C H A P T E R   6

Building and Reinforcing Social Accountability for Improved Environmental Governance

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IF DEVELOPING COUNTRIES ARE TO CRAFT AND NURTURE sustainable policy initiatives that can address externalities in ways that will help the environment, they will need long-term constituencies that want to support such policies and can hold policy makers accountable for their performance in implementing them. Transparency will be the critical quality in the policy process needed for these constituencies to demand accountability from policy makers. This chapter explores the three key variables of accountability, transparency, and long-term constituency building as crucial factors in dealing with externalities in order to protect the environment in developing countries.

The chapter begins by defining some key concepts before constructing a theoretical framework that brings the essential variables together as part of the policy process. The third section presents two case studies illustrating the three variables in an environmental context. The last section identifies patterns and themes observed in the case studies.

Definitions and Causal Linkages

Several concepts are key to understanding how accountability is used to effect changes in environmental policy. Each of these concepts is defined here.

Accountability

Except for a few autocrats and top-level elites in corrupt systems, all political actors are accountable or answerable to someone—the question is, to whom? Only to a dictator? Just to elites? To the military? To voters? To the rule of law? In a very general way, the advance of democracy can be gauged by the number and kinds of quarters to which actors are accountable: the more developed the democracy, the greater and more widespread the accountability.[1]

In "electoral democracies," accountability comes only through elections (Diamond 1999); in full "liberal democracies," accountability mechanisms include legislative oversight, civil society advocacy, legal redress (rule of law), a free and active media, and shared power (between branches of government). In a democratic system, to be sure, elections form the ultimate defense against state mismanagement, offering the citizenry a chance to change system managers. In Tocqueville's famous formulation, elections are why "the great privilege of the Americans is to be able to make reparable mistakes," which, he believed, inevitably occur in a democratic set-up (Tocqueville 2000: 216). But elections represent a very crude mechanism for accountability; they occur only at infrequent intervals and allow no possibility for the citizenry to exercise anything more than the crudest policy guidance. To hold the state to account for particular policies or actions (or inactions), more finely tuned instruments are needed that can function between elections to make specific demands and intervene in the policy process for specific purposes. This is where constituencies come in, for they are the actors making these demands. But without transparency, they will not know what to demand or who to demand it from.

Social accountability refers to the accountability of the state to the society as a whole (as opposed to some individual sector of society). This chapter focuses on social accountability for environmental protection.

Transparency

In this era of Transparency International as a major think tank in the development community, *transparency* tends to be thought as corruption's antonym—that is, honesty and probity in the public sector. Countries such as Bangladesh and Chad, which score at the bottom of Transparency International's annual Corruption Perceptions Index are seen as the essence of state corruption, while those at the top (Iceland and Finland) are perceived as being the most transparent.

In this chapter *transparency* is used differently, to mean openness and accessibility of state decision-making processes to public scrutiny. The processes themselves

may not always be completely honest, but if they are transparent, their degree of probity or venality will be open to public view. In every political system, dishonesty is bound to occur from time to time, but if the system is transparent and civil society organizations (CSOs) and especially the media are exercising a watchdog function, the malfeasance will be discovered and publicized. If other aspects explored in this chapter are working properly, more transparency should lead to more system probity.

Constituency

A true constituency is a group genuinely involved in public policy decision making, on both the input and output sides. Constituencies make claims on policy decision making; if successful, they benefit from policy implementation. They potentially include state actors (the military, the bureaucracy); voluntary advocacy groups (trade unions, environmentalists, professional associations, businesses, business chambers); ascriptively-based groups (ethnic minorities, religious groups, women, linguistic communities); occupational categories (landlords, sharecroppers, forest loggers, bus operators); residents of a neighborhood or locality (slum inhabitants, forest dwellers, people living near a factory); and ultimately the citizenry at large, especially at times of systemic stress.[2]

Not every constituency contributes positively to the overall public weal; some can be damaging. Criminal gangs, timber thieves, environmental polluters, and fanatical religious groups are all constituencies, sometimes powerful ones.

Not every social grouping is a constituency. A constituency has achieved a consciousness of its identity and has developed an organization of some sort to advance its interests. In contrast, a social grouping exists only as a taxonomic category. To paraphrase a Marxist adage, a constituency arises when a group existing in itself has become a group organized for itself.[3]

The state as a set of constituencies. In this chapter the "state" includes the public sector at all levels. Its three branches—executive, legislature, and judiciary—can also act as constituencies, making demands on the state (such as patronage funds for legislators feeling jealous of local government units). Two other state constituencies—the bureaucracy and the military—often act as powerful autonomous (that is, not controlled by the main three branches) actors, evidencing strong ability to garner resources for themselves at public expense and to thwart new policy initiatives.

Often—indeed, perhaps more often than not in most countries—the interests of these various state constituencies do not run in the same direction. The executive may try to emasculate the legislature and control the judiciary. The bureaucracy may become more concerned with seeking rents than with implementing the policy directives of the executive. The military may vie with the bureaucracy in rent seeking while evading the executive's attempts to assert

constitutional control over it. All these disorders are common in the developing world (and many of them threaten to emerge in the industrial world as well at times).

Civil society and civil society organizations. Many constituencies can be said to be part of "civil society," long a highly contentious term claimed by various partisans for different purposes.[4] In the development community, some version of Gordon White's definition has increasingly become accepted. This definition holds that civil society consists of "an intermediate associational realm between state and family populated by organisations which are separate from the state, enjoy autonomy in relation to the state and are formed voluntarily by members of society to protect or extend their interests or values" (White 1994: 379).[5] Civil society can also be thought of as a third (nonprofit) sector of organized society, to be distinguished from the public (state) and private (business) sectors.[6]

An actual civil society constituency generally has some representation in the political process through one or more CSOs that advocate on its behalf.[7] Sometimes constituencies act directly in the political arena, as in voting or rallies and demonstrations (and even spontaneous or orchestrated riots); usually they are represented by CSOs.

Many CSOs are formal organizations, such as a mine owners association or a bus drivers union. Others are informal and ad hoc, such as a group of junior military officers claiming to represent a large sector of the army. Some exist outside the state sector altogether (mine owners), while others may have quasi-state status (junior army officers or public sector bus drivers). The key factor is whether a CSO is acting independently of the state.

Often there is contention over who is actually representing whom. There may be rival mining associations, splits within the bus drivers group, or contention between different groups of military officers. The boundaries between *constituency* and *civil society* can thus be murky. It is important to note that the term *constituency* denotes both a group of people able to make some claim on the policy process and representative advocates in the form of CSO(s) working on their behalf.

Some CSOs lack direct or obvious member constituencies. Human rights organizations often act on behalf of people they do not know; think tanks may act in the name of a wider public interest, such as protecting the environment.

The media are the hardest to fit into any civil society taxonomy, because they usually do not act as advocates for a particular constituency. Their function is to develop information and provide it to civil society. The media are critical to the democratic process; without free media to investigate and publicize state malfeasance—and to report the political scene more generally—democracy cannot exist for any length of time.

Constituency lifetimes. Constituencies can be short term or long term, temporary or sustainable. Short-term constituencies tend to coalesce in response to

specific crises (crime in the neighborhood, point-source pollution of a water resource). While the CSOs representing them may enjoy some success in ameliorating the immediate problem, they generally do not endure long thereafter, and no constituency remains in any coherent form.

Long-term constituencies have enduring interests and CSOs with organizational skills, resources, and commitment. Examples are business associations, agricultural commodity lobbies, trade unions, and environmental organizations.

Participation

Participation constitutes the flip side of accountability. It refers to the processes through which constituencies (usually but not always through CSOs) make claims on the policy process. Voting, lobbying, lawsuits, bribery, demonstrations, letters to the editor, and petition drives all constitute modes of participation. Without participation, constituencies cannot demand accountability from the state.[8]

Strength of the State

A "strong state" is one that can enforce its rules of the political game in sectors such as the rule of law, freedom of speech, the right to vote, and minority rights. Accordingly, as used in this chapter, *strength* is not related to autocracy or to the degree of centralization the state attempts. Autocratic and highly centralized states may well prove unable to enforce their rules, as is the case in many African countries, while democratic and decentralized states can be very strong (as, for instance, in Canada).

