

The OECD's assessment of New Zealand: The politics of international environmental performance reviews

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ABSTRACT

In 1996, New Zealand's environmental performance was reviewed by the Organisation of Economic Co-operation and Development (OECD), in the context of the organisation's program of reviewing the environmental performance of all its member states. This article discusses the significance of the review, particularly with regard to its effects on New Zealand's environmental performance. The discussion is timely as the OECD has just finished the first round of reviewing all OECD member countries, and is about to embark on a second round.

First, the OECD's environmental performance review (EPR) program is explained briefly. Second, criteria for assessing the potential significance of the program are identified and discussed. Third, the importance of the review of New Zealand's environmental performance is assessed against these criteria. While the review highlighted some important gaps and weaknesses in New Zealand's environmental capacity, its impact was limited by political manoeuvring and an opportunity was missed for challenging the "clean and green" image of New Zealand that has been promoted internationally by successive governments.

The OECD's program of Environmental Performance Reviews

The Organisation of Economic Co-operation and Development (OECD) was established in 1961 with the achievement of "the highest sustainable economic growth and employment and a rising standard of living in member countries" as its main purpose (OECD, 1996:2).¹ Initially, the organisation had 20 members, mostly from western Europe and North America, but over time enlarged to include countries from eastern Europe and other parts of the world, including Japan, Mexico, Australia and New Zealand (OECD, 1996:2).ⁱⁱ Although the primary goal of the OECD has been the promotion of economic growth, it has gradually expanded its sphere of interest to other areas, such as social and environmental issues. This expansion occurred in recognition of the interdependence between policy areas, and the multiple, often conflicting, demands on governments. Early on, the organisation acknowledged the importance of co-ordination and integration across policy areas to enhance their effectiveness, such as between economic and environmental policies (OECD, 1985). This has also led to the development of a program addressing issues associated with public management and co-ordination at the broadest and highest levels (OECD, 1997).

Some of the means by which these issues are addressed by the OECD are research, the collection and exchange of information, the publishing of reports, the organisation of meetings and conferences, and the undertaking of reviews or surveys of the policy performance of member countries. The longest established and best-known program of reporting is that on the economic performance of member states. Although environmental reporting occurred during the 1970s, it was done *ad hoc*, infrequently, and only at the request of governments.ⁱⁱⁱ A program involving the systematic and periodic review of all member states was adopted in 1991 (OECD, 1996:3).^{iv}

The principal aim of the OECD's program of environmental performance reviews is to "help member countries improve their individual and collective performances in environmental management" (OECD, 1996:3). The primary goals of the program have been described as:

- to help *individual governments* assess progress by establishing baseline conditions, trends, policy commitment, institutional arrangements and routine capabilities for carrying out national evaluations;
- to promote environmental improvements and a continuous policy *dialogue among Member countries*, through a peer review process and by the transfer of information on policies, approaches and experiences of reviewed countries; and
- to stimulate *greater accountability* from Member countries' governments towards public opinion within developed countries and beyond [original emphasis]. [OECD, 1996:3].

The format adopted for the environmental reviews is the same for all countries. A review committee, consisting of officials from other countries than the country reviewed, is appointed by the OECD's "Group on Environmental Performance". The government whose policies are to be reviewed has no say in the composition of the review committee. Members are appointed for their experience or expertise in national policy development. The review committee visits the country involved to obtain information, and talks with interested parties within and outside government. All reviews address common themes, such as the question of integration between economic and environmental policy, the integration between environmental and sectoral policies (such as energy policy), and analyses environmental performance in particular environmental policy areas. A draft report is produced and is used as a basis for a formal "examination meeting" led by the "Group on Environmental Performance" at its headquarters in Paris. Following this, the report is finalised and published.

Criteria for assessing the significance of the OECD's Environmental Performance Reviews

Assessing environmental performance is fundamentally a political activity that depends on one's (value-based) interpretation of environmental problems, their underlying factors or causes, and what is necessary to address or resolve them. Given the diversity of environmental ideologies and discourses (Dryzek, 1997), different views and criteria of environmental performance can be developed. Consequently, assessing environmental performance involves a politics of evaluation, a process in which different views and interests compete and carry different weight (power). In

this section of the article, the performance criteria identified and discussed are derived foremost from the goals specified by the OECD itself, but are elaborated upon by drawing from the literature on environmental capacity. In the following section, the limitations of such an assessment will be pointed out in the context of the politics of evaluation in New Zealand, and alternative interpretations of what is needed to address or resolve environmental issues.

