A GREEN LABORATORY?
THE ORIGINS AND EFFECTS OF
NEW ZEALAND'S ROLE AS A PIONEER
IN ENVIRONMENTAL
MANAGEMENT

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Introduction

As a relatively young nation, New Zealand has often been referred to as a social and political laboratory. New Zealand was the first country to give women the right to vote (in 1893), a pioneer in the establishment of a comprehensive social welfare system in the 1930s, and a leader in the anti-nuclear movement, declaring itself a nuclear-free country in 1987. Perhaps more controversially, in the 1980s, it took a leading role in the full-scale "experimentation" with neo-liberal policies, making it a laboratory for, and the "darling" of, the international New Right (Kelsey, 1997). This came to an end with the coming to power of a Labour/Alliance government, with the support of the Green Party, at the end of 1999. Since then, it has already been referred to as a country where advocates of the "Third Way" approach can draw lessons from (Freedland, 2000).

New Zealand's record and reputation as a pioneer or leader extends into the field of environmental policy developments. It was the first country to see the formation, at the national level, of a Green Party. During the 1980s, it was the scene of bold and comprehensive innovation of environmental institutions, much of which unprecedented in the world (Bührs and Bartlett, 1993). This gave it the status of an environmental leader, generated much interest internationally, and made it in some respects into a model for emulation (for instance with regard to the integration of environmental legislation, the establishment of an official, but independent, environmental "watchdog" agency, fisheries policy). Internationally, New Zealand has played a leading role in the protection of whales, the ozone layer, and the Antarctic.

Although any claim to pioneer or leadership status should be subjected to scepticism and critical assessment, the examples mentioned provide a sufficient and interesting basis for looking at New Zealand's role in the diffusion of environmental policy innovations. In this paper, I will analyse New Zealand's performance in environmental policy innovation from two angles: sources and effects. With respect to the sources, attention is given to the importance of diffusion at the ideological level, and the interplay between domestic and external factors. As for the effects (diffusion) of New Zealand's innovations, attention will focus on one example (the establishment of Environmental Commissioners in Canada and Australia), and specifically on the importance of political-cultural affinity as a facilitating factor.

First, a short overview of New Zealand's record as an "environmental innovator" is provided. Second, the concept of diffusion will be shortly elaborated upon, and a framework of forms of diffusion provided, to provide a background for the analysis of diffusion in the New Zealand context. Third, the sources of New

Zealand's environmental innovations will be analysed, highlighting the importance of ideological diffusion. Fourth, some evidence of diffusion from New Zealand, notably at the institutional level, will be presented and discussed. Finally, conclusions are drawn about diffusion in the New Zealand context, some of which may apply more widely.

New Zealand as a pioneer in environmental politics and policy

New Zealand's reputation as a pioneer in green politics arguably was established in 1972, when it gave birth to the world's first nation-wide green party, the *Values Party.* Although the party never gained a seat in Parliament, and its support base virtually evaporated in the 1980s, it was reborn in the 1990s as the Green Party of New Zealand/Aotearoa. As a green pioneer, *Values* was a manifestation of the growing resistance against the effects and forces of modernity in a global context, which were felt also in New Zealand (Dann, 1999). However, largely due to the obstacles presented by a majoritarian ("First-Past-the-Post") electoral system, the influence of the *Values Party* on (environmental) policy developments in New Zealand was not substantial. Although, in the early 1970s, the institutional arrangements for dealing with environmental issues did undergo some change, this cannot be attributed to the *Values Party* (Bührs, 1991)*.*

With the election of the Fourth Labour Government in 1984, New Zealand entered a period of radical reform that left almost no area of life untouched. Later in this paper, I will elaborate on the background of, and rationale underlying, the reform. Here, it suffices to summarise some of the main changes affecting environmental policy and management, which arguably provide a basis for ascribing New Zealand the status of an environmental innovator or pioneer. Most important in this respect were reforms affecting the management and development of resources, the re-allocation of environmental responsibilities within the state, and the rationalisation and integration of the legal environmental framework.

Prior to 1984, the New Zealand government played a dominant role in the management and development of the country's resources, through an array of State-owned enterprises, including companies that were involved in forestry, (agricultural) land development, the exploitation of energy resources (hydro power, oil, and coal), mining, and tourism. On many occasions, the direct involvement of the state in "development" brought it into conflict with environmentalists, who referred to these activities as "state sponsored vandalism" (Salmon, 1960). Indeed, it is quite defensible to argue that, prior to 1984, the state was responsible for causing the most important environmental problems in New Zealand, including the decline of indigenous forests, biodiversity, and the environmental damage caused by the development of agriculture and energy resources.

Labour's reforms of the public sector have been characterised as directed at "getting the government out of business and bringing more business into government" (Bührs and Bartlett, 1993: 92-100). During its rule (from 1984 to 1990), and that of its successor, the National Party (from 1990 to 1999), most state-owned enterprises were put on a (semi-) commercial footing and subsequently privatised. In the process, the environmental responsibilities that had resided with these state-owned enterprises (which often had "dual mandates" for both development and environmental protection) were re-allocated to a new government department with a mandate for nature conservation, the Department of Conservation (DOC). Financial support for farmers (subsidies of all sorts) were abolished. As the state "got out of business", much state-sponsored "development" that had been environmentally damaging but uneconomic, came to a halt. Whereas in many countries governments continue to be heavily involved in sponsoring development at significant environmental costs, the New Zealand state, since the late 1980s, no longer can be accused of such practice.