Causal Linkages

This section examines how the concepts and variables introduced above can be linked to depict the policy-making process.

Policy Making and Linearity

In the abstract, policy making is a linear process moving logically from initial assessment through formulation and implementation, with a feedback system provided by monitoring and evaluation to effect improvements (figure 6.1). The presence of constituencies making demands throughout all phases, however, makes the process distinctly nonlinear (figure 6.2).

The abstract policy process depicted in of figure 6.1 becomes a small activity within the hexagon at the center of figure 6.2. Constituencies and their representatives are constantly trying to impede, change, embellish, and add to policies or potential policies, forcing policy formulators to move back to the design stage to include new considerations before being able to proceed. An environmental activist group, for example, could stall a dam project already approved by the executive, forcing a new environmental impact analysis that takes potentially displaced
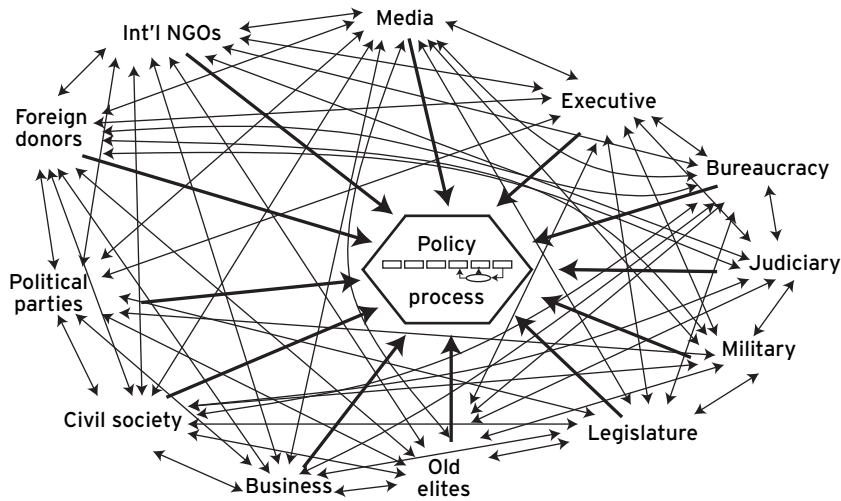
FIGURE 6.1
Policy Making as a Linear Process
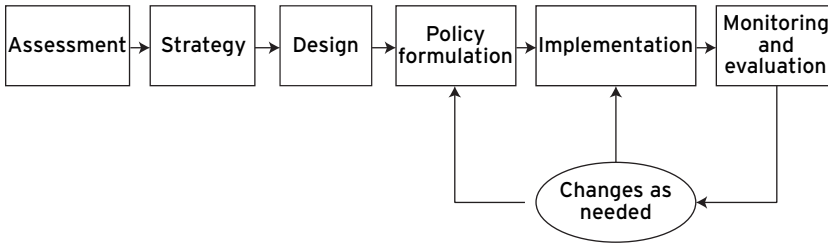
Source: Authors.

FIGURE 6.2
The Policy-Making Process as it Actually Works

Source: Author.

floodplain dwellers into account. A coalition of industries might then pressure the legislature to enhance the preferential rates promised for hydropower generation from the dam. Civil engineers from the military might see an opening for involving themselves in flood control, which had been the preserve of the ministry of irrigation, and lobby the legislature to give them a role. Embarrassing newspaper coverage might reveal that the minister of public works had accepted a bribe to award contracts to cronies.

In one sense all these interventions interfere with the policy-making process, degrading what should be a smooth flow of technical expertise leading from

concept to execution. Indeed, they have often been perceived as such within the donor community. But in another, more important way, the seeming mess depicted in figure 6.2 reflects contributions to the policy-making process. The various state actors are shown as the nearly autonomous players they so often are, and international actors are included as well. All players endeavor to influence policy making at all stages; they also try to influence one another (thus the thicket of causal arrows). To the extent that they have the capacity and freedom to do so, the media and think tanks try to discern and report on these attempts at influence.

The bureaucracy may interact with the executive and the legislature to draw up policy initiatives while seeking to enhance its own perquisites as a policy is drafted. It may work with old elites bent on preserving their control of land or inefficient protected industries, as well as with business elements wanting to encourage investment that will displace those old industries.[9] It may also work with CSOs trying to improve the position of their constituents, whose interests (such as higher wages or primary education) likely conflict with those of older elites. Alternatively, the bureaucracy might side with a military wanting to keep wages down in order to enhance its own recruitment or wishing to divert education funds to its own activities. And on and on it goes.[10]

Engines of Environmental Accountability

For environmental accountability to be exacted, there must be institutions that demand it. Over time political parties can come to see the value of promoting policy initiatives that benefit the environment, as they begin to perceive constituencies concerned about environmental issues; this has been a frequent pattern in developed countries. The state itself can initiate the process (as the Indonesia case discussed below suggests). The media are always an essential instrument, for it is through them that constituencies can be informed, aroused, and mobilized to work through CSOs, parties, or the courts to seek environmental redress.

CSOs are the primary engine driving environmental accountability, doing so on behalf of constituencies that demand it. Sometimes they do so by advocacy directly targeting the state, sometimes they do so by appealing to political parties. It is the multiplicity of avenues that gives rise to the knotty and complex web portrayed in figure 6.2. In short, the engines are many and the paths are tangled.

Externalities and Constituencies

Public policy decisions often benefit certain constituencies while imposing costs on others. Allowing a mine to discharge its heavy-metal residues into an adjoining lake may kill or poison aquatic life, destroying local fishing industry and injuring the health of local fish consumers. Permitting loggers to clear-cut a tropical forest will degrade the soil, increase runoff, and cause downstream flooding and siltation. Because long-term constituencies such as mine operators and loggers tend

to be relatively wealthy, they are able to impose negative externalities on the environment and society in order to direct resources toward themselves. In contrast, groups addressing externalities tend to be more ad hoc, episodic, and less well-endowed with resources. A central challenge to the development community is how to build and nurture long-term constituencies that can begin to redress externalities and redirect their benefits.

The Danger from Elites

Just as economic elites continuously try to undermine a market economy by creating oligopolies and oligopsonies, political elites constantly endeavor to attain dominance over policy making by establishing collusion among their own ranks. These tendencies manifest themselves just as much in advanced industrial countries as in the least developed ones. A strong state (in the sense defined above) is needed to protect against both perversions—to keep traditional elites (such as landowners and the political class in Latin America or new oligarchs in the former communist countries) from dominating while encouraging smaller businesses to operate in the economic game and less powerful constituencies to participate in the political game. In environmental terms this usually comes down to the bigger developers—miners, loggers, ranchers, fishers—having more money, better organization, greater access, in short more economic and political clout than those favoring environmental protection. But developers do not always win, especially if strong pro-environmental constituencies can be built to withstand them, ensure sufficient transparency to discover and disclose what goes on, and use appropriate institutions within the political system to demand accountability from the state for protecting the natural resource endowment.

Linking the Key Variables

Now that the main definitions and concepts have been established, it is possible to link the key variables. The linkage can be defined as follows: State institutions and potential polluters must be accountable in law and in practice to legitimate standards and nonstate constituencies, but accountability cannot be real without transparency and participation that extends well beyond elite circles.[11]

Accountability is the key concept in crafting effective environmental protection efforts. The central task is to promote the development of constituencies representing those not shown as entrenched players in figure 6.2, so that they can demand some accountability from policy makers amid the cacophony of interests and influences. For them to accomplish this task, transparency will be critical. The principal risk is that virtually any structural arrangements facilitating involvement of pro-environmental interests in the policy process also enables those who are better-off and already more advantaged to enhance their own positions.

Case Studies

The two case studies presented here describe successful environmental activism. In the first, two determined environmental CSOs mounted efforts that over time lead to effective initiatives to reduce atmospheric pollution in Delhi. In the second, an Indonesian government agency crafted an initiative to induce factories to reduce their emissions.