The official goals of the OECD's environmental performance review program suggest that reviews may contribute to: enhancing the *capacity* of governments to address environmental problems, as well as the *effectiveness* of their environmental policies; increasing the *accountability* of governments to their citizens; *environmental policy learning* between countries. The *capacity* of governments to address environmental problems relates to a range of abilities and conditions, some of which are more amenable to deliberate efforts towards change than others, directly or indirectly. For instance, culture and values, including the political culture and institutions, have been found to be important factors in the recognition of environmental problems and the development of environmental policy (Jänicke, 1997:11; Inglehart, 1990), but are not easily changed or influenced, at least directly. Developments in these conditions appear to be influenced in the first place by the level of economic development (and income), which itself is influenced by a complex of not easily manipulated (systemic) factors, particularly in the context of economic globalisation. Nevertheless, when assessing the environmental capacity of governments, these factors and conditions need to be kept in mind as they may well be the most important factors affecting a country's environmental performance.

Other elements of environmental capacity that are considered to be more readily subject to manipulation, and therefore more sensitive to deliberate efforts towards their strengthening, are the quality of the knowledge/information base regarding environmental conditions (*cognitive-informational capacity*), the organisational and legislative framework (*institutional capacity*), and the way environmental policies are developed and implemented (*policy development capacity*).

The *cognitive-informational capacity* relates to the need for reliable information about environmental conditions and the extent to which they are influenced by policy interventions. In many countries, there are major gaps in knowledge about both respects. To a large extent, the OECD's program of EPRs relies on governments to provide information, thereby forcing them to collect whatever is available and to discover and acknowledge gaps. Having a good information base requires the capacity to chart and monitor environmental conditions and developments, and a system for collecting, analysing and reporting on that information (Hammond *et al.*, 1995; Jänicke, 1997:7).

The term *institutional capacity* is used here in a narrower sense than above (culturally entrenched rules and traditions), to refer to the organisational and legislative framework more specifically related to environmental issues. Although this framework is also more or less politically and culturally entrenched, it is also subject to deliberate efforts towards change, varying in frequency, scope and extent (at times involving "tinkering", at times radical change). Since the emergence of environmental

issues on the political agenda in the late 1960s and early 1970s, many governments started a process of reviewing, building or strengthening institutional capacity for environmental policy development and co-ordination, a process that is still ongoing and unlikely to be ever finished (Hukkinen, 1999). Important issues in this context are the role and power of environmental agencies, the integration or co-ordination of environmental responsibilities (for instance, for "sustainability") across government departments, the distribution of responsibilities between levels of government, and the rights and responsibilities of citizens (and legal bodies, such as corporations) with regard to the environment. The issues are many, complex and diverse, but for the sake of assessing changes in institutional capacity, the focus here will be on the extent to which *environmental advocacy* has been institutionalised.^v

The *policy development capacity* of a government refers to the ability to develop and design policies in a way which enhances their (likely) effectiveness. The capacity for the development of effective environmental policy depends on the extent to which environmental problems or needs are understood. Understanding is shared among those involved in the policy process, and policies are backed up by support and commitment, resources, and appropriate tools for their implementation. In many (if not all) cases, governments depend on the support and commitment, co-operation, knowledge, technical capability, and other resources of many other actors, ranging from individuals and social groups to small businesses and transnational corporations. Government capacity for the development of effective environmental policy involves, therefore, the *capacity to mobilise and strengthen the societal capacity* to address environmental concerns. The capacity of political systems to mobilise societal action in an integrated and co-operative manner has been identified as one of the most important conditions for effective environmental policy performance (Jänicke, 1997:13; Wallace, 1995).

In the context of assessing the significance of the OECD's environmental performance reviews, however, is important to analyse whether and how the issues of institutional and policy development capacity are addressed in EPRs, and what the influence of the OECD's assessment and recommendations in these areas have been on the countries involved. Furthermore, it is important to identify any changes in environmental policy that may have resulted from such reviews, or that may have been stimulated by them. However, to what extent these changes have contributed to addressing, mitigating or resolving environmental issues *effectively* is a question that is much harder to answer, as this requires detailed analysis (as other factors and developments may also be responsible for trends in environmental problems) and as it invokes the "bigger" questions about effectiveness mentioned above. For the purpose of this paper, therefore, the assessment of the effects of the EPR of New Zealand will be confined mostly to the analysis of (possible) changes in environmental policy development capacity and institutional capacity, although in that context some attention will be given to the question of whether these changes involve any explicit effort to identify and address the causes or sources of problems.