A second important plank of Labour's programme affected the public service, which was subjected to reform based on principles derived from business school teachings. Policy, regulatory, and implementation functions were, as much as seemed feasible, separated and allocated to different agencies and/or levels of government, to enhance transparency and accountability. This implied that the Ministry for the Environment (MfE), established in 1986, became responsible foremost for the development and co-ordination of environmental policy, leaving regulatory and implementation tasks to other agencies, largely at the regional and local government level. This broad mandate enables (potentially) the Ministry to play a leading role in the development of a more integrated and co-ordinated approach to environmental policy. Not having responsibility for the hands-on management for a specific area (such as pollution control or land-use planning), (potentially) allows the Ministry to "free-range" across all policy areas. It also avoids that the agency gets bogged down in (or captured by) the intricacies of policy implementation, or that it develops a (narrow) "tunnel vision" of the environment.

Another outcome of the reform that can be seen as innovative is the creation of the Office of the Parliamentary Commissioner for the Environment as an independent "watchdog" over the whole system of environmental management. The office, combining the roles of environmental ombudsman, environmental auditor, and "systems guardian", is an important feedback or social learning mechanism in the system of environmental management, contributing to its continual improvement (Bührs, 1996). Although the office has some precedents (for instance, in the ombudsman offices that have been established around the world), it is unique in its combination of functions, and has inspired the introduction of similar offices in Australia and Canada.

Arguably the "piece the resistance" among the environmental reforms was the introduction of the Resource Management Act (RMA), which streamlined and replaced the raft of environmental statutes that had covered numerous environmental areas and issues separately. Based on the principle of the sustainable management of resources, the RMA provides for integrated decision making about all activities with potential environment impacts. Although the implementation of the legislation, foremost at the regional and local levels of government, is not without problems, the Act has drawn considerable interest from administrations around the world and is often seen as a model for the rationalisation of environmental legislation.

Finally, one other area of environmental and resource management in which New Zealand can be seen as having taken a lead should be mentioned, namely fisheries management. In 1986, the government introduced a *Quota Management System* for fisheries which involves the allocation of tradeable quota of fish stocks within a policy framework by which overall catch limits are set by the Minister of Fisheries. Since 1996, when a new Fisheries Act was passed in Parliament, the annual determination of catch limits must be based on the principle of sustainability. Although the approach has its critics and problems, it is seen as holding promise as a means of reconciling economic and environmental concerns (Hughey, 1996). Given the decline of fish-stocks worldwide, there has been a growing interest in this innovation on other countries.

Although there have been other reforms with significance to environmental policy and management, such as the reform of local government, those mentioned above have been the subject of substantial interest in other countries, and are therefore of most interest in the context of the discussion of diffusion. But before entering this discussion, I will elaborate on what I see as diffusion being about.

Processes of Diffusion: Towards an Analysis

Diffusion has been described as a "pattern of successive adoption of a policy innovation", meaning simply that the same policy has spread internationally (Bennett, 1991: 221). Diffusion and convergence are often discussed in the same context, whereby the latter refers to the process by which similarities (of various kinds) develop between countries, for instance in structures, processes, and policies (Bennett, 1991: 215). The idea that countries converge in the same direction has a considerable history behind it (Bennett, 1991: 215-216). More recently, analysts of environmental policy have used both concepts (convergence and diffusion) in their efforts towards explaining environmental policy developments within and across countries, and to better understand the conditions for problem prevention and policy learning (Bennett, 1991; Hoberg, 1986, 1991; Howlett, 1991; Kern, 1997; Weale *et al.*, 1996)

Although convergence and diffusion can apply to a broad range of phenomena, most of these studies and analysts focus on convergence or diffusion of environmental policies, or aspects thereof. Policy goals, content, instruments, and outcomes are usually used as the dependent variables, whereas political systems, institutions, policy styles, processes, cultural values, ideology, awareness and knowledge, organisations, economic conditions, and power are treated as independent factors that help to explain why convergence or diffusion occurs or not. Theory building in this area, as in all social science, is highly problematic as no universal laws apply and explanations are always coloured by selectivity and ideology. Nonetheless, comparative studies of a modest scale, and even studies of single countries, can yield insights or ideas that may prove useful in a different or broader context.

This study aspires to do so in three ways: first, by focusing on instances of diffusion at the ideological and institutional level rather than the policy level. Second, by advancing an idea, which seems underdeveloped in the literature, namely that diffusion at the ideological level provides a context or path for diffusion at a different level. Third, by putting forward a classification of forms of diffusion which links diffusion at different levels with two categories of driving forces or factors.

As noted, most studies of in this area focus on the policy level. However, diffusion may involve also other things, for instance, the diffusion of ideas, theories, and interpretations (which will be referred to here as ideological diffusion), and the diffusion of institutions (rules and forms of organisation). Often, the ideological and institutional factors are treated as independent variables (contributing to, or hindering diffusion), but a case can be made that ideologies and institutions are themselves subject to diffusion. In fact, it can be argued that the much-discussed process of globalisation involves foremost diffusion at the ideological (cultural or symbolic) level (Waters, 1995), facilitated by an increasingly denser network of global communication. Although the extent and rate of ideological diffusion depends on institutional and policy facilitation (at the national and international level), it seems much harder to keep in check than diffusion at the latter levels.