Reducing Air Pollution in Delhi

Sparked by two environmental CSOs, the city of Delhi—certified in the mid-1990s as one of the world's most polluted cities—managed to reduce air pollution levels dramatically by 2004.[12,13] Although atmospheric pollution levels still exceeded international standards, carbon monoxide emissions had fallen 32 percent, and sulfur dioxide levels had fallen 39 percent (http://cities.expressindia.com/full story.php?newsid=85665); sulfur dioxide declined another 63 percent, an even more dramatic improvement (Time Asia 2004).

Most of these reductions were brought about by cutting vehicular emissions, which had been widely believed to account for some 70 percent of air pollution. Laws designed to control atmospheric contaminants had been on the books since the early 1980s, but, as in so many developing countries, enforcement had been essentially nonexistent. At the beginning of the new millennium, however, the situation was beginning to change.

In a sense, the solution was simplicity itself: two CSOs—the Indian Council for Enviro-Legal Action, led by M.C. Mehta, and the Centre for Science and Environment (CSE), led by Anil Agarwal—brought public interest lawsuits and generated a high-profile, fact-based, publicity campaign that compelled the government to enforce the legal requirements. But the story behind this drama is much more complex and provides a first-rate example of how civil society activism works, what is needed to enable it to function, and how it fits into the wider context of accountability in governance.

Critical success factors. For the key actors in the drama—the Supreme Court of India, civil society, and the media—to have succeeded in imposing new environmental standards, several necessary conditions had to be in place, especially in the legal sector. The Supreme Court had to be autonomous enough from the executive that it could render judgments that were not subject to governmental control. In addition, public interest law had to be an acceptable component of the legal regime—that is, private citizens had to have the right to bring suit against the state on the grounds that it was not implementing its own laws. Finally, the Supreme Court had to have attained sufficient public esteem to have the legitimacy to issue orders to the executive that the executive was obliged to implement. The government could have evaded the Supreme Court's orders at several points in the course

of the drama—by declaring polluting diesel to be an officially "clean" fuel, for instance—but it chose not to do so.

The second key group of actors was the CSOs. For these organizations to operate, freedom of speech and inquiry had to be in place as an enforceable legal norm. Organizations needed to be able to operate free of government harassment or intimidation, so that they could conduct their investigations, publicize their findings, and bring legal actions in the courts. They also required leadership with sufficient dedication, perseverance, and resources to remain active on the air pollution front over the long haul. M.C. Mehta pursued his first cause—banning industrial effluents that had been eroding the soft marble exterior of the Taj Mahal—for a decade before attaining victory in the Supreme Court in 1993. And though he launched the air pollution suit in the early 1990s, it was not until 1998 that the Supreme Court issued its first comprehensive mandate for eliminating pollutants. Anil Agarwal established the CSE in 1980; by the 1990s it had the technical expertise to investigate pollution levels and the institutional know-how to disseminate their findings effectively.[14] Neither organization was easily dissuaded.

The third actor, the media, needed constitutional guarantees of freedom of speech, which, except for the brief period of Indira Gandhi's "Emergency" rule in the mid-1970s, they have enjoyed virtually without interruption since independence. They also needed a source of competently researched and understandable findings to disseminate to their readership.

Taking advantage of public interest litigation provisions, M.C. Mehta asked the Supreme Court to compel the Delhi government to enforce the clean air laws that had been passed some 15 years earlier. Responding to the suit—in the course of which the government was made aware of the scientific evidence made available by CSE—and conscious of the public awareness created through media dissemination of CSE's findings, the Court created a monitoring committee, the Environment Pollution Prevention and Control Authority (EPCA), which it empowered to make policy recommendations and to which it appointed the CSE as a member. The CSE was thus in a position to make its expertise available to the Court on what amounted to an insider basis while at the same time disseminating its views to the wider public through the media. Groups opposed to the measures recommended by EPCA—the automobile industry, bus operators, taxi and auto rickshaw drivers, and eventually commuters inconvenienced by strikes and Court-mandated sidelining of buses—were able to take their case to the Court and the public as well, although in the end they were not able to affect the outcome.

Taking heed of the recommendations given it by EPCA, the Supreme Court in effect took charge of the antipollution effort, directing the Delhi government to phase out leaded gasoline, eliminate public transport vehicles more than 15 years old (the worst offenders), mandate the use of premixed fuel for two-stroke engines

(which powered some 70 percent of Delhi's vehicles), and require the use of compressed natural gas (CNG) in all Delhi buses. Fortunately, the Court had the legitimacy to compel the government to carry out these mandates.

Each of the three actors—the Supreme Court, the CSOs, and the media—had a critical role to play. Because they were able to act together, civil society was able to hold the state accountable in a way that elections by themselves never would have been able to do (because air pollution, though vital to public health, could never have become a salient enough issue by itself to determine an election outcome).

Cautionary notes. As with any account of events in the public policy arena, certain caveats must be noted. First, the process took a very long time. The relevant laws were enacted in 1981, but even by the mid-1990s little had been done to implement them. Lawsuits filed in 1996 took another six years to yield intermediate results and culminate in the CNG mandate of 2002. In this case the Supreme Court and the two sparkplug CSOs stayed the course; attention spans for public policy issues are usually considerably shorter.[15]

Second, while think tank CSOs such as the two analyzed here clearly have a vital role to play in holding the state accountable, they represent at most a very narrow base of public opinion. Both were self-appointed guardians of the public interest, without any broad mandate; neither had a mass grassroots movement supporting it. M.C. Mehta's CSO really amounted to a one-man show with a supporting cast. While the CSE was a real organization in its own right, it was nonetheless a small elite group founded and managed by a charismatic leader, largely dependent on grants from outside sources, and without a membership base.[16] The wider public was at best informed of the efforts undertaken by these CSOs rather than involved in formulating them.

Third, while the two CSOs emerged triumphant in this story, they were not the only civil society players involved. An open civil society means that opponents of any initiative, not just its supporters, are free to play as well. Auto makers, bus operators, and at one point even commuters entered the fray in opposition to the antipollution campaign. This time around, they lost, but in other controversies opponents of environmental controls often win, sometimes even rolling back earlier victories.

Fourth, the air pollution control initiative was fortunate in that while its first few policy forays faltered, it proved possible to find solutions that were technically and logistically feasible. Standards could be set for various pollutants (such as sulfur dioxide, nitrogen dioxide, or suspended particulate matter), but equipment often fails to detect them or can be manipulated to return false negatives (allowing polluting vehicles to pass the test); test inspectors can easily be bribed. Most alarmingly, if diesel were prohibited or restricted or subjected to price increases intended to discourage its use, bus operators could easily switch to subsidized kerosene, which is just as noxious in terms of effluent.[17] More-workable

solutions emerged in the form of selling premixed fuel for two-stroke engines (which actually saved the operators money on repairs), phasing out leaded gasoline, retiring buses older than 15 years, and mandating the use of CNG in public buses. The first measure found favor with end-users; the others were relatively easy to monitor and enforce. Such solutions would be considerably harder to craft in other environmental situations, however. No-fishing zones and logging restrictions, for example, would be considerably harder to implement.

Fifth, the Supreme Court wound up not only demanding and monitoring government compliance with environmental laws but actually managing compliance—in effect, micromanaging it. One has to ask whether such behavior is the proper province of a judiciary or should best be left to the executive, even if the executive drags its feet and delivers less than a perfect product. Constitutionally, after all, it is the executive that is charged with implementing the laws, not the courts. One also has to wonder whether the Court leaned too heavily on CSE for advice. Even granting CSE's impressive level of technical expertise, it would probably have been better to seek a multiplicity of views.[18]

Sixth, political parties were absent. As a "union territory" in the Indian system, Delhi has an elected government, with political parties regularly contesting control. Ideally, issues of significant salience are taken up by the parties, as part of their efforts to attract votes. But while air pollution may have been gripping to the elite readers of the *Times of India* and other newspapers, it was not absorbing enough to become a major platform plank for either of the two major Delhi parties in power over the period under analysis here.[19] Civil society therefore had to take on the entire burden of environmental activism, a role that in other countries might be shared with a green party or even a major party.[20]

Finally, even though the antipollution effort secured major successes, metropolitan Delhi's air can scarcely be called clean. Buses may be running on CNG and two-stroke vehicles on premixed fuel, but the vehicle population is expanding so rapidly that these gains are being overrun by new threats.[21] Data collected by CSE in May 2005, for example, show that suspended particulate matter, respirable suspended particulates, and nitrogen dioxide exceed international maximum permissible standards by a factor of at least two and in some cases much more.

