

# Organizing for the Green Economy: What an International Green Economy Organization Could Add

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## Abstract

This essay discusses some current proposals for improving global environmental governance and suggests that the debate be shifted to the emerging paradigm of how to organize to achieve a green economy

## Keywords

ecology, environment, trade, UNEP, WTO

The idea for an international entity with overall responsibility for environmental governance goes back many decades. Yet no progress has been made over the past generation other than that the United Nations (UN) Environment Programme (UNEP) has enhanced its operations and is now joined by a Global Ministerial Environmental Forum (GMEF). In the run-up to the original Rio Conference of 1992, there were proposals to establish a new world organization for the environment. This idea was not adopted but has resurfaced in many proposals since then, particularly by the French government.

Although I have written extensively in favor of this proposal, I now want to sound a call to reformulate the organizational debate in a new direction, that is, toward improving global institutions handling the linkages between ecosystems and the

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economy. At present, there is too much division between agencies for the environment and agencies for the economy. Looking to the future, it may be time for a paradigmatic shift toward a greater recognition of the world “ecology” and a reform of global governance to make environmental decisions with the economy in mind and economic decisions with the environment in mind. The proponents of the idea of “sustainable development” were also trying to achieve that objective, but in the past 20 years, the institutionalization of the interface between environment and economy has not improved significantly.

This celebration of the journal on its 20th anniversary provides an opportunity to take stock of the progress in the debate on how to organize global environmental governance. My brief essay seeks to put forward a new idea, the establishment of an International Green Economy Organization (IGEO). The concept of a “green economy” has already gained some traction, but there have been no organizational proposals for the international level as to how to bridge and align global institutions toward the goal of a green economy with sustainable production and consumption.

The Nairobi-Helsinki Outcome posited five options for broader institutional reforms, two of which are (a) enhancing the UNEP and (b) establishing a specialized agency such as a World Environment Organization (WEO). The need for improvements in global environmental governance seems beyond question. As the cochairs of the Consultative Group of Ministers or High-level representatives on International Environmental Governance have noted, “The world has continued to witness rapid environmental degradation, deforestation and deterioration in conservation capabilities.” Moreover, progress in meeting some of most pressing environmental challenges (e.g., climate change) has slowed.<sup>1</sup>

In October 2010, the executive director of UNEP offered an indicative formulation of the proposal for a WEO as a specialized UN agency. The UN World Environment Organization (UNWEO) would be “the world authority for the environment” with a “mandate . . . to direct and coordinate environmental issues within the United Nations system.” Its General Council would “have legal authority over MEAs [multilateral environmental agreements] and would provide overall direction and guidance for COPs.” The proposal is explicitly based, in part, on the model of the World Trade Organization (WTO) except that the UNWEO’s General Council would have a regionally balanced executive body of 40 to 50 members which would prepare decisions for the General Council.

Whether set up as a specialized UN agency or a functional non-UN agency, a new environmental body would have a hard time getting accepted as a “world authority” and a hard time asserting “legal authority” over the multilateral environmental agreements (MEAs). The governments that negotiated MEAs intentionally sought to establish independence from UNEP, and it is not clear that the epistemic community surrounding each MEA would be pleased with rationalization in the form of folding it into a new organization. Moreover, the innovativeness that has characterized the autonomous institutional arrangements in MEAs could be doused by an attempted takeover by a new organization.

The main problem in environmental management today is not that MEAs are unchaperoned. Obviously, they receive a great deal of ongoing oversight by key governmental participants. Rather, the main problems are weaknesses in comparative data collection, benchmarking environmental regulatory implementation, establishing norms for transnational problems, and developing and diffusing new technologies. Moreover, governments are often unwilling to move these regimes forward out of a fear that strong regulation will hurt the economy.

As noted above, the institutional provisions of the UNWEO proposal are inspired to some extent by the model of the WTO. Certainly, there are positive aspects of the WTO model that could be replicated in a UNWEO. For example, the WTO's single undertaking tying together disparate agreements is suggested as a model for unifying the MEAs. Another salient feature for mimesis is the capacity of the WTO to carry out legislative, executive, and judicial functions, and to respect, to some extent, a balance of power among these functions of governance. Nevertheless, the WTO analogy does not look as promising as it did a decade ago. Although the WTO judicial branch is robust, the legislative branch of the WTO has failed to consummate the Doha Trade Round.

Any new UN body needs to have organic law that would provide space for new plurilateral agreements that do not require consensus of all members. Such space does not fully exist in the WTO and is also lacking in the climate regime. To be sure, the possibility does exist within the UN to move forward on new rulemaking without consensus. For example, the Constitutions of both the International Labour Organization (ILO) and the World Health Organization provide two-thirds votes for adoption of new norms. But there is no provision for 20 leading countries to adopt new norms *inter se* within those organizations.

The cochairs of the Consultative Group are offering the argument that universal membership on UNEP's governing body would give it greater "authority and credibility," "political weight," and "more legitimacy and impact than if the advice were coming from a body of limited membership."<sup>2</sup> In my view, this thesis cannot be taken seriously. UNEP's credibility and legitimacy is derived from its effectiveness. Lack of universal membership has not contributed significantly to UNEP's poor performance and providing universal membership for its Governing Body seems unlikely to rapidly improve UNEP's effectiveness.

The upcoming June 2012 UN Conference on Sustainable Development has been given the two themes of (a) a green economy in the context of sustainable development and poverty eradication and (b) the institutional framework for sustainability. The idea of the green economy was endorsed at the Group of 20 Meeting in London in 2009 which called for accelerating the "transition to a green economy." At the May 2011 G8 Summit, the declaration endorsed cooperation to promote "green growth" and "green jobs."

The logical linkage between themes a and b are to establish a new institution to promote the green economy. This essay endorses creating such an institution and calls it the "IGEO," the International Green Economy Organization. The 2012 Conference

could write the charter for the IGEO as a new intergovernmental organization with a mandate to define and promote policies that green the world economy and to identify policies that detract from greenness, such as wasteful and counterproductive government subsidies for fossil fuels.

The IGEO should look for opportunities to review and evaluate the work of other international organizations such as the WTO, the ILO, the World Intellectual Property Organization, and the World Bank. The central question for the IGEO should be, are the policies and programs being pursued conducive to achieving a green economy? The IGEO should also conduct reviews of the initiatives of national policies in the world's major economies.

Institutionally, the IGEO should be cutting edge. As a symbol of its greenness, the organic act creating the IGEO should set a term limit for the organization, say 15 years, after which it would be terminated unless governments voted to extend it. The members of the IGEO should be governments, but the organization should also provide for active participation by business, NGOs, scientists, parliamentarians, and others.

The IGEO should be headquartered in Beijing for at least two reasons. First, China lacks its share of public international organizations. Second, China is doing at least as much to promote a green national economy as any country.

The IGEO would fill a gap in current governance. No agency at present has the sole mandate to promote the world's ecolonomy. To be sure, many programs in existing international organizations are closely aligned—for example, the “Green Growth” initiatives in the OECD and the “Green Jobs” initiatives in the ILO. Such initiatives are useful and could be enhanced by using the Rio+20 conference this year to globalize and strengthen the world's vision as to what a “green economy” is and what is the best path toward achieving it.

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### **Notes**

1. UNEP/CGIEG.2/2/2, October 27, 2010, at 11.
2. UNEP/CGIEG.2/2/2, October 27, 2010, at 12.

### **Bio**

**Steve Charnovitz** teaches at George Washington University Law School. He is currently writing on environmental linkages as part of the U.S. Competitiveness Project at the Harvard Business School. He also serves on the editorial board of the *American Journal of International Law*.



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