Although the role of power is recognised as a potential factor in convergence and diffusion (referred to as "penetration" by Bennett, 1991: 227), it seems that most studies emphasise the role of "voluntary" processes or mechanisms, such as emulation, information/knowledge exchange, and negotiation (Bennett, 1991; Hoberg, 1987), and/or suggest that nations retain ultimate control over convergence or diffusion (Weale *et al.*, 1996). However, power can take more subtle forms than brute force, and arguably diffusion, at all levels, involves a greater (and perhaps increasing) element of imposition than is recognised in many studies. I will use the terms "push and pull" factors to distinguish between the extent of power among the driving forces behind diffusion. "Push" factors are factors external to the country or jurisdiction involved and imply some level and

form of inducement or pressure. "Pull" factors are factors internal to the country or jurisdiction involved and imply an element and degree of attraction to "foreign" things. The reasons for that attraction or appeal are varied, ranging from highly pragmatic or economic to socio-cultural and ethical-philosophical, and vary from weak to strong.

Combining the three levels of diffusion identified above with the two categories of push and pull factors, six forms of diffusion result:

**Table One
Forms of diffusion**

		Levels of diffusion		
		Ideological	Institutional	Policy
Factors driving diffusion	Push factors	Cultural colonialism	Structural adjustment	Policy harmonisation
	Pull factors	Cultural exchange	Institutional emulation	Policy emulation

The six forms of diffusion are labelled here as cultural colonialism, structural adjustment, policy harmonisation, cultural exchange, institutional innovation, and policy learning. I will elaborate shortly on each of these forms or types of diffusion. But it should be emphasised that these labels have been chosen for their illustration value, and do not exhaust the broad diversity of forms of diffusion that could be identified. Within each box, other forms could be included, under different labels. Moreover, the dividing lines between the various boxes (forms of diffusion) are not as clear-cut as suggested. Where to draw the line between cultural colonialism and cultural exchange, or between policy harmonisation and policy learning? In reality, diffusion may involve institutions and policies at the same time and involve an element of imposition as well as choice. However, for analytical purposes, and to highlight the importance of different factors and processes, a classification such as this may be useful.

Cultural colonialism is a form of diffusion which involves the imposition of socio-cultural values, beliefs, and belief-systems (ideologies), lifestyles, norms, and

ideals, among other. In most cases, such diffusion is not so much imposed by brute force or power (as in "holy wars"), but involves more subtle mechanisms, such as control over the media (such as television, radio, the Internet, newspapers, advertising, and educational material) by which values and beliefs are spread. The role of cultural colonialism in the evolution of environmental thinking has been widely illustrated and debated in the case of the erosion of indigenous cultures (and the consequent loss of local environmental knowledge) under the influence of "westernisation". The americanisation across the globe has become a major topic of analysis, debate, and reaction, also among environmentalists (Barber, 1995; Ramonet, 2000; Schiller, 1998).

Structural adjustment is a term that is normally used to refer to the imposition of rules, reforms, and policies as a condition for the continuation of financial support upon indebted countries, by international agencies such as the International Monetary Fund (IMF) and the World Bank. In many cases, this is associated with a reduction of government spending on social welfare and public health programmes, as well as environmental spending, and an increase in hardship among the poorer sections of the population. Strictly speaking, governments accept structural adjustment on a voluntary basis, but given the precarious (if not hopeless) financial situation in which many third world countries find themselves, they have not much of a choice. Increasingly, the financial-economic institutions of many countries, not only developing countries, are becoming subsidiary to the rules and policies formulated by these international organisations (Athanasiou, 1996: 148-156; Chossudovsky, 1997).

Policy harmonisation involves the development of common policies across countries or jurisdictions. Formally, this occurs on a voluntary basis. However, pressures towards policy harmonisation can be considerable, particularly associated with the promotion of "free trade", which seems to have gained considerable momentum in the 1990s, globally (with the World Trade Organisation as a powerful motor) as well as regionally (within trading blocks, such as the European Union and the North American Free Trade Association). Also, environmental and social policies have become subject to the pressure of policy harmonisation, in particular as potential "barriers" to free trade, to the concern of many environmentalists and those who question the benefits of unfettered free trade (Daly, 1995; Goldsmith, 1996). On the other hand, the deterioration of the global environment, and the potential of major disruption as a result that, also has become an important factor in environmental policy harmonisation, with international environmental agencies, such as the United Nations Environment Programme (UNEP), and environmental NGOs and "environmental pioneer countries" as driving forces.

Cultural exchange is a process with a history almost as long as humankind. Often, cultural values and practices followed the same routes as the trade in material goods (such as tea and coffee), contributing to socio-cultural diversity and development, and potentially enhancing the appreciation of difference. With

the phenomenal increase in the travel and communication, facilitated by technological development, cultural exchange also is happening at unprecedented levels, with uncertain implications for the future and diversity of cultures. Already, many cultures and languages have disappeared (Davis, 1999), and in some respects global cultural homogeneity seems well advanced. On the other hand, as Barber (1995) points out, the trend towards "McWorld" provokes powerful reactions (which he refers to as "Jihad"). On the other hand, a growing appreciation of the environment worldwide has some potential to develop into a globally shared belief system, the core of a new global ethic (Deudney, 1993).