It can also be argued that parallel efforts to reduce industrial pollution (mainly by moving factories away from urban areas) had a greater impact on improving air quality than lowering vehicular emissions (World Bank 2005). Other Indian cities face equally serious problems. To claim, then, as the Indian secretary of environment and forests does, that the country has reversed the environmental Kuznets curve may be premature.[22]

In sum, the achievements recorded in this episode are but way stations on a very long path to attain a cleaner environment in Delhi. They nevertheless clearly show

that when the right enabling institutional structure is in place with respect to the legal system, civil society, and the media, it is possible to make significant headway.

Using Public Disclosure to Abate Pollution in Indonesia

Against a backdrop of rapid Indonesian economic growth in the 1980s and early 1990s (when industrial growth often topped 10 percent a year), rising pollution came to be viewed as a major concern. The state responded with various semivoluntary and largely ineffective programs. Then, in the mid-1990s, the government introduced a pilot scheme in which industries were to self-report their levels of water pollution. This Program for Pollution Control, Evaluation and Rating (PROPER) led to significant reductions in pollution levels before being suspended in the wake of the financial crisis during the late 1990s. After economic recovery (and a democratic transition), a much-enhanced PROPER II was introduced in 2001.

Analysis of PROPER offers many contrasts as well as some interesting similarities with the Delhi air pollution saga.[23] The program kicked off in early 1995, when the government's Environmental Impact and Management Agency (BAPEDAL), rated some 187 factories in several river basins in Java, Kalimantan, and Sumatra. The river basins were selected mainly because they participated in a largely voluntary program begun in the late 1980s.[24] The factories were asked to submit data on water pollution in terms of biochemical oxygen demand (BOD) and chemical oxygen demand (COD). The data were analyzed, checked where discrepancies were noted, and formulated into a five-tier color-coded ranking system with two failing (black and red) and three passing (blue, green, and gold) grades, as follows:

- Black: No effort to control pollution
- Red: Some effort to control pollution, but results remain below national standard
- Blue: National standard met in all measures (not just an average among measures)
- Green: Pollution at least 50 percent lower than national standard in every measure; basin has proper sludge disposal, good records, and adequate waste water treatment system
- Gold: Demonstrated adherence to international standards for water pollution, air pollution, and hazardous waste.

In June 1995 the five factories meeting the green standard were publicly lauded by the vice-president (no factory met the gold standard). All factories privately received their detailed results, with the understanding that a retest and public release of results would occur by December. It was the public release of the findings that gave the program its impact, bestowing honor or shame on the factories rated (as well as added or reduced incentive to potential investors). The program gradually expanded, with the number of factories in the program reaching 324 by mid-1998.[25] During 1995–96 roughly 100 factories submitted self-reports during any given month. This figure rose to more than 170 in the following two

years. In addition to encouraging factories to submit self-reports, BAPEDAL also inspected them on a regular basis. During 1995–96 about 200 officials inspections were conducted each year.[26]

In late 1997 the Indonesian economy was hit by the Asian financial crisis. While PROPER I endured for another year or so, with only slightly faltering ratings despite a rapidly failing economy, it went into a hibernation phase for the next several years. By July 2001 the now democratic government reactivated the program under the Ministry of the Environment (KLH), beginning with 85 factories in 2002 and expanding to 466 by 2005.

In its reincarnation, PROPER II took on a new look in several dimensions. This time inclusion was mandatory rather than voluntary, and ratings targeted not only water pollution but also air pollution, hazardous waste, and community relations. As before, a multitier review structure and initial private disclosure to individual factories preceded public release of the findings. Of equal importance was the introduction of a sweeping decentralization initiative undertaken by the government in 1999 (fully effective in 2001), which devolved significant authority and resources to the provincial and especially the municipal (*kota*) and regional (*kabupaten*) level. Among the sectors transferred to the local level was the environment, meaning that local elected councils (*Dewan Perwakilan Rakyat Daerah* [DPRD]) became responsible for monitoring pollution and enforcing standards.[27] Enforcement mechanisms were expanded, with judicial prosecution added to public disclosure and embarrassment.

Not surprisingly, given the more ambitious standards, there were more egregious failures; 33 of the 85 factories (39 percent) received black ratings in the first round and another 35 percent were rated red, while just 14 (16 percent) were rated blue and only 8 (9 percent) were rated green. As before, however, factories upgraded themselves: by 2004 just 3 of the original 85 factories had black rankings, while the number of factories with green ratings swelled to 51. As the number of factories in the program expanded to 466 in the 2005 round, the ratings improved, with only 72 factories (15 percent) rating black and 221 (47 percent) rating blue. The green level continued to remain elusive, however, with only 23 factories (5 percent) receiving a green rating.[28] Press coverage has been ample,[29] and CSOs have become involved at the national level, denouncing PROPER for being too strict or too lenient with polluters.[30]

The PROPER II process is a complex one (figure 6.3). It consists of eight main steps:

Step 1. First data gathering. Factories gather monthly data on air, water, and toxic wastes and report to KLH.

Step 2. Second data gathering. KLH develops database and analyzes the data.

Step 3. Data verification. KLH gives pollution data to each factory assessed in January–February, advising that it will measure again in several months.

FIGURE 6.3
PROPER II Annual Cycle
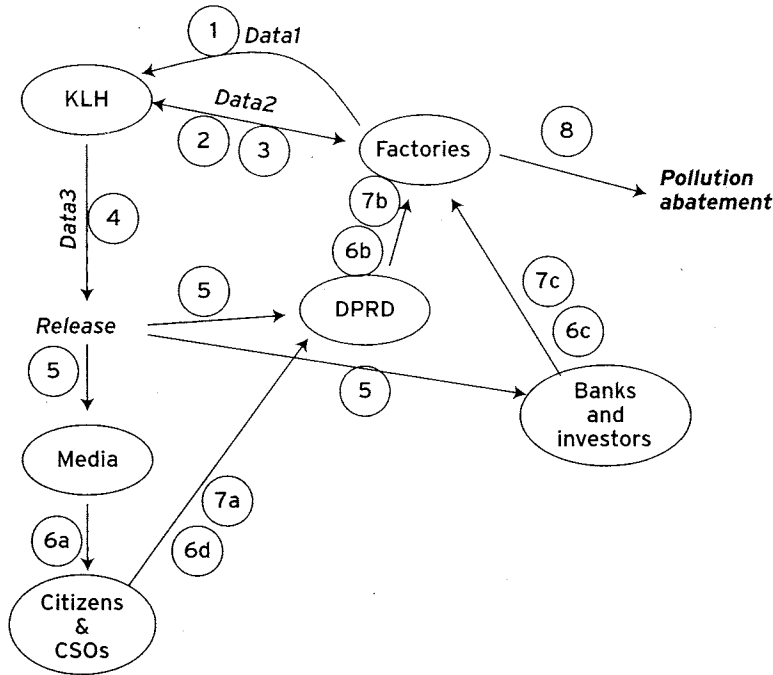
Source: Author.
Note: Numbers correspond to steps in to process (see text). KLH = Kementerian Negara Lingkungan Hidup.

Factories respond. With advice (if sought) from KLH, factories clean up their effluents and wastes (or fail to do so).

Step 4. Third data gathering. KLH measures pollution during the spring; ratings are finalized by advisory board (which includes Health Department representatives, business groups, and NGOs).