Whether EPRs undertaken by the OECD also contribute to increasing the accountability of governments towards their citizens is a question that is closely linked with issues of institutional and policy development capacity. For a start, it is

interesting to assess the extent to which the EPR itself has been conducted in an open, participatory manner, and how much publicity has been given to the review process. Secondly, the contribution to increased accountability of an EPR may lie in the degree and way(s) by which the results of the review have been disseminated. Given the potentially politically sensitive nature of publicly exposing the environmental performance of governments, Schram Stokke (1992) notes that it is not surprising that governments are eager to retain discretion in these matters. Also, the extent to which a review enhances the accountability of governments in these matters depends also on the nature of the dominant policy style in the country involved. In countries with a rather closed and secretive policy style, governments may not take a very welcoming attitude towards having their environmental performance reviewed in the first place, as Lykke notes in the case of Norway (Lykke, 1992). Whether the EPR process has, perhaps over time, an influence on the degree of openness and accountability with regard to environmental policy, and/or leads to greater "social control" over environmental decision making (Hajer, 1992:38), is a very important and interesting question but, again, not easy to answer.

The OECD's EPR program may contribute towards enhancing accountability in still another sense, namely towards the international community. EPRs can be a mechanism for assessing *compliance* with international agreements (Schram Stokke, 1992: 3) and, related to that, influence the image of a country's *reliability or credibility* with regard to such agreements. In the general information provided by the OECD about its EPR program, the importance of promoting compliance with international environmental agreements is referred to as an important rationale (<http://www.oecd.org/env/performance/index.htm>).

Whether and to what extent countries or governments *learn* from each others' approaches and experiences, in the context or as a result of the OECD's EPR program, is also hard to determine. As people from a range of countries participate in the review process, it can be argued that "dialogue" is inherent to that process. But what *effect* this has on the environmental policy developments in OECD member countries is hard to tell, as the influence of that involvement may be felt in many and "mysterious" ways. The influence of an exchange of ideas and experiences may not be reflected in specific policies, but work in a more subtle form, for instance in how policies are implemented, or non-related issues are interpreted. Moreover, as policy processes involve numerous actors (not a single "rational" decision-maker), and exchange and learning experiences are not confined to the OECD's EPR program, attributing any change to policy learning associated with that program can be highly problematic. For all these reasons, the significance of a particular review (such as that of New Zealand) for stimulating dialogue and learning between countries, let alone the effects thereof, is almost impossible to assess and consequently will not be included in this assessment of the New Zealand review.

The significance of the OECD's review of New Zealand's environmental performance

To assess the significance of the OECD's review in the New Zealand context, we shall take a closer look at its contribution in terms of the two criteria discussed above:

the enhancement of *environmental capacity*, and increased *accountability*. In the assessment, both the immediate contribution made by the review (through the review process and in the report), and some of the *consequences* that can be attributed to the review exercise, will be discussed.

Environmental capacity

Given that the enhancement of environmental capacity is one of the main rationales underlying the OECD's EPR program, what did the review contribute to this respect in the New Zealand context. More specifically, what did it bring to bear on, or contribute to, New Zealand's cognitive-informational capacity, institutional capacity, and policy development capacity?

Cognitive-informational capacity

As for cognitive-informational capacity, this was identified by the review as one of New Zealand's main weak spots. A lack of sufficient information was found to be a problem with respect to the assessment of a range of environmental problems and conditions (related to, for instance, water and waste). It was also argued that the lack of information makes it difficult, if not impossible, to say whether and to what extent New Zealand's system of environmental management, which underwent extensive change since the mid-1980s, has had an impact on those problems and conditions. The report notes that the emphasis on the assessment of environmental *effects* prescribed by the *Resource Management Act*, the principal environmental statute, makes the availability and quality of information (baseline data on environmental conditions, resource stocks and flows) "absolutely critical" (OECD, 1996:106). In the absence of such information, it is impossible for councils to ensure that all significant effects (including those of a cumulative nature) are identified, and all "externalities" internalised. It is also questioned whether local authorities have the ability to undertake these tasks and it is suggested that these requirements may need to be met on a national level (OECD, 1996:110-112).

Although, since the late 1980s, New Zealand governments have expressed a commitment towards the production of a *State of the Environment Report* as a means of bringing together information about environmental conditions and problems, progress on this front had been slow. Since the OECD's review, however, the need for enhancing New Zealand's capacity in this area became a priority (New Zealand Government, 1996). A program for the development of environmental indicators was initiated, and the first *State of the Environment* report was published in 1997 (Ministry for the Environment, 1997). Although New Zealand's capacity in this area still can be considered as inadequate (Hughey *et al.*, 1998), progress has been made since the OECD review was undertaken, and it is plausible to attribute much of this to the review.

