

# Section 1 : Social and Economic Dimensions

## Chapter 8 : Integrating Environment and Development in Decision-making

### A. Integrating environment and development at the policy, planning and management levels

Systems of decision-making tend to be compartmentalised with economic, social, and environmental decisions made separately. If environment and development are to become the central focus decision-making must become much more integrated.

#### Activities

Governments and local communities should:

- review and where appropriate, improve the process of decision-making so as to achieve the progressive integration of economic, social and environmental issues in order to achieve development that is economically efficient, socially equitable and environmentally sound
- take a long term perspective when decision-making
- identify linkages between issues
- monitor and evaluate development processes by monitoring economic and social trends and the state of the environment
- incorporate meaningful public participation.

### B. Providing an effective legal and regulatory framework

Many nations have ad hoc legal frameworks for the administration of environment and development issues that hamper integrated decision-making.

#### Activities

Governments should regularly assess their systems of laws and regulations to ensure their effectiveness.

### C. Making effective use of economic instruments and market and other mechanisms

Markets and fiscal policies can play a complementary role to laws and regulations, in shaping attitudes and behaviour. Key concepts include the polluter pays principle and resource user pays principle.

#### Activities

Governments should incorporate economic instruments in controlling resource use. Key areas where economic instruments can be applied include energy, transportation, agriculture, forestry, water, wastes, health and tourism.

## **D. Establishing systems for integrated environmental and economic accounting**

While the present system of national accounting captures market economic activity, it is largely unsuccessful in capturing non-market economic activity such as housework and child rearing. Another limitation is the failure of national accounting systems to include natural capital such as water and land resources. National systems of integrated environmental and economic accounts need to be developed.

### **Objective**

To expand existing systems of national economic accounts to include social and environmental dimensions.

### **Activities**

The United Nations needs to continue to develop a system of integrated environmental and economic accounting.

Governments and local communities should:

- improve national accounting systems and establish linkages between national statistics and resource use
- encourage companies to include resource consumption in their annual accounts.