Step 5. Public data disclosure. Findings are made public in the summer in an official release, with details made available on the KLH Web site (http://www.menlh.go.id).

Step 6. Constituencies deliberate.

Step 6a. The media access the findings, decide how to report the story.

Step 6b. The DPRD (either *kota* or *kabupaten*) receives the findings, decides what action to take.

Step 6c. Banks and investors obtain and analyze the findings, decide how to respond in terms of investment policy.

Step 6d. Citizens and NGOs decide how to react.

Step 7. Constituencies react.

Step 7b. DPRD decides whether to ignore, admonish, or prosecute facto-
ries ranked black or red.

Step 7c. Banks and investors decide whether to redirect loans and invest-
ments.

Step 8. Factories take (or fail to take) action on reducing pollution.

Critical success factors. Several factors proved key to success. First, and arguably
most important, PROPER had an energetic champion in a position to push it
along and make it work. Nabiel Makarim spearheaded the initiation of PROPER I
and served as its head until he was removed as the program went into its hiber-
nation phase in 1999. He then resurfaced in 2001 as minister in charge of the new
Ministry of Environment (KLH) to begin PROPER II. He was able to shepherd
both the ministry and PPOPER II through the rapid changes of government in
2001–24. Makarim's successor has continued to promote a strong environmental
effort at the ministry, threatening to prosecute the 14 firms that received black
ratings for the second time in 2005 if they did not improve their performance
within a month (Jakarta Post 2005a).

Second, BAPEDAL, the environmental agency, decided at the outset to play
from its principal weakness as a regulator. Evidently realizing that it could not do
much enforcing of environmental regulations in the ethos of corruption, autoc-
racy, and crony capitalism that characterized the Suharto era, BAPEDAL did not
even attempt such an approach. Instead, building on an approach first tried with
an earlier project (the PROKASIH project, in which Nebiel Makarim was a key
player [Afsah, Laplante, and Makarim1996]), it relied on a recipe of public disclo-
sure and anticipated reaction. It cushioned its disclosures by first releasing its test
results privately to each factory and then allowing a six-month period before a
retest and public data release, in order to encourage polluters to clean up. On the
factory side some companies were induced to improve their performance by the
combination of potential bad publicity; increased pressure from the news media,
CSOs, and nearby communities; and the negative influence on stock prices and
potential investors. In addition, some managers saw good ratings as helpful to them
in obtaining an official certification from the International Standards Organization,
which would help with future exports. This strategy substituted with some success
for the inability to prosecute or penalize environmental code violators.[31]

Third, the combination of self-reports and government inspections proved
sufficient to motivate a high level of honesty in the self-reporting process. In the
first two years of PROPER II, only some factories were inspected, but the possi-
bility of inspection evidently induced reasonably honest self-reports. By 2004 all
factories included in the system were reporting self-inspection results monthly
and being inspected at least once a year. These self-inspections (reported to the
government) meant that factories could monitor their own progress. In a survey
of factory managers involved in the PROPER catchment area, this feature of the

program was selected as first or second most important by more managers than any of its other aspects (Afsah, Blackman, and Ratunanda 2004).

Fourth, the legal environment supported the program. Environmental Act 23 of 1997 established a requirement to monitor environmental compliance with regulations. It required companies to release environmental information and created legal rights to environmental information and rights for communities to participate in environmental management activities. That the act was passed during the Suharto period most likely indicates that it was intended as public relations window dressing. In the succeeding democratic era, however, its provisions are presumably enforceable and justiciable, giving PROPER II significant standing as an environmental initiative while providing civil society and the media the legal underpinning they need to promote pollution abatement. The media are free to criticize PROPER, and CSOs can chastise the government when they perceive that it is insufficiently dedicated to environmental goals.

Fifth, PROPER tailors the data it provides to its audiences, providing complex and specific data for factory managers and environmental experts while disseminating simple and straightforward data for the public and potential investors. PROPER II provides more than 70 indicators for gauging the pollution dimensions it tracks; the five-color coding scheme facilitates an instant understanding by the average citizen. A computerized data analysis system enables quick dissemination of results that would have taken more than a year to assemble using older spreadsheet methods.

Sixth, the existence of a sister environmental program provides synergy between the two efforts that surely benefits PROPER. The Good Environmental Governance program (known in Bahasa as the Bangun Praja Program [BPP]) began in 2002 as a voluntary initiative through which KLH would monitor municipal water quality and liquid and solid waste management. BPP operates in a fashion somewhat similar to PROPER, in that KLH assesses performance and makes public its findings in order to encourage local government responsiveness to citizens and citizen participation in local governance. By the program's third year, some 133 DPRDs had signed on to the program (Arundhati 2003; Leitmann and Dore 2005).

Finally, the provision of accurate, up-to-date information on pollution means that recipients can respond in a timely fashion while the data are still fresh. Factory managers can take corrective action, community residents can check claims for improvement against their own experience from living next to the factories, and potential investors can better determine where to put their money. The banking industry, for example, declared publicly in 2005 that it would not provide loans to companies included on the black list (Business Indonesia 2005).

Cautionary notes. While PROPER has developed an ingenious strategy and achieved some notable successes, there are a number of reasons to be cautious in

assessing the program. First, although it now covers many of Indonesia's largest factories and plans to expand to the entire country, PROPER still has a long way to go before it achieves complete coverage. Indonesia reportedly had some 20,000 factories in the mid-1990s; that number has surely expanded considerably since then. The 466 factories covered by PROPER II as of 2005 probably represent no more than 2 percent of the total (though by taking on large factories, it is surely covering a good deal more than 2 percent of the country's aggregate pollution).

What are the chances that PROPER II can scale up to anything like complete coverage? It could try to follow the path intended for PROPER I, which planned to expand by 2000 to cover the worst 10 percent of the country's factories, which contributed 90 percent of total water pollution (Wheeler 2000). With its much more ambitious attempt to monitor air pollutants and toxic wastes, can PROPER II be expected to attain this level of coverage within any reasonable timeframe? To do so would be asking a great deal even in a highly developed country.

Second, and closely allied to the first point, is the issue of local government competence. The environmental laws of 1999 assign responsibility for environmental management to the DPRD. How competent are these councils to discharge their duties in this regard? How will they respond to the pressures that are certain to be brought to bear on them from civil society, the national government, and factories? Give that the *kotas* and *kabupatens* had virtually no environmental responsibilities before 1999 (and acquired very little experience before the beginning of PROPER and its sister programs in 2002), the capacity of DRPD staff, especially its elected council members, to deal with environmental issues will be a major challenge for some time to come.

The KLH can support the learning process on the technical side; the political side will likely prove a good deal harder to master, for the council will have to choose between environmental protection and development, trying to accommodate and encourage both of these often conflicting goals without compromising either. This is a difficult balancing act, as the World Bank (2001, 2003) has recognized. Devolution of governance power can facilitate responsiveness to local concerns, allow local voters to hold government accountable, encourage more sustainable use of resources, and so forth But it can also facilitate local elites taking control, steer benefits to themselves at the expense of the general public, and covering up their misdeeds. The track record in decentralization efforts, especially in developing countries, has been mixed at best, in the natural resources management sector as well as more generally. In other countries local government bodies have proven themselves able to hold polluters to account—but they have been just as likely to sell out the environment as to protect it.[32] Local CSOs, free and vigorous media, and institutions such as user groups can act as a prophylactic against such depredations, but their triumph is far from certain and always in danger.

A third and allied question regards how to craft and strengthen mechanisms that can build on PROPER to improve the environment in Indonesia. The media, civil society, and the banking sector have become engaged, which is no mean achievement. The media and civil society players spread and magnify unfavorable publicity ("naming and shaming"), putting moral and social pressure on errant firms to improve; the banking sector wields the usually more powerful tool of monetary clout. Will these tools be sufficient to the task? Surely they will be in some—perhaps many—cases. But if Indonesian industries are like those in the rest of the world, stringent government enforcement of norms will be necessary to significantly reduce pollution.

