

INVESTING IN SURVIVAL

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Among the number of today's persistently increasing problems, one is recognized with ever greater urgency as of top priority. This is the problem of safeguarding and restoring the already exhausted natural environment. At the same time, it has become almost common knowledge that this problem is being created and magnified every day as an undesirable side-effect of insane rates of development. Industrial development and also, to a certain extent, technological development are to blame. Nevertheless, these have been considered important factors in the improvement of standards of living. The conflict of interest between industrial and technological development on the one hand, and the need to safeguard the natural environment on the other, is creating an ever more complex and intractable problem. The only solution, if there is one, would seem to lie in a continuous process of convergence, requiring careful and subtle calculation.

The factors and variables involved derive from criteria which themselves spring from entirely different evaluations. These are for example, social, economic, scientific, sanitary, esthetic etc. Difficulty arises from the need for each of these evaluations to be endowed with an objective factor. The final agreement which will be necessary for an effective confrontation of the environmental problem will be the consequence of subjective assessment and also conciliatory interest. These are in themselves disadvantages, since they must be carried out on multiple levels, that is to say, national, governmental, scientific, social, individual, international, as well as on the level of business operation.

Until now, the protection of the environment from the side-effects of the application of advanced technology, industrial development, and urban hyper-concentration has been approached through an increase in expenditure. If not in this way, there has been additional expenditure for the minimization of these effects in every industrial installation, housing expansion or tourist development. These side-effects have also been caused by the ease with which ever greater numbers of people have acquired the possibility of congregating in, and therefore polluting, areas which were previously unspoiled.

But restoration of the already colossal damage to the environment puts the matter on an entirely new footing. That is to say, the independent provision of a new social benefit, which is the protection and recovery of the environment.

One of the levels on which the battle for the survival and improvement of the natural environment must be fought is the international one. As was natural, the United Nations, as the most representative organization of the international community, was one of the first to include the environmental problem among its priorities.

Among the most important initiatives taken up within the activity framework of the United Nations was the convocation of the Ministerial Conference, the United Nations Conference on the Environment and Development, UNCED, within the program for an Ecologically Supported Industrial Development, known as the ESID program. This took place in Copenhagen from 14th to 18th October 1991 and finally adopted the declaration of 18th October 1991. Here, the ministers of the member countries called upon the United Nations Industrial Development Organization (UNIDO) to undertake initiatives for the coordination and rectification of development activities in the direction of ESID, which were not only within the framework of its Technical Aid Program but also of its investment activities.

Already, as Director of the UNIDO Bureau for the Promotion of Investment, I can inform you with satisfaction that UNIDO immediately undertook the relevant initiatives:

proceeded to study and analyze the separate problems of development reconciliation and ecological protection. Its conclusions were stated in guidelines and were intended not only for internal use but also as a pilot for development activities by other organizations; processed an enormous volume of data held on its computer and proceeded to draw valuable and positive conclusions based on irrefutable facts. One example is the following: as stated in the UNIDO Global Report on Industry and Development for the years 1991-92, per capita consumption of all forms of energy in the developed countries of the Organization of Industrial Cooperation and Development was 10 times greater than that of the countries of the developing world. Nevertheless, industrial consumption, per US \$ 1 million of industrial product, was ten times greater in the developing countries than in the developed;

proceeded to adopt fundamental criteria to ensure the success of the ESID program and to define the precise concept involved and its essential goals;

adapted and promoted scientific development programs whose main characteristic was ecological orientation, as well as programs for recovery from ecological disaster. These programs were promoted in Tanzania, Brazil, India, Bulgaria, Argentina, Thailand, Zimbabwe, Trinidad and Tobago, Vietnam and Hungary, as well as broader regional programs for Africa and Asia-Oceania. Some

examples follow cases where both the production and consumption of industrial products have added to the creation of environmental problems. For these UNIDO has promoted a series of measures aimed at environmental protection.

In connection with the allocation of natural resources:

Vietnam: a program for the reduction of consumption and wasteful use of forest timber and the development of forest areas;
Trinidad and Tobago: consultative aid on the industrial applications of the microbiological detection of oil deposits.

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In connection with environmental pollution:

Brazil: technical aid for the operation of installations for tannic works and sewage processing;
Hungary: the establishment of a plant for the production of non-toxic insecticides.

In connection with the improvement of climatic conditions:

Africa: regional programs for the establishment of small hydro-electric plants combined with water conservation programs;
Asia and the Pacific: regional programs for the installation of systems for the detection and regulation of motor vehicle emissions.

It also compiled a register of responsibilities, initiatives, measures and actions assigned to the respective institution-body, namely the state, international organizations, social bodies, and entrepreneurial initiatives, which must be adopted and promoted.

But perhaps UNIDO's most important contribution was the following statement: the fundamental problem facing the reconciliation of environmental protection with the need for development is the problem of the increase in production costs resulting from the use of so-called clean technology, and the possibility of shifting these costs onto the consumer. This is something which finally brings in the acceptable and logical philosophy of "the polluter pays", as long as it is equally logical that "the one who benefits must pay".

But what about competitiveness? If there is no enforcement of uniform rules for the protection of the environment the end result will be the imposition of a regime of unlawful competition, which will eventually undermine every effort made for environmental protection.

The answer to this problem can possibly be found in the alignment of not only national, but also international, regulatory legislation. Nevertheless, it is astonishing to find that careful scientific study of the problem reveals a great number of cases where the application of clean technology has increased profitability. In a series of applications of clean technology, whose cases cannot be mentioned because of the time-constraint, the services of the United Nations Technical Aid identified this fact and directed investment towards the modern environmental orientation.

This orientation must be the core of business strategy. Businesses should not fatalistically accept increased production costs or simply search for ways to re-allocate or shift it elsewhere; they should fight this increased cost through technology, and simultaneously make ecologically clean production more profitable.

This is UNIDO's proposal in answer to the issue of today's conference. In other words, to lay out a business strategy based not on the acceptance of reduced profit, but, on the contrary, on the belief in its continued increase.

As representative of UNIDO in Athens, I would like to pay special homage to the fine effort of the Biopolitics International Organisation and its indefatigable president Dr. Vlavianos-Arvanitis, by wishing her every success and strength in continuing her always noble initiatives.

Assimakis Fotilas' career has included Head of IPS, UNIDO, Athens, Parliamentarian and Euro-Parliamentarian, and Head of the Greek Socialist Group. From 1981-1982, he served as Deputy Minister of Foreign Affairs, and was appointed Minister for Immigration (Greeks Abroad) and member of the Council of Ministers, in 1984. Mr. Fotilas holds a Law degree from the University of Athens and an M.A. in Economics from Boston University, and has served as legal advisor in international firms, and numerous industrial, commercial and construction enterprises. He has also published several articles on political, legal and economic matters.