Institutional capacity

As noted above, for the purpose of this assessment, institutional capacity is interpreted as the capacity of the organisational and legislative framework to deal with environmental issues, and in particular the extent to which *environmental advocacy* has been institutionalised. Important issues in that context relate to the role and power of environmental agencies, the integration or co-ordination of

environmental responsibilities (for instance, for “sustainability”) across government departments, the distribution of responsibilities between levels of government, and the rights and responsibilities of citizens (and legal bodies, such as corporations) with regard to the environment.

With regard to New Zealand’s institutional capacity, the OECD report notes shortcomings in all of the policy areas reviewed, but in particular with regard to waste management. The lack of comprehensive legislation, the absence of a system for comprehensive monitoring, the limited authority and capacity of local government, and insufficient guidance on the national level are identified as the most important shortcomings, especially with regard to the management of hazardous waste (OECD, 1996:82-85).

The report also raises questions regarding the role and the capacity of local government agencies in other areas, such as with regard to water management (OECD, 1996:69;72-73), and the implementation of the RMA in general (OECD, 1996: 175-176). The wisdom of devolving responsibilities for the integration of environmental concerns into energy policy is also questioned, as it is stated that the occurrence of environmental externalities of energy production and use is “a classic example of market failure justifying public intervention” and that central government may be better placed than regional councils to address these issues. This applies in particular to air pollution and greenhouse gas emissions (OECD, 1996:129-130).

Apart from noting shortcomings in specific areas, however, the report does not explicitly discuss or assess the role and effectiveness of New Zealand’s principal environmental government agencies, nor that of its legislative framework. For instance, the role, capacity and functioning of the Ministry for the Environment, which plays a key role in the development and co-ordination of environmental policy, is not discussed, although the mentioning of a lack of guidance in some policy areas can be interpreted as an implicit critique of the Ministry. Neither does the report raise any questions regarding the role and functioning of the Department of Conservation, which is perhaps somewhat surprising given the public attention the department attracted in the wake of the Cave Creek disaster^{vi} in 1995 (Chapple, 1995).

Also, the review does not discuss or assess New Zealand’s main environmental statute, the *Resource Management Act*. Although the report notes the potential for the Act in terms of the integration of environmental values within and across areas of decision making (OECD, 1996: 68-69; 101;129;141), it also comments that the effects-based approach is “consistent with New Zealand’s commitment to reform based on a greater reliance on market forces and reducing the role of the state in the economy” (OECD, 1996:96). The question is raised as to whether local authorities have the ability to undertake the demanding tasks allocated to them (OECD, 1996:110-112). The review, however, draws no conclusions about the extent to which the framework institutionalises environmental advocacy (or sustainability), which is often seen as a strong point of the legislation. Implicitly, the issues raised in the report suggest that the significance of the statute depends mostly on its implementation rather than on the extent to which it formally integrates decision making.

Since the publication of the report, the institutional arrangements for environmental policy and management in New Zealand have changed little. The allocation of power and responsibilities in this area has remained very much the same, with the exception of the establishment of a new agency for the management of environmental risks. Although a review of the *Resource Management Act* was initiated in 1998, this had nothing to do with the issues raised by the OECD (for instance, with regard to the need for stronger guidance from the national level), but was inspired principally by concerns about costs and delays resulting from the legislation, and the effects thereof on business and investments (Reference Group, 1998: 2,4,5, 27, 81). Until the change of government in 1999, no major reform initiatives were undertaken in those areas where the OECD found the institutional arrangements particularly wanting, such as water management, waste management, and energy policy.

Policy development capacity

What is meant by policy development capacity of a government has been defined above as the ability to develop and design policies in a way that enhances the likelihood of their implementation. Factors of importance in that respect are the extent to which the knowledge, co-operation and commitment of those with an interest in a policy area are mobilised, sufficient resources are allocated, and effective instruments used. In particular, a co-operative approach to policy development is often seen as conducive to effective policy development.

As for New Zealand's policy development capacity, the OECD review identifies different strengths and weaknesses in different policy areas. In nature conservation, the principal issue identified is resources (funding and staffing constraints)(OECD, 1996: 55), but also the need for a greater level of local government commitment to biodiversity conservation, and stronger guidance from the Department of Conservation regarding the use of the RMA process in this area, are noted (OECD, 1996: 56). With regard to water management, the report refers to a need for improving co-ordination and co-operation between regional councils "to enable them to find joint solutions to common problems and share the costs" (OECD, 1996: 73), but also to the desirability of "setting specific standards and measurable targets" (OECD, 1996: 69). With regard to waste management, the need for a stronger role of central government is seen as of foremost importance (OECD, 1996: 85).