Institutional emulation is a form of policy diffusion by which countries or jurisdictions collectively and individually borrow and develop "new" institutional arrangements to guide policy processes and behaviour. In practice, institutional innovation is seldom totally new, and usually involves building upon historical precedents and existing arrangements, often from other countries or jurisdictions. Institutional emulation is facilitated by similarity and familiarity between political and social systems, which in many cases reflects historical bonds and linkages. An example is the importance of the "familiarity" factor in the relations between New Zealand, Australia, Canada, and the UK, associated with a colonial past, shared experiences, a common language and (to a large extent) culture, and a similar political system and traditions (rooted in the Westminster system). Given these factors, these countries often provide the first "port of call" to each other when there is a perceived need for institutional change. Many of New Zealand's political and social institutions can be traced directly to the UK, where of course most New Zealanders have their ancestral roots, and which many still called "home" only a few generations ago.

Policy emulation involves the development of policies, on a voluntary basis, that are inspired by, or based on, policies developed in other countries or jurisdictions. As institutional emulation, policy emulation is more likely to occur between governments and jurisdictions that already share similarities at the ideological and/or institutional level. Other factors that may stimulate policy emulation are the extent to which problems or issues that require a policy response are perceived to be similar to those already dealt with by other governments, and the reputation of governments or countries as "leaders" in the field. An example of environmental policy emulation can be found in the spread of green planning (or strategic environmental policy) in the 1990s. Although partly this can be explained by mounting international calls for the development of such strategies, for instance by the Brundtland Commission (World Commission on Environment and Development, 1987), and the UN ("Agenda 21"), there have been early leaders in this respect, notably Madagascar, Lesotho, and Mauritius among developing countries (Falloux and Talbot, 1993: 70), and the Netherlands and Canada in the developed world, who provided a basis for emulation by other governments (Dalal-Clayton, 1996; Johnson, 1995; Jänicke and Jörgens, 1998). In the 1960s, Sweden was a pioneer in environmental policy development, but in the early 1970s the United States was seen to have taken the lead (Lundqvist,

1974). Whether a government or country is an environmental pioneer or leader is, however, a question subject to interpretation, and depends in large measure on one's outlook as to what "good" environmental policy is.

What should be apparent from even this short discussion of forms of diffusion is that diffusion processes can be driven by a combination of factors, and that diffusion often consists of a combination of forms that are linked to each other. Policy diffusion may be influenced by, or in some cases even depend on, convergence or diffusion at an institutional level, whereas institutional convergence or diffusion is influenced by, and may depend on, such a process at the ideological level. In other words, diffusion at the ideological level prepares the ground for diffusion at the institutional and the policy level. In many instances, push and pull factors will be at work simultaneously, driven by different agents or advocates. Diffusion can follow different paths and sequences, involving a variety of different factors. Nonetheless, the classification may be useful as a basis for analysing the relative importance of different factors that shape paths or patterns of diffusion.

Analysing Diffusion toward New Zealand

Although the reforms mentioned above have been credited to New Zealand's Fourth Labour Government and are indeed innovative to the extent that they were new in the form that they were introduced, they are not completely original or "home-grown". In fact, many of the basic ideas underlying these reforms can be traced to sources beyond New Zealand, and similar developments can be said to have occurred in other countries.

The ideas and principles underlying the reform of the public sector and public service in New Zealand were borrowed from a variety of schools of thought within economics and public policy analysis, in particular the Chicago School of Economics, and the "New Public Management" (NPM) (Hood, 1991). During the early 1980s, the ideas and theories put forward by the Chicago School of Economics became increasingly influential in the public policy arena, particularly in the United States after Ronald Reagan had become president, and in the United Kingdom when Margaret Thatcher came into power. Often referred to as the ideology of the "New Right", these ideas amounted to a rolling back of "government intervention" in economic management as well as other policy areas, such as social welfare, health, and education. NPM, also referred to as the "new managerialism", although not a coherent body of theory, involves the application of economic thinking to public management, and includes public choice theory, agency theory, and transaction costs analysis (Boston, 1991). Directed at enhancing efficiency, transparency, accountability, and flexibility in the public service, to address what is perceived as an increasingly inefficient, unaccountable and costly bureaucracy, NPM started to make inroads in the US and the UK before penetrating into New Zealand.

What was new about the application of these ideas in the New Zealand context compared to the US and the UK was the scale, speed, and consistency with which they were introduced. Within six years, virtually all areas of policy, and all institutional arrangements governing the public sector and public service, were subjected to reform based on the same principles and analytical methodology developed by Treasury. The changes in resource management and environmental institutions described above were part of that broader process, and thus were not inspired foremost by environmental considerations or concerns.