The DPRD, which is institutionally charged with responsibility for the environment, has not yet entered the fray in any substantial way. What can a DPRD do to encourage firms to improve their environmental performance. Can it set standards and enforce them by withdrawing licenses, levying fines, or even shutting down flagrant violators? The KLH has threatened to prosecute factories rated black two times running that have not taken action. But local governments do not appear to have acted on this front, and the issue of jurisdiction (can the central government bring a legal case in an area reserved by law to local government?) is not clear. How this will play out over time will be critical.

Fourth, there is the issue of corruption. The Suharto regime was notoriously corrupt. Although successor democratic administrations have improved, corruption remains profound at all levels. Given Indonesia's distinctly unenviable track record in sectors such as logging and mining, it would be surprising if anything more than the most gradual rate of expansion in PROPER's coverage were not accompanied by serious levels of corruption.[33] Self-reports can be faked, and inspectors can be bribed, threatened, or both.

Fifth, while the five-color scheme is a brilliant one in many ways, providing easily assimilable information, it masks a great deal of very useful information. The key category is the red rating, which indicates that although some effort is being made to control pollution, performance falls short of the national standard. This category covers a huge range of performance. The BOD standard for plywood factories under PROPER I, for example, was 100 milligrams per liter of discharge, any plant generating more than 100 milligrams would be coded red (assuming that it had taken at least some minimal effort to deal with pollution). Thus if a factory had reduced BOD effluent from, say, 312 milligrams (one standard deviation above the observed mean for all plywood factories) to 104 milligrams—a reduction of two-thirds—it would continue to be rated red (Lopez, Sterner, and Afsah 2004). Similarly, a factory that at one rating period was on the verge of passing from blue to green status but then fell to just above the red level would continue to be rated blue, even though its performance had deteriorated badly. Moreover, the BOD rating itself simply measures the amount of pollutant per

liter of discharge, not the total pollutant discharged from a given plant over a particular period of time. Accordingly, a factory could clean itself up significantly for reporting purposes just by increasing its water intake. The same issue affects air pollution and toxic waste disposal under PROPER II.

An allied cause for concern is the state's position on enforcement. The minister of the environment has declared his intent to prosecute firms failing to move from black to red status, but all a factory has to do to gain such an upgrading is to show some sign of effort, however feeble or even hypocritical.

Patterns and Themes

Both case studies reveal lessons about accountability, transparency, and the need for long-term constituencies to ensure accountability. They also illustrate the general untidiness of critical public decisions in a democracy. In each of the two cases, the three major themes of this chapter played out differently (table 6.1).

Accountability

In India CSOs were able to take advantage of the opportunities offered by the legal environment to hold the state accountable for regulating the environment. In Indonesia BAPEDAL realized that corruption and cronyism rendered such a course impossible. It therefore devised what might be termed a jiu-jitsu tactic by turning the business community's longer-term need for new investment against its shorter-term need for quick profit through polluting the environment. Business (or at least a good part of it, for only some firms decreased their pollutants) substituted for the state in becoming accountable and taking ameliorative action. Business concern for enjoying a good reputation also played a role. In PROPER II these needs were again harnessed, supplemented by a government threat to prosecute laggard firms.

TABLE 6.1
Accountability, Transparency, and Long-Term Constituencies in Two Case Studies

Case Study	Institution Held Accountable	Machinery Providing Transparency	Long-Term Constituency Supporting Better Environment
Delhi air pollution	State	Legal environment	Civil society organizations, engaged citizenry
Indonesia PROPER	Industrial community	Self-reporting, inspection, public disclosure	Business elites, (gradually) civil society organizations

Source: Author.

While the successes in both countries were important, any celebration of them must be tempered by realistic assessment. Delhi's air pollution continues to far exceed maximum internationally permitted standards, and the explosion of new vehicles (cars and trucks) not subject to the regulations threatens to undo the progress made. In Indonesia PROPER II expanded of the list of environmental wastes it covers (air and toxic wastes are now included as well as water), and the number of factories covered rose more than fivefold (from 85 to 466 over a three-year period). Much needs to be done before the country's more than 20,000 factories are included, however, and the national standards (the blue level) remain significantly below generally acceptable international yardsticks. Even a cold dose of reality should not obscure the facts, however, that in both countries transparency was used to launch initiatives demanding accountability and the support of constituencies made their success possible.

Transparency

Transparency in Delhi came through the legal environment, which guaranteed freedom of speech and inquiry and permitted public interest lawsuits, thus allowing CSOs to pursue their advocacy programs. CSOs could investigate malfeasance, publicize their findings, and bring legal action against the state demanding that it enforce the environmental regulations on its books. All of these activities showed what the state was doing or failing to do.

Indonesia was also able to achieve a good degree of transparency, even during the Suharto era. As a government organization with an able and determined leader, BAPEDAL was able to gather pollution data, and the media were able to publish it. Bad publicity, combined with concerns for future investment, proved sufficient to effect some improvement (as seen in the higher rankings attained by many firms in successive ratings). CSOs had less room for advocacy maneuver than in India, and the courts were subservient to the wishes of the executive branch. PROPER I operated with a good degree of transparency, but other elements of the system made it difficult for civil society or the legal system to take advantage of the information disseminated to the press.[34] PROPER II presents far more opportunity.

Constituencies

The fundamental long-term constituency in India was the active citizenry—people who participated in civic life by reading newspapers, voting in elections, supporting the constitution's division of powers, and showing indignation and anger when the operating rules of the political order were flouted. Because these citizens respond in opinion polls, support candidates for office, and vote, political leaders found they must pay heed. In Indonesia an active citizenry was important, for it was they who read the media's accounts of pollution and supported CSOs. They

were reinforced by banks and potential investors, who had the power to decide whether or not to back the firms financially.

When it comes to nurturing these constituencies, elite investors can generally look after themselves, as they have done everywhere throughout most of modern history. Maintaining an active citizenry that will oppose environmental degradation and political corruption is more difficult. Many institutions are required to keep it in place and dynamic, among them a vibrant media, a vigorous public discourse, self-motivated CSOs, and strong civic education in the school system. High-profile support from national leadership can be a powerful support as well.[35]

Many players got into the act as each of the two cases unfolded. Of the institutions shown in figure 6.2, all but the military (and perhaps old elites) were involved directly or indirectly in the Delhi air pollution case (figure 6.4). The circle of involved players in the Indonesian example was somewhat smaller (figure 6.5), but over time it came to include all the Indian actors except the parties and the judiciary. Old elites (including major industrialists from the Suharto era) will necessarily be drawn in if they have not been already. If and when foot-dragging industries are prosecuted by the state, as the minister of environment has promised, the judiciary will get involved, and it surely cannot be too long before at least some political party finds some aspect of pollution abatement sufficiently appealing to take on board in its efforts to appeal to voters. It is also likely that the military

FIGURE 6.4
Environmental Policy-Making Process for Air Pollution Abatement in Delhi
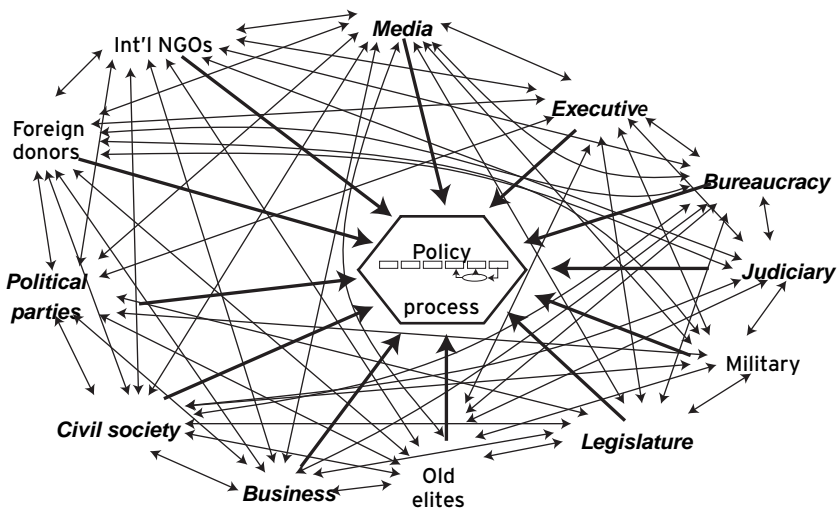
Source: Author.
Note: Significant players shown in italics.