Although the report notes that public consultation is "a fundamental feature of the New Zealand policy and decision making process in the environmental and resource management area", concern is also expressed about the adversarial nature of decision making under the Resource Management Act, despite the provisions for mediation. Concern is also expressed about the threat to public participation stemming from the imposition of costs on individuals and community groups who challenge proposals (OECD, 1996: 104-105; 110-111). It is also noted that limited use has been made of voluntary agreements with industry groups, and that the involvement of NGOs is constrained by a lack of funding (OECD, 1996: 107-108). It is further argued that, although some ministries, such as agriculture, are incorporating environmental considerations in their policies, others "have yet to make much progress in this respect" (OECD, 1996: 109). One area where integration has been slow and problematic, and where a stronger role of central government in setting standards and

rules is deemed desirable, is that of energy policy (OECD, 1996: 129-130). By contrast, voluntary and community-based approaches with regard to agriculture (for instance, in the form of land care groups) is seen as potentially "efficient", but also in need of greater support from the agencies involved, particularly with regard to information (OECD, 1996: 145).

As for the impact of the OECD's assessment of New Zealand's policy development capacity in these areas, the most notable has been the allocation of additional spending on conservation (as well as on the development of environmental indicators and the preparation of the first *State of the Environment* report, referred to above). In its budget of June 1996, shortly after the formal examination of New Zealand's environmental policy was undertaken, but prior to when the final report was written, the government included an additional spending ("Green Package") of \$110 million on a variety of environmental initiatives over three years, although arguably only about \$40 million of this was designated for "really green" activities, and \$18 million for the protection of endangered species (Minister for the Environment, 1996; *Ecolink*, June 1996: 1-2). The review may also have acted as a catalyst for the allocation of funding for the development of a *Biodiversity Strategy* (*Ecolink*, June 1996: 4), to which the government had committed itself, but which was also slow in coming, and which took another five years before a draft was finally produced (*Ecolink*, March 1999: 7).

With regard to other policy areas where the OECD report saw a need for stronger government guidance, the response has been even less remarkable. In the area of energy policy, the government continued its "hands-off" market-driven orientation, barely keeping a small-scale energy efficiency effort alive. A commitment to the introduction of a carbon tax if voluntary measures do not produce a desired reduction in emissions, was abandoned. Waste management policy also continued to suffer from a lack of government commitment and clear policy direction. With regard to the perceived need for more guidance to local government in the implementation of its responsibilities, particularly under the Resource Management Act, the main response consisted of the production and dissemination of information booklets, guidelines and guides. Although the Ministry continued to monitor the performance of local authorities under the Act, no real effort was undertaken to identify and remedy issues associated with the (differences in) capacity of councils to develop and implement effective policies and plans. The sustainable land management policy, adopted in June 1996, appears to be ineffectual with regard to rising environmental pressures stemming from the expansion of dairy farming (*Maruia Pacific*, June 1999: 4-7).

Governmental response

Overall, the government's policy response to the OECD review was defensive and modest. The government released the report together with an "update document" which summarised initiatives it already had developed since the review was undertaken (Minister for the Environment, 1996). However, no further formal policy responses were issued after the release of the review. Although another "Green Package" was put together in the 1997 budget, none of the measures contained in the package amounted to a significant change in policy development *capacity*, in the sense of enhancing the ability of government agencies and/or other actors to address

the *sources* of environmental problems. Most of the changes were directed at the generation of more knowledge and information about the extent of problems.

Enhancing accountability

Enhancing accountability towards citizens is one of the explicit goals of the OECD's EPR program and, as argued above, can be assessed, most directly, by the extent of public involvement in the review process and the degree to which its findings have been disseminated to the public. Indirectly, the review may of course also have a significant impact in this respect, for instance, if it leads to the introduction of measures to make other environmentally relevant information accessible to citizens, such as in the form of *pollution registers* and stronger "right to know" legislation. Internationally, accountability also can be seen to be enhanced by EPRs by making transparent the extent to which a country adheres to, and implements, the international agreements to which it has signed up.

The OECD's review of New Zealand was undertaken by a panel of eight investigators, three of whom came from OECD member countries other than New Zealand, with the others officials from the OECD secretariat. The New Zealand government did not have any direct involvement in the nomination of the members of the panel. The formal examination was conducted by the OECD's Group on Environmental Performance in Paris and New Zealand was not represented at that occasion. The review process was, therefore, said to have been undertaken independently of the New Zealand government. Nor did the New Zealand government have any influence over the terms of reference for the investigation and the scope of the review, which took place according to a standard format. However, the Ministry for the Environment was responsible for the coordination of the investigation in New Zealand, and provided the bulk of information for the reviewers. There was no open process by which people were invited to make submissions to the review team.