It has been noted that what is also remarkable about the adoption of policies in New Zealand based on the Chicago School of Economics is that this occurred voluntarily rather than in the context of "structural adjustment" required by international financial organisations (Kelsey, 1997: 15). In New Zealand, the principal agents behind the introduction of these policies were found within Treasury and the Reserve Bank as well as in Cabinet. Various high-ranking officials within Treasury and the Reserve Bank had spent time at American universities where neo-liberal economics was taught (Chicago, Harvard, Duke), or with the World Bank, and came back "as converts to the Chicago cause" (Jesson, 1989: 42-43). Since the late 1970s, thinking in Treasury towards a "free market" direction had been growing, and became dominant in the early 1980s, facilitated by staff turnover and the associated loss of institutional memory (Easton, 1997: 87-88; Jesson, 1989: 42).

Under the Muldoon government (from 1975 to 1984), which took a "hands on" approach to economic management and development, the effect of Treasury's shift in thinking had been limited. But when the fourth Labour Government came to power, the advocates of the Chicago school of thought won a crucial ally in the Minister of Finance, Roger Douglas, whose thinking appeared to crystallise and develop in the same direction. With the support of several other senior ministers in the Labour Cabinet, Douglas and Treasury officials were able to push through a radical change in economic policy. Treasury's prescriptions, contained in a 325-page volume known as *Economic Management*, became the most important basis for Labour's economic policy (Jesson, 1989: 82). In turn, with Douglas' appointment as Finance Minister, neo-liberal extremists within Treasury gained power at the expense of pragmatists (Easton, 1997: 88).

This is not meant to say, however, that the Fourth Labour government did not have any choice regarding the course that it took, even though this was often claimed ("There Is No Alternative"). As Easton (1997: 132-147) notes, alternative policy paths did exist (for instance, Australia followed a more moderate course). Similarly, Harris (1999: 23) points out that, although there appeared to be broad consensus internationally about what was required for "good" economic management (the "Washington Consensus"), this was not "as narrow a path as is sometimes implied". New Zealand applied a much "purer" version of the neo-

liberal theories than most other countries, more than was required by the "force of international finance". One of the main reasons for that seems to lie in the developments within Treasury, where analytically minded officials charmed by the theories and models of the Chicago school of Economics, and ignoring the fact that the assumptions underlying these theories often did not match the reality, became a dominant group (Easton, 1997: 87-89). Jesson (1989: 43) refers to this group as the "Chicago school colony" in Treasury, and to their faithful application of its theories as a case of "intellectual colonialism".

On their own, however, Treasury officials could not have succeeded. For that, decisive action by a small group of politicians, referred to by Easton (1997: 79-81) as the "blitzkrieg" approach, was responsible, and the support of other politicians and dominant interest groups, notably in the financial sector and the Business Roundtable (Jesson, 1989: 88; Kelsey, 1997: 69-81). This coalition practically imposed most of the radical reforms and policies on the New Zealand populace without prior consultation or consent. Thus, cultural colonialism was followed by quasi-voluntary structural adjustment of a form unmitigated by the consideration of alternatives or the influence of those who were likely to be negatively affected. In most policy sectors (such as health, education, and social welfare), institutions and policies were changed radically without consultation with professional groups or beneficiaries, as these were seen as vested interest groups intent on "capturing" the policy process. Consequently, the dominant style of policy making became even more top-down, and less corporatist, than in the past.

Treasury's agenda was not confined to reshaping economic policy. Analysts point out that the political ideology underlying the Chicago school of thought, which comes down to an advocacy of individual rights, private property, and a minimalist role of the state, became more explicit in the subsequent programme for reform that it developed (Treasury, 1987). The principles and associated theories advanced by this school are based on a view of the world consisting of self-interested individuals, and where the "invisible hand" of the market leads to optimal outcomes. These ideas provided the basis for the corporatisation and subsequent privatisation of many of the state-owned companies and assets, and for the restructuring of the public service (Boston, 1991; Jesson, 1989: 113-118; Kelsey, 1997: 55-62).

Many other factors have contributed to the diffusion of New Right thinking in New Zealand, and its influence on institutional and policy reform in the 1980s and 1990s. Among these are the deteriorating position of the country's economy, the perceived failure of government-led efforts towards boosting economic development under the Muldoon government, and the Westminster system of government which makes it relatively easy for a small group of people (in Cabinet) to impose their will on the country (Palmer, 1987). On the ideological level, the spread of the New Right thinking was facilitated also by the weakness of economic expertise and independent thinking within the Labour Party, and

New Zealand in general (Kelsey, 1997: 64-48). Jesson refers to as "New Zealand's lack of intellectual vitality" that "has always been related to its background of colonialism: lacking ideas of their own, New Zealanders have imported them wholesale and uncritically from overseas" (Jesson, 1989: 12).

The change in New Zealand's economic policy direction, and the reform of public sector and service, therefore, can be interpreted as being the result of the interplay between external (international) and internal (domestic) push as well as pull factors. As noted above, the reforms were not imposed from outside, but given the structure of New Zealand's economy (largely dependent of resource-based exports), its declining economic position (terms of trade; growing deficits), the difficulty of gaining market access for many of its products (given trade barriers, particularly in the agricultural sector), and the perceived need to become more attractive to overseas investors, there has been a considerable "push" element behind the reforms. It should also be noted that these reforms were introduced without offering much opportunity for public debate, let alone consultation. Domestically, the reforms were imposed rather than chosen.