FIGURE 6.5
Environmental Policy-Making Process Under Indonesia's PROPER II Program
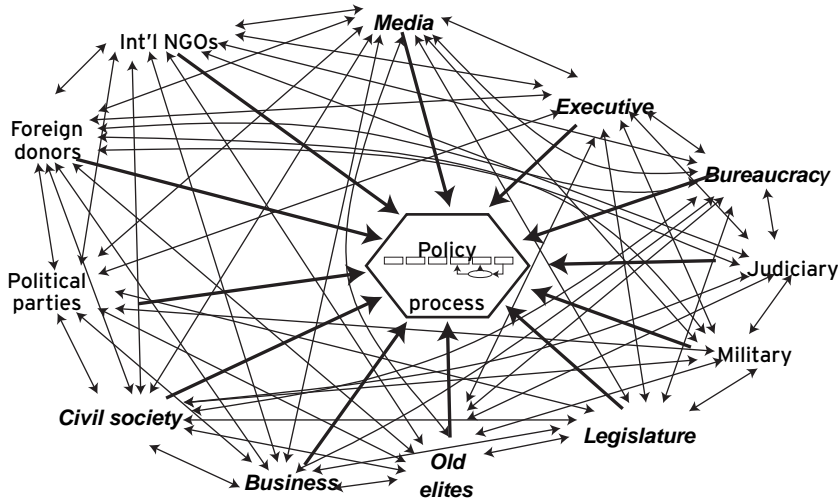
Source: Author.
Note: Significant players shown in italics.

may well have played some shadow role, operating as it does a panoply of business enterprises, including many industrial ones.[36]

The role of foreign donors and international NGOs was somewhat obscure in both cases. The CSE in Delhi, for example, has received grants from the Ford Foundation, and it maintains links to international environmental NGOs for exchanging information and experience. WALHI has enjoyed support from a number of outside organizations, such as Friends of the Earth, Greenpeace, and the Dutch NGO Novib.[37] Both phases of the PROPER initiative received support from the World Bank.

The Role of Civil Society Organizations

CSOs served as catalysts for the Delhi case, but they did not carry the load of exacting accountability alone. Instead, they initiated processes that enabled other institutions to demand accountability. Environmental activists in Delhi convinced the judiciary to enforce what the municipal authorities had been required to do by law all along. In Indonesia CSOs had at best minimal involvement during the Suharto era; during PROPER II they have been active on the environmental front,[38] although they have not assumed the central role of their counterparts in India.

Despite their foreign linkages, the Indian CSOs analyzed here have long been pursuing self-generated activities. Likewise, although it has long had foreign

connections, WALHI has largely determined its own agendas in the environmental field. Unlike some NGOs, especially in the first flush of grant largesse that often comes when donors move into new countries, these were not "briefcase NGOs" or "family NGOs" pitching their program agendas to chase foreign funds. Both Indian CSO efforts drew on long experience. The CSE began its work in the early 1980s; Mehta's organization launched its first campaign at about the same time. WALHI dates back to 1980, when it began as a coalition of 10 environmental NGOs. By the time the issues covered here were taken up, both organizations had considerable experience at public interest initiatives.

CSO internal accountability and transparency per se are not as important as the accountability and transparency they can demand from the political system. Among the CSOs in the case studies, M.C. Mehta's enterprise seems largely a one-man operation, while CSE has been a group operation created and nurtured by a charismatic leader. Among successful CSOs, strong, even autocratic leadership tends to be the norm, as might be expected in a milieu in which achievement tends to depend more on gritty determination and even obsession than on anything else. It should not, therefore, be surprising that many CSOs are less than fully democratic in their internal operations. These organizations are more important for what they do than what they are, however: their worth lies much more in their ability to hold the state to account and to represent their constituency than in their capacity to serve as models for democratic internal management.

The Legal Environment

CSOs in India were able to launch their initiatives by acting within an enforceable legal environment that sanctioned their activities. Freedom of speech and inquiry were firmly in place, though they had been seriously abridged in the not too distant past with Indira Gandhi's "Emergency" in the mid-1970s. After the restoration of democracy, CSOs could investigate malfeasance and the media could report it. Transparency had become a part of the institutional landscape.

Indonesia created a suitable legal environment on paper with its 1997 Environmental Act, but during the Suharto era its provisions were barely enforced. It was a government agency, BAPEDAL, that superintended the self-reporting program and the release of findings. After Indonesia's democratic transition, the legal environment became much more supportive of free speech and inquiry, and CSOs such as WALHI have virtually all the legal room they need to advocate their cause.

By itself, however, transparency would not have been enough: the truth had to be not only discovered but disseminated through the media. It is hard to overstress the importance of the media in this regard. It is not just that the truth must be known to some (a few always know the inside story) but rather that people generally (the public, investors, shareholders) must know it.

Within the constitutional structure, separation of powers had established itself sufficiently firmly in India that the Supreme Court enjoyed autonomy from executive control. In Suharto's Indonesia, all branches of government remained firmly under presidential control. The legislature amounted to a rubber stamp, meaning that the Environmental Act of 1997 was in fact a creation of the executive (in contrast with the decentralization legislation of 1999). Courts could enforce it only on permission of the executive.[39] Fortunately, BADEPA proved able to devise a system that did not depend on enforcement power from the state but on public dissemination to create pressure for abating pollution.

The Process of Public Decision Making

The underlying theme in the two country case studies is the exaction of accountability from the executive. In neither case was the path to success straightforward. The processes were convoluted in the Delhi case and indirect in the Indonesian one. Indian officials found it difficult if not impossible to set enforceable vehicular air pollution standards and to restrict the use of polluting fuels such as diesel; eventually, more-workable solutions emerged that could be enforced. Indonesian officials devised a scheme under which a weak state seriously penetrated by cronyism and corruption never had to undertake direct enforcement but instead could rely on market forces and internal industry incentives to provide the incentive for pollution abatement.

In the Indian case, civil society advocacy achieved demonstrable results: vehicular air pollution in Delhi declined appreciably. In Indonesia the role of civil society was more subtle, but CSOs such as WALHI did play roles in reducing factory pollution significantly.

In many (probably most) settings, assessing outcomes is considerably more difficult, particularly when it is poor and vulnerable constituencies on whose behalf advocacy is undertaken. Gauging the effects of efforts to demand accountability should be a major concern for donors promoting civil society initiatives, as well as others (such as the Indian Supreme Court) that rely on them.[40]

Conclusion

Accountability, constituencies, and transparency are mutually dependent, in that each needs the other two to endure if public policy is to be inclusive and improve the environment on a consistent basis. Accountability will not mean anything without constituencies to exercise it, and constituencies cannot make informed decisions in demanding accountability without transparency. But accountability is the master concept; the other two serve to support it. For it is by holding the state and polluters accountable that externalities injurious to the environment can be reduced and corruption and malfeasance in high office opposed.

The two case studies differ significantly along all three dimensions. In Delhi it is the state that is held accountable for enforcing environmental standards; in Indonesia it is the industrial community. In Delhi the legal environment provides the critical requirements for transparency to function; in Indonesia the system of monitoring and disclosure provides the essential mechanism. In both cases pollution abatement depends on civil society as a long-term constituency for support; in Indonesia the self-interest of business investors and banks has also been harnessed.

Notes

1 Another way to put this might be in terms of "inclusive decision making," as analyzed in chapter 3 of this volume.

2 Examples of such times of systemic stress include Viktor Yushchenko's 2004 Orange Revolution in Ukraine, in which huge public demonstrations lasted weeks in Kiev (see Kuzio 2005), and the firestorm of protests that erupted in the United States after President Richard Nixon fired his attorney general at the height of the Watergate crisis in 1973. Mass movements or campaigns have taken place over environmental issues as well. Examples include the widespread (and sometimes violent) resistance to British attempts to enclose Himalayan forests in the late 19th century (Guha 1990) and the sizable groups currently mobilized for and against forest clearance in Amazonian Brazil.