The team spent a week talking to officials from central and local government, non-governmental organisations, Iwi (Maori tribes) representatives, business leaders, and independent experts (*The Dominion*, 21 June 1995, p.1; Ministry for the Environment, 1996b:13). However, no public or open meetings were held to provide an opportunity for input to people who were not invited to speak to the review team. A draft report was circulated to governments of the OECD, and reviewed by New Zealand officials and ministers in April/May 1996, but was not made public. Apparently, the government was greatly concerned about the draft report, and put considerable effort into "improving the quality and accuracy of the document" by providing extensive comments (Ministry for the Environment, 1996b:13). However, no submissions were sought from other groups. Apart from OECD staff, only New Zealand government officials took part in the formal examination. The final version of the report was produced by OECD officials.

Given the rather limited range of people who were involved in the review, and the closed nature of the examination process, the review cannot be characterised as a participatory or "pluralist" evaluation exercise (Subirats, 1995). Although a plurality of views was sought at the initial stage of the investigation, this plurality was not self-selected, and was greatly diminished after that stage. Apart from the New Zealand

government and its officials, no other people in New Zealand got a chance to see the draft report, let alone to participate in the discussions following it.

Although the review process was not very open and participatory, the fact that, even after "improvements" were made to the draft report, the report remains rather critical of New Zealand's performance, is an indication of the independence of the investigation. It reflects a considerable amount of research and a good understanding of the New Zealand situation, and contains few, and only minor, factual errors. On these grounds, it can be argued that the review did contribute to making the government more accountable for its environmental performance. However, the extent to which this accountability implied greater accountability to New Zealand *citizens* depends in large measure on the degree to which New Zealanders were *informed* about the review and its findings. Publicity about the OECD's review of New Zealand's environmental performance has been meagre. When the review team visited New Zealand, the visit was reported in small articles in some of the main newspapers.^{vii} When the report was released, this also did not receive much attention in the newspapers, and certainly was not front page news.^{viii} Neither did it attract much attention on radio and television.

For various reasons, it is not surprising that the government did not broadcast the review and its findings widely; one concern being that the review was in its final stages in an election year. In this context, it is noteworthy that the report was released after the elections in October 1996. Although a copy of the final text of the report was received by the Ministry for the Environment in August, the printing of the report was expected to be completed by the end of October (Ministry for the Environment, 1996b:13). Arguably, therefore, the report could not have been released before the elections, but it should be noted that the timing of the release (19 November) was significant, and that the political effect of the report might have been considerably greater had it been released prior to the elections instead of at a time when Parliament was about to rise for the summer break.

What is more surprising is that the Parliamentary opposition hardly picked up on the report. Given the rather critical nature of the report, one would have expected the opposition parties to use it to discredit the government's environmental policies and performance, and to claim superiority for their own policies. Perhaps the fact that it was released after the elections had indeed greatly diminished the potential for making political gain from its findings. Another possible reason is that, at the time, the political weight of environmental issues was relatively low compared to other issues, and that the public did not hold high expectations towards the government in this area. As one (Green) opposition MP argued: "I think everyone thinks 'Ho hum - the government hasn't done its job again' - so who's surprised?" (Fitzsimons, 1997).

Perhaps even more surprising was that environmental organisations did not exploit the review as an opportunity to publicly highlight the shortcomings of New Zealand's environmental performance (for instance, via press releases). Although the report was extensively summarised and welcomed in the newsletter of ECO, the umbrella organisation encompassing most of New Zealand's environmental organisations (*Ecolink*, December 1996), and mentioned in the newsletter of the Royal Forest &

Bird Protection Society (*Conservation News*, January 1997), few, if any, spokespersons for these organisations used it as a basis to inform the public via the mass media that New Zealand's environmental performance required a considerable boost. Also, although the report is written in a non-technical and readable style that makes it accessible to many people, its price (more than NZ\$50) put it beyond the reach of many people and effectively limited its dissemination. No brochures or pamphlets summarising (parts of) the report were produced or disseminated, as has been the practice in some countries.