The environmental reforms are the exception to this rule, as considerable debate and public consultation occurred about the restructuring of environmental agencies and in the resource management law reform process that led to the introduction of the RMA. Although the creation of the Ministry for the Environment as a "pure" policy advisory agency is consistent with the principles of the New Public Management, the establishment of the Department of Conservation (as a policy advisory *and* implementation agency for nature conservation) is not. A key factor in this has been the significance of nature conservation issues in New Zealand (compared to the much lower level of attention given to other environmental issues), and the effective lobbying of conservation groups in this area (Bührs and Bartlett, 1993). There is also no clear link between Treasury's agenda and the establishment of the Office of the Parliamentary Commissioner for the Environment (to be discussed below).

Environmental groups used the consultation opportunities in the resource management law reform process to press hard for the incorporation of the sustainability principle and the inclusion in the legislation of liberal provisions for public participation in decision making processes. On the other hand, however, economic (development) interest groups and Treasury were mainly concerned about reducing the costs and delays flowing from the highly fragmented system of resource management decision making. Treasury even questioned the desirability and need for environmental planning, instead advocating environmental management regimes (and conflict resolution) based on the allocation of property rights (Bührs, 1991: 371-378).

The *Resource Management Act* embodies a unique blend of environmental and neo-liberal values which provides a continuous source of tension, conflicts, and confusion. The anti-regulation bias was translated in the prescription that

government intervention (environment plans; rules) need to be justified based on an analysis of costs and benefits, and that development (on land) should be allowed to occur unless there is sufficient evidence that the bio-physical environmental and health effects make it unsustainable. Although the principle of sustainable management was made the official cornerstone of the Act, the Act provides little substantive guidance in this matter, leaving it to the relative ability of parties to influence decisions on specific issues to determine what this means (Bührs, 1997; Gleeson, 1996). Overall, the Act provides no clear direction for environmental decision making, and its environmental outcomes are equally indeterminate. Meanwhile, a review of the Act initiated by the previous government (McShane, 1998; Minister for the Environment's Reference Group) has led to proposals to amend the legislation to give even greater sway to market forces and to reduce opportunities for public input in resource decision making.

Environmental interest groups did not play a role in the introduction of the Quota Management System for fisheries. Although there were growing concerns about the biological and economic sustainability of the rapid growth in this industry, the development of the QMS system can be attributed directly to Treasury's fascination with the property rights approach and to the receptiveness of the fourth Labour Government to these ideas (Easton, 1997: 36-43; Hughey, 1997: 141). At face value, the system holds the promise of reconciling environmental and economic concerns, as the RMA. In practice, however, the influence of the industry in the management of the system appears to outweigh that of environmental groups, which have expressed serious concerns about legislative proposals to give the fishing industry even more grip on the system (*ECO*, 1999). Meanwhile, the operation of the market in tradeable quota has led to a strong concentration of quota in a few hands.

In summary, New Zealand's environmental reforms were shaped indirectly by the diffusion of a political-economic ideology toward New Zealand, even though the specific outcomes of the reforms (such as the establishment of the Ministry for the Environment, the Department of Conservation, and the Parliamentary Commissioner for the Environment, and the introduction of the *Resource Management* Act) were not based on any specific models or examples from overseas. Although this ideology was not formally imposed on the government or bureaucracy, it was imposed on the country at large. Within the parameters of this ideology, political dynamics shaped the specific outcomes of the reforms.

Diffusion from New Zealand

New Zealand's environmental innovations, as well as the reforms of the public sector and service in general, have attracted considerable interest in other countries, among governments, officials, and academics. Over the last decade, many people have visited New Zealand to seek information about these reforms and the outcomes thereof, and in particular about the *Resource Management*

Act. One example of the level of interest can be found in the fact that the US House of Representatives Committee on Resources held a special hearing on New Zealand's resource management reforms in 1999 (Parliamentary Commissioner for the Environment, 1998).

As it is not possible to assess the full scale and effects of this interest across the world, studies of diffusion inevitably need to be confined to a limited range of subjects and countries. But even then, such an undertaking requires a level of knowledge and information that is likely to be met only by collaborative research involving analysts from different countries. What follows here is by necessity limited in scope, given the resources available to this single researcher, and will be focused on one of New Zealand's innovations in environmental management that appears to have led most demonstrably to diffusion, namely the institution of Commissioner for the Environment.

As noted above, the establishment of the Office of the Parliamentary Commissioner has no clear link with the ideology underlying most of the environmental changes. The creation of the Office found its source in the difficulties associated with the role of the "old" Commissioner for the Environment regarding the auditing of environmental impact reports for state-sponsored development projects. As the previous Commission for the Environment was both an agency of government as well as a potential government critic in its role as auditor, at times it found itself in a precarious position (Bührs, 1991). The tension, if not incompatibility, between the two functions was commented upon in the first review of the OECD of New Zealand's environmental policies and led to a recommendation to put the Commission's role as auditor on a statutory independent footing (OECD, 1981). The government at that time ignored the recommendation, but the Labour Party, then in opposition, turned the suggestion into a promise in its election manifesto.