3 *Organization* here does not necessarily mean formal institutionalization. It can mean a group pattern of behavior existing over time within an understood set of operating rules, a definition the Orange Revolution demonstrators fully met.

4 For a succinct discussion of the term, see Candland (2001). Ehrenberg (1999) traces the concept of civil society from Aristotle to Jürgen Habermas and Robert Putnam.

5 White's definition has become widely (though by no means universally) accepted in the highly contested realm of specifying the meaning of this term.

6 In this conception of the term, individual business firms are in the private sector, whereas an association representing the business community is part of civil society. For an exploration of civil society seen as the larger nonprofit sector, see Salamon, Sokolowski, and Associates (2004).

7 CSOs often deliver services. This chapter focuses on their advocacy function. For an analysis of how the two functions relate to each other, see Blair (2002).

8 *Participation* has had a longer history in the development community than any of the other terms used in this chapter, beginning with the perceived necessity to include the "felt needs" of villagers in the community development initiatives of the 1950s. It has had a considerably more checkered career than accountability, beginning with Albert Mayer's work in Indian community development in the 1940s (Mayer 1958) and Gunnar Myrdal's devastating critique in the 1960s (Myrdal 1968).

9 The dividing line between "old elites" and newer "business elements" is hazy at best. One challenge for environmental policy making is to convince old elites commanding polluting industry to turn themselves into modern entrepreneurs who attract new capital in part through operating environmentally sound enterprises.

10 Not all these interests are totally self-seeking. Many bureaucrats feel a duty to deliver the services they are supposed to deliver; the executive often believes itself to be on a mission to nurture economic growth; business interests often take pride in their products.

11 *Legitimate* here means standards enacted and constituencies behaving within parameters established through constitutionally determined procedures or operating rules of the game.

12 Except where noted, the facts of this account (but not their interpretation) are drawn largely from Bell and others (2004). See also World Bank (2005).

13 Delhi's claim to be the one of the most polluted cities in the world lies partly in its inclusion in the short list of about 20 large cities monitored and publicized by the World Health Organization. In fact, many cities in India have far worse pollution (Agarwal n.d.; UNESCAP 2000, cited in World Bank 2005). Delhi's pollution is certainly heavy, however, a fact that has become widely known and commented on by residents, visitors, and the media. This high level of public awareness undoubtedly made it easier to gain legal attention for the lawsuits that proved instrumental in curbing pollutant levels.

14 A Lexus-Nexus search of the *Times of India* (Delhi's highest-circulation newspaper) and its sister publication the *Economic Times* (arguably the country's leading financial daily) yielded some 385 stories mentioning the CSE during the five years ending in May 2005—impressive evidence of the organization's ability to get its message out to the public.

15 In rare instances an environmental issue—such as the Narmada dam controversy in Western India—has engaged public attention for more than two decades.

16 The fact that CSE survived the death of its founder-leader, Anil Agarwal, in 2002 and continues to thrive indicates that it is much more than a one-man operation.

17 Kerosene subsidies would have been politically impossible to eliminate, because of the widespread use of kerosene for cooking and lighting among the poor throughout India.

18 CSE's inside position with EPCA may have given it undue influence. It is typically industrial groups that have the inside track in such matters.

19 The Bharatiya Janata Party governed Delhi until the 1998 election, when it lost to the Indian National Congress Party.

20 When in power, both the Bharatiya Janata Party and the Congress Party proved willing to follow Supreme Court mandates on air pollution. Politicians of both parties, even those who had opposed various aspects of the pollution control effort, took public credit for Delhi's cleaner air in the 1998 elections. Thus in the end parties did get involved.

21 The number of vehicle in Delhi rose from less than 250,000 in the mid-1970s to 3.7 million in 2003 and is expected to reach 6 million by 2011, with trucks and private passenger cars constituting a very large proportion of the increase—a vivid testimonial to the consequences of economic growth in India (Times of India 2004a, 2004b).

22 Nobel laureate Simon Kuznets posited that as a country develops economically, income inequality initially rises. The "environmental Kuznets curve" holds that environmental pollution increases and then decreases with per capita income along a similar inverted *U*-curve. Ghosh (2004) claims that India has begun to reverse the curve at a much earlier point (in per capita income terms) than international experience would have predicted.

23 Unless otherwise indicated, factual information about PROPER comes from Afsah and Dore (2005).

24 This was the PROKASIH program. For an analysis, see Afsah and others (1996).

25 Data in this paragraph are from Wheeler (2000).

26 Data for PROPER I are from Wheeler (2000); Blackman, Afsah, and Ratunanda (2004); and Lopez, Sterner, and Afsah (2004).

27 Each *kabupaten* and *kota* has a DPRD (the urban *kotas* exist independently of the largely rural *kubupatens*). The number of DPRDs has been expanding, from less than 300 when the decentralization law was passed in 1999 to more than 430 by 2003. The number of people living in a *kabupaten* or *kota* ranges from less than 25,000 to more than 4 million, with an average of roughly 500,000 (World Bank 2003). Among other provisions, the 1999 law more than doubled the subnational share of public expenditure.

28 For PROPER I and especially PROPER II, factories that were rerated in successive years improved markedly. Forty of the 112 plants rated black or red in June 1995 had progressed to blue by July 1997. There was also some retrogression, with 16 factories falling from blue to red over the same period (Lopez, Sterner, and Afsah 2004). Under PROPER II of the 63 plants rated black or red in 2002, only 26 continued to be so rated by 2004.

29 PROPER findings were given a front-page story and a lead editorial in the leading English daily, *The Jakarta Post* (2005a, 2005b). The report was accorded even more extensive coverage in the country's most widely circulating Bahasa language daily, *Kompas* (2005a, 2005b). While the newspaper emphasized the worst performers, it listed all ratings on its Web site http://www.menlh.go.id/proper/.

30 On the day following publication of PROPER's findings, the Federation of Indonesian Metalworking and Machine Industry Associations denounced PROPER for demanding higher standards than factories could afford (Hakim 2005); a few days later, one of the country's most prominent environmental CSOs, Wahana Lingkungan Hidup (WALHI), criticized KLH for awarding two green labels it thought were undeserved (WALHI 2005).

31 See Blackman, Afsah, and Ratunanda (2004) for an analysis of the PROPER I disclosure program, including a survey of factory participating factories.

32 For a more general analysis of the promise and problems, see Blair (2000) and Manor (1999). For an analysis of local governance and natural resource management, see Blair (1996). Indonesia's new decentralized governments have not proven immune to the lure of corruption (Borsuk 2003).

33 In its 2005 survey, Transparency International ranked Indonesia 137th out of 159 countries in its Corruption Perception Index. India ranked 88th that year (Transparency International 2005).

34 The regime in Indonesia during the 1990s might best be described as one of "soft authoritarianism"; restrictions on free speech, the media, and civil society were in place but not harsh (Sen and Hill 2000; Eldredge 2002).

35 On Indonesia's Earth Day in June 2005, President Susilo Bambang Yudhoyono delivered a widely publicized speech urging the public to get involved in campaigns to press governors, mayors, and regents to clean up their localities (Witular 2005).

36 In Indonesia the military receives only a small fraction of its budget as an official government appropriation. It is expected to generate the vast bulk of its revenues from its own money-raising efforts, most of which involve business operations.

37 WALHI provides a list of donors on its Web site (www.walhi.or.id/pusinfo/).

38 A vigorous environmental activist initiative has also been directed at the U.S.–based Newmont Mining Company, the world's largest gold producer (Perlex and Rusli 2004; Perlez 2004, 2005).

39 In 2004 the judiciary officially became independent of the executive branch in Indonesia; it remains to be seen how effective this separation will be (U.S. State Dept 2005).

40 For more on measuring civil society advocacy outcomes, see Blair (2004) and Hirschmann (2002).

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