Another comment in the report about shortcomings in the accountability of New Zealand governments regarding their environmental performance relates to the scarcity of specific objectives and targets contained in environmental policies. This applies to most environmental policy areas as well as for the overarching *Environment 2010 Strategy*. In its conclusion, the review notes that "The quasi-absence of quantified and dated national objectives and the many gaps in national environmental data make *accountability* elusive at the national level" (OECD, 1996: 175; original emphasis). There is no indication that this concern has had any impact on environmental policy developments since the publication of the report. The main (if not only) policy area for which targets and dates have been formulated is related to the *Kyoto Agreement* with regard to the reduction of CO₂ emissions. Otherwise, most New Zealand environmental policies continue to be characterised by a high level of generality and a non-committal nature.

Overall, the OECD's review did not cause big waves in New Zealand. It is unlikely that many New Zealanders knew about the review or the report, and even less likely that it had any effect on their attitudes towards the government. In that respect, the review has not done much, if anything, in terms of enhancing the government's accountability to New Zealand citizens with respect to its environmental performance. But the reasons for that appear to lie more in the domestic political context than in the review itself.

Ironically, the greatest significance of the review, in terms of its contribution to accountability, may lie in its effects outside of New Zealand. The review found various shortcomings in New Zealand's implementation of international environmental commitments, even though it also noted that performance in this respect had "improved considerably in the past ten years" (167-168). The report also notes that the effects-based approach under the RMA may be inconsistent with the need to control greenhouse gas emissions, as the effects of such emissions are global, but assessed (and arguably not significant) on a regional level (OECD, 1996:130). What the review certainly did not do was to underwrite New Zealand's image of a "clean and green" country. On the contrary, as the report is rather critical of New Zealand's environmental performance, both domestically and internationally, it can be perceived more as a threat to, rather than providing support for, that image.

It is the fear of the latter that gives the OECD's review its most powerful effect. New Zealand's clean and green image has been described by the Ministry for the Environment as of "immense value to our agricultural, horticultural, fishing, forestry, and tourism industries". The Ministry notes that "New Zealand's trading image has

come to rely heavily on our clean and green status", but also that the image is vulnerable and threatened, and that New Zealand needs to ensure that there is substance behind that image for it to survive (Ministry for the Environment, 1996a: 3,7). It is the possibility of not receiving a "green card" from the OECD, which may be felt in a loss of hard currency, that arguably provides the strongest incentive for improving environmental performance.

Conclusion: political manipulation and a missed opportunity

Assessing the significance of the OECD's review of New Zealand's environmental performance on the basis of criteria largely derived from the official goals of the EPR program, it can be concluded that its foremost contribution lies in the exposure of gaps and weaknesses in environmental capacity, in particular, with regard to the cognitive-informational dimension of that capacity. Although the review hints also at shortcomings in New Zealand's institutional capacity for addressing environmental issues, and notes weaknesses in New Zealand's capacity for environmental policy development, especially because of financial constraints and obstacles to the ability of citizens and environmental groups to participate in decision making, it does not elaborate on the reasons behind these difficulties. The review also reveals weak spots with regard to the accountability of those responsible for environmental management, in particular related to the unavailability or inaccessibility of information. However, it offers no remedies in this respect.

In terms of the *effects* of the review, it appears that that the review (process) has acted as a catalyst for the strengthening of cognitive-informational dimension of environmental capacity, but it has been of little consequence for the institutional and environmental policy development capacity. Although funding for some environmental issues increased modestly in the wake of the review process, there have been no major developments or initiatives directed at boosting environmental capacity since the review took place. The only significant initiative towards institutional reform started prior to the elections in 1999, a review of the *Resource Management Act*, which was driven by concerns about costs and efficiency, and not inspired by the OECD's review.

The limited attention given to the OECD review by the previous government is a reflection of the low priority assigned to environmental issues by that government. Being New Zealand's first coalition government to come to power under the new proportional representation electoral system, this government (of National and New Zealand First party members) was fraught with political controversy and internal conflict from the start, and fell apart after less than two years. After the elections in 1999, when a coalition government between Labour and the Alliance got into power with support from the Green Party, some initiatives directed at enhancing institutional environmental capacity (particularly with regard to the promotion of energy efficiency and conservation) were taken, but these can be attributed more directly to the efforts of the Green Party than to the OECD review or the government itself.

Overall, the impact of the OECD's review of New Zealand's environmental performance has been quite limited. Although it may have acted as a catalyst for enhancing cognitive-informational capacity, and for speeding up policy developments

in some areas, it has not led to a significant strengthening of environmental institutions or policy development capacity. Arguably the greatest significance of the OECD's review lies in the fact that it did not endorse New Zealand's image as a "clean and green" country, or as a "frontrunner" in terms of environmental performance. Although this lack of endorsement may have caused disappointment, and even serious concern, among those who have a vested interest in this image of New Zealand, it can be seen as positive and potentially beneficial from an environmental (advocacy) point of view, and as an important contribution to holding governments (more) accountable for their environmental performance. In this respect, however, there is scope for enhancing the public profile of such reviews, and for using them as a basis for boosting public demand for more effective environmental action.