When the Fourth Labour Government transferred the Commission's policy advisory role to the new Ministry for the Environment, the responsibility for the administration of the EIA procedures was allocated to the new Office of the Parliamentary Commissioner, which was put on an independent (statutory) footing. However, as the central government was pulling away from direct involvement in resource management, the Commissioner's role as an auditor of EIA reports prepared for government sponsored projects dwindled rapidly, whereas the roles of environmental ombudsman and "system guardian" became more important. However, the mixture of responsibilities allocated to the new office created considerable ambiguity, and a widespread lack of clarity regarding what the office was about, also within government. Nevertheless, as the Commission gradually built up a reputation as a constructive and useful critic, particularly of the environmental performance of local government, it gained respect and consolidated its position (Bührs, 1996; Hawke, 1997).

The relative success of the Office (within the constraint of the very limited resources at its disposal), has drawn considerable interest in other countries. In fact, this institutional innovation has sparked the most demonstrable instance of diffusion from New Zealand, as similar offices have been established in Canada and Australia. In Canada, such offices have been established at the federal level of government and in Ontario. In Australia, a Commissioner for the Environment has been appointed within the Australian Capital Territory, and there have been moves also in Victoria and at the federal level towards the establishment of similar offices. In all cases, overseas initiators have drawn extensively on information and the experience provided by the New Zealand office, often by visits to New Zealand, and at times by inviting the Commissioner to their countries to give advice.

Although this can be seen as an example of institutional emulation, it should be noted that in each case the role and responsibilities of the Commissioner have been cast differently. In Ontario, Canada, the office of the Environmental Commissioner was created in 1994 with the adoption of an Environmental Bill of Rights. The Bill is directed at enhancing the transparency of, and public access to, environmental decision making, and enables the Commissioner to issue reports on the environmental performance of government (Ligetti, 1997). At the federal level, a Canadian Commissioner for the Environment was appointed in 1996 within the Office of the Auditor General and received particular responsibility for auditing the performance of government departments in the development and implementation of departmental environment strategies (CESD, 1998; CESD, No date). In the Australian Capital Territory, an Office of Commissioner for the Environment was established in 1993. Here, the Commissioner received the power to undertake investigations into government actions that could have a substantial impact on the environment, and responsibility for producing State of the Environment reports (Baker, 1997). Elsewhere in Australia, the state of Victoria is in the process of setting up an Environment Commissioner's office, and at the federal level in Australia, the possibility of establishing such an office is also explored.

The differences between the various offices of Environmental Commissioners in these countries suggests that, even though the outcome of diffusion is at the institutional level, it also involves, and perhaps is foremost, diffusion at the level of ideas or principles. Underlying all these offices is a *core* idea or principle, namely of the value or importance of an institution that provides an independent check on the environmental performance of governments. This principle or idea has been given a variety of forms in the different jurisdictions where it has been adopted.

That this idea has found more favourable reception in Australia and Canada than in other countries may have much to do with the commonalities and similarities between these countries in terms of political system, culture, and history. All three countries share a political system based on the British (Westminster)

system, in which the executive dominates Parliament more strongly than in parliamentary systems of a dual nature. In all three countries political institutions, culture and traditions have been shaped or strongly influenced by their colonial history and strong (economic and social) ties with Britain since their independence. Prior to the 1980s, most of New Zealand's environmental legislation was modelled on that of Britain. If or when new issues arise, policy makers in New Zealand look in first instance to Australia, Canada and the UK for ideas or models for addressing them. Of course, the fact these countries share the same language also facilitates that interchange. But more than language, the affinities between these countries make them members of a "family of nations" between which diffusion is greatly facilitated.

The diffusion of Environment Commissioners appears to be driven foremost by "pull" factors, as the introduction of such offices is seen as having some kind and degree of merit within the context of the country (state, or province) involved. New Zealand has not been actively involved in promoting such offices and draws no immediate benefit from their establishment. The variation in the mandates of these offices indicates that they are locally "reinvented" and shaped by the political dynamics in the jurisdictions involved. Gaining further insight into the reasons for the introduction of these offices requires analysis in these countries and is beyond the scope of this study.

However, I would like to make three general observations that may assist in understanding instances and processes from New Zealand to other countries, but that may be relevant for other countries as well. The first point to be made is that, as demonstrated by the diffusion of Environment Commissioners offices from New Zealand, diffusion can and does occur from small countries to bigger countries. Although, as Kern (1997) notes, it is more likely that diffusion occurs from "bigger" (and more powerful) countries to "smaller" countries than vice versa, other factors may be at least as important in explaining (obstacles to) diffusion. One such factor is the political-cultural affinity referred to above. The above example indicates that diffusion is more likely to happen between "families" of nations. Size may matter within such "families" but is not necessarily a crucial obstacle. Conversely, diffusion from a big state to a small state may be strongly hampered if they belong to "families" with quite different (political) cultures.

A second general observation that can be made about the diffusion of New Zealand's innovations in environmental management relates to the importance of active promotion. Although New Zealand agencies, governmental and otherwise, have not been very active in promoting New Zealand's changes in environmental management (apart from the talks given by some environment officials and academics, often by invitation), there has been one organisation outside of New Zealand that has been doing this quite actively. This organisation, the Resource Renewal Institute (RRI), which is based in California, has actively promoted green planning as a more advanced form of environmental policy development,

particularly in the United States. It uses a range of media to spread the word (books, video, courses, a web page), and organises tours to countries that are perceived as leaders in this field. New Zealand, along with the Netherlands and a few other countries, is perceived as an exemplar of "green planning" by the Institute, particularly because of the *Resource Management Act* (Johnson, 1995). The RRI has been a driving force for green planning in the US and may have influenced several states to move in that direction (Resource Renewal Institute, No date).

