced or reduced by economic growth?

According to him, there is a link between growth (or per capita income) and environmental degradation. According to the Rutton theory, environmental degradation declines as incomes increase, while according to the Environmental Kuznets curve environmental degradation may increase as income increases up to a certain point, whereafter it will decline sharply as income increases. It does, however, seem that as the “global village” idea settles in, neither of these two aforementioned theories holds ground. Chapman asks the question whether the Environmental Kuznets curve depends on the assumption that economic growth leads to environmental protection, or does it exist because high environmental quality encourages economic growth?

In considering a growth-oriented approach to development, the maximizing of Gross Domestic Product (GDP) or Gross National Product (GNP) should be seen as the ultimate objective. Based on this, Tietenberg asks the following questions: “Has economic growth historically served as a vehicle for development? Has growth really made the average person better off?” According to him, conventional national accounts allow for natural resources to be depleted and are shown as an income activity, not as a decline in natural capital. To overcome this and account for such limitations, alternative measures of national accounting are presented:

- Account for the amount by which welfare is reduced due to pollution;
- Eliminate durable goods purchases, and estimate the services they provide on an annual basis;
- Exclude consumer expenditure (such as commuter costs) on items that do not raise welfare directly;
- Include items not accounted for in the conventional accounts, such as the value of leisure time, and household production; and
- Include government services consumed in personal consumption expenditure..

With the above mentioned adaptations, a new measure is developed, namely the measure of economic welfare. But this measure was criticised in that it works on averages, and does not allow for the accurate measurement of spiritual and material well-being. Thus, the United Nations’ Human Development Index states that the link between per capita national income and human development is not automatic. It was subsequently realised that what is important is *how* the income is spent.

The conventional measures of growth—GDP or GNP—could not, however, be realistically used as indicators for development or welfare. Todaro and Smith write that future sustainable growth and quality of life are “critically dependent on the quality of the environment”. If the natural resource base of a country is destroyed in pursuit of short-term growth, the present and, more particularly, the future generations will be negatively affected. Therefore, the conventional measures of GDP or GNP must be adapted by an indicator or factor that will incorporate environmental accounting, taking into account the consumption of natural resource endowments in pursuit of economic growth.

4. Sustainable Development

In the 1980s, the International Union for the Conservation of Nature's World Conservation Strategy made the first attempt to reconcile ecological and economic concerns and approaches. This Strategy introduced the concept of “sustainable development”. The concept was further refined in the World Commission on Environment and Development report, *Our Common Future* (the Brundtland Report), submitted to the United Nations in 1987. It adopted the following definition:

“Sustainable development is development which meets the needs of the present, without compromising the ability of future generations to meet their own needs.”

It contains two key concepts:

- The needs, in particular the essential needs, of the world's poor, to which overriding priority should be given, and
- The limitations, imposed by the state of technology and social organization, on the ability of the environment to meet present and future needs.

In South Africa's macro-economic policy, “sustainable development” is the watchword for the growth potential of the economy. In a business context, the term may refer only to the survival and growth of an enterprise. But, this policy emphasizes that integrated and sustainable management of the environment, now and into the future, is the essential basis of sustainable development in all areas of human endeavour. Thus, development policies in all sectors that do not address environmental concerns cannot claim to be sustainable.

Environmental management policy will ensure that the Growth Employment and Redistribution Strategy (GEAR) and the Reconstruction and Development Programme (RDP) bring lasting benefits to all South Africans. It will achieve this by ensuring that environmental sustainability, health and safety are not compromised, and that natural and cultural resources are not endangered.

The policy focuses on win-win solutions to promote economic *and* environmental solutions, particularly for previously disadvantaged communities. It seeks to integrate and address environmental concerns and environmental sustainability in decision-making processes, in the development of policies and programs, in spatial development planning and in the management of resources and activities. It aims to promote growth that does not degrade the environment, but would promote environmentally sustainable development.

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Biographical Sketches

Dr I.W. Ferreira is married with three adult children and four grandchildren. He matriculated 1961, and embarked on tertiary studies in 1973. He attained two diplomas in 1975 and in 1979, respectively and a BA degree in 1986. He completed Honours in Public Administration during 1987, an M.Admin degree (Cum Laude) in 1993, a D.Admin in 1996, and an M Ed in 2000. His working career has spanned over 45 years, with 30 of those years in government service in various government departments and 15 years in full-time tertiary education. His interests are studying, fitness and family life.

Hendrik Lloyd is a professor of Management Economics at the Port Elizabeth Technikon, South Africa. In addition to numerous studies he has conducted and technical reports published on the socio-economic

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