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## Comments on Energy and Environment Papers

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This agenda item, like most others, was added at the specific request of the participants, and it certainly is relevant and timely. I will try to be short but perhaps not sweet. Several of the papers this morning call for greater regional cooperation in environmental protection. Indeed, several energy-related environmental issues in this region are transnational in nature and require a cooperative response, i.e., the pollution generated in one nation can affect other nations.

Prominent examples are acid rain from coal use. Another is marine pollution. Despite spectacular incidents like oil spills, most marine pollution sources are still land-based. And in semi-enclosed seas like the East Sea and Yellow Sea, coastal pollution is transnational. These issues potentially involve several countries and should be addressed on a multilateral basis.

But a multilateral approach requires a hard nose assessment of the benefits and costs and their distribution among the participants. Previous multilateral approaches have failed because they failed to address the inequities of the benefits and costs. Pollution standards differ because of different levels of economic development and different priorities. In this context, perhaps the international environmental cooperation between Kitakyushu and Dalian has got it about right.

Let me elaborate. Although all countries in the region would benefit from a cleaner environment, the developing countries are not about to retard their economic development by switching to more expensive but less polluting technologies of energy development. With acid rain, the benefits of switching accrue to both the transnational recipients of pollution and the local environment, but the costs are borne by the developing country. Put bluntly, if the developed countries of Northeast Asia want the developing countries to lessen their export of pollution from energy generation, they will have to compensate them. This applies to regional as well as global pollutants.

This compensation can take many forms: training, education, technology transfer, and direct payments. But this is only a first step. What is needed ultimately is a regional environmental regime: an agreement on norms and principles of expected behavior—in short, similar rules and regulations and their enforcement, whether for air pollution or marine pollution. And to get to this level of cooperation requires an equitable sharing of the costs, including the costs of curbing pollutant outputs. It also requires leadership and public support.

There is currently a leadership vacuum in regional environmental cooperation in Northeast Asia. The obvious candidates are reluctant to come forward, primarily because of the fear of having to finance the regional efforts. Perhaps then the main focus of NGOs and international organizations should be on education—public education as to the causes and consequences of pollution and the required remedies. Perhaps through public education, public pressure will grow—at least in the developed countries—for governments to adopt the principle of compensating the developing countries for direct economic benefits of developing without constraints on pollution. Then, the Kitakyushu–Dalian arrangement, Toyama’s activities, and Tianjin’s demonstration project may be replicated a thousandfold region wide. And we would be well on our way to a cleaner environment on an equitable basis.