INTERVIEW

AS THE WORLD SHRINKS

Think Globally, Act Globally

Under Secretary of State for Global Affairs Frank E. Loy has had a long career in business, government, and law, including much international engagement. Among other things, he helped found the Regional Environmental Center for Central and Eastern Europe, Budapest, and was president of the German Marshall Fund of the United States. He once directed the State department's Bureau of Refugee Programs and was a deputy assistant secretary of state for economic affairs.
Loy is also a former RFF board member. He spoke recently with J.W. Anderson, RFF's journalist in residence.

RFF: Let me ask you to talk about the shift of environmental policy and politics from domestic to international affairs.

Loy: The shift in emphasis is, I think, profound, and the changes that are required of people and governments are equally profound. Years ago you didn't have, or at least you weren't aware of, depletion of the ozone layer or concentration of greenhouse gases or the junk left in space from orbiting satellites. And one more thing I should mention is the globalization of world trade. If a large fraction of your goods come from or go to foreign countries then all of a sudden, not only what comes in but how it is manufactured and the environmental impact become matters of concern. Formerly we were able to deal meaningfully with the environment—with our environment—by focusing on the neighborhood, or the state, or the United States. Today we realize what we do as a neighborhood and state and the United States isn't enough.

RFF: How is this going to affect the way Americans think about environmental protection? Are we going to have to think in terms of slower progress now that it's a matter of dealing with one hundred and eighty other governments?

Loy: I think so, although we have had some examples—the Montreal Protocol is an excellent one—where we were able in a rather short period of time to deal with a big problem quickly. But mostly environmental progress internationally takes a long time. You start off with the stark proposition that there is no legislature,

and so you can't adopt a law. Therefore you have got to find ways you can get people who are not subject to "law" to go along. The most common technique we have for that perhaps is a treaty, although we can have less formal measures—common consent or mutual action—not mandated by law or by treaty. But still all of those actions take a lot longer and are very frustrating.

On top of that we have a phenomenon that many people in America are quite concerned about and may be even suspicious of and that is international agreements.

RFF: Or international regulations.

Loy: Or international regulations or international bureaucracy. Some see that as another layer of government, a foreign layer, and in some ways a bit of intrusion on our sovereignty. So we need to bring along the techniques of making international agreements and we need to bring along concurrently a broader understanding by the American people of the necessity of doing that.

RFF: What's the government going to have to do to maintain that public support?

Loy: We have to do a big educational job. I think we need help to make progress. We need the help of those parts of American society that understand the need for progress and hopefully agree with it. What help we do get is frequently from nongovernmental organizations some of whom are dedicated to similar ends.

But also we need to have the business community or at least significant parts of

it. There one can be somewhat encouraged. If you look at the biggest of the international environmental issues facing us today—like climate change—you have to say that the attitude of the business community today is much different than it was two or three years ago. I don't mean to say it's uniform. But there are now international business entities being quite progressive for a variety of reasons having to do with a sense of profit, a sense of social responsibility, or a sense of being on the right side of history, if you will. They are saying: look, we've got to accept the notion that science tells us there's a huge problem, that man is part of that problem, that we the business community are part of man's contribution, and thus we've got to do something about it. Those are words you did not hear a few years ago. You do hear them now. So that's encouraging.

We also need to try to remove some of these issues from partisan argument, and be able to treat them more on their merits. In today's climate that's not easy, but there is almost no reason really why some of these issues ought to be the subject of partisan dispute.

I think one of the reasons the standing of the environmental community as a whole has over the years suffered in the minds of certain conservative elements in the United States, both in Congress and the general population, is that environmental progress has been equated with federal regulation. We know that form of regulation is distrusted by many, and is a concern to many. On the other hand, we now have enough examples where federal action has actually helped solve problems that we are beginning to break down some of those hostile attitudes.

When you go from federal action to international action, then of course some people see intrusive bureaucracies, high costs, investigators snooping on your land. It takes a long time to make clear that's not what we are talking about. I do think the inevitability of the internationalization of the problem and therefore the solution is going to mean that we are going to have some success—but it takes a lot of education.

RFF: How difficult is it going to be to bring along other countries who have no tradition of environmental protection? Is that going to be a fifty-year process?

Loy: Gosh, I hope not, because I'll probably no longer be in office at the end of that period. I think the problem is less and less that the countries to which you're referring are handicapped by the absence of an environmentalist tradition. That's beginning to change; they do recognize they have a huge stake. On the other hand, the climate negotiations have certainly shown that the division between North thinking and South thinking is not dead.

There are two strong feelings that make it hard to get international agreements. One of them is that, in the particular case of global climate change—but also in a lot of other environmental issues—the cause of the environmental problem is the developed world. Of course, there's much to that. We've put out most of the fossil fuel emissions. And therefore the equities require us to do most of the work. And second, there is a great feeling that what we propose to them in some way or another would thwart their development strategies. Or that in some way or another we ask of them something that is too complicated, and for which they have neither the human nor the dollar resources to respond. And frequently that latter part is true. We don't have a big capability of helping them, although we do help. The Department of Energy has had a program of country studies, along with EPA. AID has done work on capacity building. But nevertheless it is true that many of the developing countries feel they can't effectively participate, and others feel that they'll just wait until we've done all the heavy lifting.

RFF: What can an organization like RFF do usefully? If you were still on the board, what would you be telling them to do?

Loy: My sense is that think tanks, or collections of scholarly investigators such as RFF ought in large part to seek to occupy a hole in the selection of information and analysis that is available to policymakers. Policymakers like myself get very good help on stuff that will arise tomorrow or next week. You get very good briefings. If we want, on the other hand, to push out the frontiers of knowledge, we have a contracting capability to go to universities. If you went to a university, about four years later the project might be done and it would be very good. But for the time period in between, it's hard to get help.

The second thing I would say is that I think it's important for the organization to establish something of a research agenda and that agenda, in turn, be related to the needs of the policy community.

The third thing has to do with timing. There are times where analyses and research provided by think tanks like RFF are relevant and there are times when they are not relevant, wasted. When one sets research agendas one frequently ought to think about when the product ought to be done. I do think timing these products is important. Those are the three things I would say to RFF.