The modest effects of the OECD's review of New Zealand's environmental performance also highlights the limitations of the review in the broader context of the "politics of environmental evaluation", however. First, it demonstrates that the political effect of the review depends on the ability of the government to manage the review process (for instance, with regard to the provision of information to the OECD, the selection of people interviewed by the review panel, the timing of review, and the release of information), and on the extent to which the findings of the review connect with the political agendas and priorities of the main political players. Although formally the OECD's reviews are undertaken independently, governments (and government agencies) have a strong interest in, and a range of means for, influencing the review process to try to avoid political damage. The scope for environmental advocates to "use" the review depends on their ability to influence the interpretation of the reviewers, on the interest of the mass media, and on the prevailing political priorities (climate) and relative public support for environmental issues. On their own, the OECD's reviews have little or no political impact.

Second, the significance of the OECD's review of environmental performance is limited by the way environmental problems are framed. Although the review highlights important gaps or weaknesses in environmental capacity, the analysis it contains is quite limited, and does not identify or discuss underlying factors or causes. Implicitly, the impression given is that boosting environmental capacity is largely a matter of improving knowledge and information, increased funding, and better management. Although the integration between environmental and economic concerns is a major point of focus in the review, the report seems to suggest that this can be achieved largely by the internalisation of environmental costs, and that there is no need for fundamental, systemic change. The report pays no attention to the socio-cultural and philosophical aspects of the environmental problematic. Therefore, those who take a non-managerial environmental perspective may find that the OECD's review "misses the point" when it comes to identifying the "root causes" of environmental problems and the sources of weak environmental performance.

In spite of these limits, however, the OECD's program of reviewing environmental performance is significant, if only because it provides support to those who challenge political rhetoric with regard to environmental performance. This is also true in the New Zealand context. For too long, New Zealand has lived in a state of denial with

regard to its environmental problems and responsibilities. Although environmental institutions were changed significantly in the 1980s and early 1990s, these reforms were not solely, or even primarily, undertaken for environmental reasons (Bührs and Bartlett, 1993). Nor have they, as yet, proved to have had a significant and demonstrable impact on New Zealand's state of the environment, or on the environmental performance of governments. The most significant effect of the OECD's review has been that New Zealand governments can no longer hide behind a "clean and green" image, and that, at risk of losing credibility domestically and internationally, environmental problems and responsibilities will have to be taken more seriously in the future.

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ⁱ. Formally, the goals of the organisation have been formulated as the promotion of "policies designed:

- to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;
- to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and

- to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations" (OECD, 1996:2).

ii. Original member countries were Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States (OECD, 1996:2).

iii. An example is the OECD's review of New Zealand's environmental policy in 1981, which occurred at the invitation of the Muldoon Government (following a suggestion from the then Commissioner for the Environment). The assessment and many of the recommendations in the report were, however, seen as unwelcome by the government, and consequently ignored until the Labour Government picked up some of the more important suggestions during the process of reform initiated after its election in 1984 (Bührs, 1991:358-359; Horrocks, 1984; OECD, 1981).

iv. The program aims to review each member country approximately every four years.

v. In this context, I prefer to use the expression *environmental advocacy* rather than, for instance, *environmental values*, as the meaningfulness of the latter is even more difficult to assess. How meaningful the institutionalisation of environmental values depends primarily on *who* has the responsibility and power to *define* what they mean in specific contexts. Here, it is assumed that the level of institutional environmental capacity is related to the institutionalisation of environmental advocacy *roles*, and to the extent to which those who advocate environmental values have formal rights to be involved in decision-making processes that affect environmental values (for instance, in legislation).

vi. In April 1995, a viewing platform on the West Coast of the South Island collapsed, killing 14 people. In the subsequent inquiry, DOC's management system was found to be at fault. The inquiry and a further review of the department led to a range of structural and management changes. <http://www.doc.govt.nz/whats/issues/cave.htm>

vii. *The Evening Post*, "OECD to look at NZ environmental record", 19 May 1995, p.5; *The Dominion*, "OECD team finishes NZ's environmental assessment", 21 June 1995, p.2.

viii. *The Press*, "Group faults NZ environmental policy", 2 December 1996, p.18; *New Zealand Herald*, "Environment criticism deflected", 20 November 1996, p.20.