Other organisations have also been instrumental in spreading knowledge of New Zealand's innovations in environmental management. The OECD, via its Environment Committee and the environmental performance review programme, also plays a role in disseminating information about the developments in New Zealand, be it in a much less up-beat way than the Resource Renewal Institute. New Zealand also enjoys "focus country" status in the International Network of Green Planners, an organisation that is instrumental in exchanging experiences in environmental policy development among mostly policy practitioners (INGP, 2000).

A third observation worth making about diffusion from New Zealand, but which may also apply to other countries, relates to the importance of a country's "environmental image" or international reputation as an environmental pioneer or leader. Obviously, countries that are perceived as leaders in this field have more chance of being models for emulation than countries that are seen as laggards. New Zealand has an image of a "clean and green" country throughout the world, and most likely this has contributed to it being perceived as an "environmentally friendly" or progressive country. For obvious reasons, this impression has been carefully cultivated in New Zealand by politicians and the business sector (particularly by the tourism and agriculture industries). It is further enhanced by New Zealand's active and progressive role in (some) international environmental issues, in particular with regard to whaling, Antarctica, the protection of the ozone layer, and nuclear issues.

However, reputations may not always be in line with reality, and can be based in part on other grounds than environmental performance. In New Zealand's case, there has been considerable discrepancy between New Zealand's international image and its domestic environmental performance (Bührs, 1994). Despite all the innovations in environmental management of the last 15 years or so, evidence that environmental problems are diminishing, or even that they are tackled more vigorously or seriously than in many other countries at a comparable stage of development, is rather thin. Notwithstanding its clean and green image, New Zealand's environmental performance, measured in effort as well as outcomes, leaves much to be desired (Ministry for the Environment, 1997; Organisation for Economic Co-Operation and Development, 1996). Nonetheless, the image persists, largely based on the natural features of the country.

Conclusion

From the mid-1980s until the early 1990s, New Zealand's system of environmental management was changed radically. Some of these changes can be described as innovative but, as this paper has demonstrated, the sources and nature of these innovations can be traced in some measure to a process of ideological diffusion towards New Zealand. On the other hand, some of these innovations have attracted considerable interest, and some following, in other countries, and thus New Zealand has been also a source of diffusion.

Analysing the processes that contributed to environmental innovation in New Zealand, the following conclusions can be drawn:

First, the changes in environmental management did not occur as a direct result of diffusion of environmental innovation in other countries, but were in large measure a consequence, if not by-product, of "non-environmental" diffusion at the ideological level. The driving force behind the environmental innovations was not, in first instance or predominantly, of an environmental, but of a political-ideological nature. There is no evidence that the environmental reforms resulted from a diffusion toward New Zealand of environmental institutions or policies. It is unlikely that they would have happened, at least in their present form, without the "infusion" of neo-liberal ideology.

Second, although the ideological diffusion toward New Zealand was voluntary in the sense of not being imposed by external powers, this needs to be qualified in several ways. New Zealand's growing economic vulnerability and dependence on overseas markets and foreign investment created strong preconditions for the adoption of neo-liberal economic thinking and recipes as prescribed by its protagonists. Further, as some analysts have pointed out, New Zealand's weak independent intellectual tradition, associated with its colonial past make it vulnerable to ideological neo-colonialism. Finally, the radical reforms were imposed on the country by a small coalition of like-minded politicians and bureaucrats, facilitated by a political system in which power is highly concentrated. This illustrates that push factors are not only external, but can operate across national boundaries.

Third, political ideology shaped the environmental reforms in a variety of ways and degrees: most directly and explicitly regarding fisheries management and the establishment of the Ministry for the Environment, less directly and pronounced in the Resource Management Act, and least discernible in the establishment of the Parliamentary Commissioner for the Environment. Mitigating factors (or intervening variables) were the level of interest and involvement of environmental groups, and the estimated economic impact of the changes.

As for the diffusion of environmental innovation from New Zealand to other countries, this has been most demonstrable with regard the Office of the

Parliamentary Commissioner for the Environment. Further comparative research of these processes is required to draw conclusions about why and how this happened, but a few tentative observations can be made on these matters. First, political-cultural affinity (the sense of a "family of nations"), appears to facilitate institutional and policy diffusion (learning). Second, internationally active organisations contribute to spreading knowledge and information about the innovations. Third, the level of interest in the New Zealand reforms is as much due to the ability of the country to project an international image of itself as an environmental leader as to its environmental performance.

Much of the analysis in this paper, and many of the conclusions, point out the importance of ideological diffusion, both in and of itself, as it shapes the perception and definition of environmental problems and solutions, and as a "conditioner" for institutional and policy diffusion. Ideological diffusion is, of course, itself facilitated or constrained by other factors, in particular those that related to control over the means by which ideas are conveyed, which in turn have much to do with economic structures and processes. The latter also play an important role as both push as well as pull factors. Exploring these linkages provides plenty of opportunities for future studies of diffusion.

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