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# **COMPARISON OF THE ENVIRONMENTAL POLICIES EFFECTIVENESS UNDER REGIMES OF DIFFERENT POLITICAL AND ECONOMIC STRUCTURE, PLANNED ECONOMY AND ECONOMY IN THE PROCESS TOWARDS THE FREE MARKET: THE CASE OF RUSSIA**

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## **ABSTRACT**

The ecological problem appears to have been aggravated in the Soviet Union since the late 60's. Fifty years of Soviet dominance proved to be a sufficient period of time during which the consequences of the way the regime treated the environment first appeared. The purpose of this paper is to investigate the effectiveness of environmental policies under regimes of different political and economic structure, planned economy and economy in the process towards the free market. The analysis showed that environmental problems in the country today continue, in connection with the former regime, some of which may be worsened (e.g. radiation) because of the reduction of governmental subsidies. The regime changes had an effect on the handling of the problems.

## **KEYWORDS:**

ENVIRONMENTAL POLICY, RUSSIA

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## **1. CENTRALLY PLANNED ECONOMY AND ECOLOGICAL CRISIS**

### **1.1. THE CAUSES OF THE ECOLOGICAL CRISIS**

The ecological problem appears to be aggravated in the Soviet Union since the late 60's. Fifty years of Soviet domination proved to be a sufficient period of time during which the consequences due to the way the regime treated the environment first appeared<sup>1</sup>. The reasons why the environment was treated in such a way by the Soviet Union are the following:

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<sup>1</sup> Since the 60's already, a respectable number of researchers point out these problems, for example Marshall I. Goldman, "The Spoils of Progress; Environmental Pollution in the Soviet Union", Cambridge, MIT, Press 1972; David Powell, «The Social Costs of Modernisation: Ecological Problems in the USSR», *World Politics*, Vol. 23, No. 4, July, 1971, pp.18 - 34.

### **i) Ideological reasons**

The main factors concerning the anti-ecological attitude of the productive branches in the Soviet Union must be sought in the priorities that were established by the government in the years following 1927, which determined, to a large extent, the attitude of the economic sectors. It is known that the greatest priority of every business effort, productive sector and ministry, was the accomplishment of the planned aims of the project which had legal validity. In addition, the distinction between the sector of the means of production - which was considered essential for the foundation of the industrial infrastructure - and the sector of consumption further actuated the upward production tendencies, at whatever the cost.

The inflexible requisitions of production, the surpassing of the plan on an annual or five-year basis, the dominance, as an ideology, of such functions and activities, the aims for the overcoming of capitalism, among others, were elements of the frame within which the Stalinist project acted, and treated nature as a means for its «majestic» pursuits.

Another ideological case, which can also be clearly seen in the nature of the protection of the environment, refers to the indisputable potentials and perspectives which were opened up - according to the main idea - by means of science and technique. Stalin, indeed, as well as his successors, posing ambitious tasks, planning the restructure of cultivations by constructing huge dykes and by diverting rivers and lakes, really showed the perspective with which they perceived human potential when the inexhaustible faculties of science and technique were - according to their (i.e. Stalin's and his successors') declarations - their starting point.

### **ii) Systemic reasons**

The obstacles of this category are directly associated with the way of structure of the plan. Constituents of the plan interfere either directly or indirectly with the procedure of administration of the natural resources as well as their protection. More specifically, systematic features that define the conditions of the environment are the following<sup>2</sup>:

- The phenomenon of «departmentalism». This reflects, to the constant effort of overstressing, the sectional interests against the national aims in general. If we accept that the aims of the protection of the environment are «oversectional aims», their accomplishment is in contrast to the strictly sectional goals.
- The state of «self-sufficiency». This reflects the effort of the industrial sector to increase its production potential beyond its specialization. The increasing «release from specialization» of the industrial branches is a phenomenon that has an influence on the effectiveness of the sector.
- The weaknesses that appear in the co-ordination of the economic sectors, a fact that defines function in the accomplishment of any purpose.
- The problems that arise from the delays in the delivery of the materials, which is a product of the exclusive relations that had been established, are a fact that constantly puts in danger the accomplishment of the planned goals.

### **iii) Technical reasons**

Regarding the natural resources, the problems of this category focus on the shape of their management as well as the indicators that were instituted in the context of the specific management for the function of the branch enterprises.

More specifically, the exploitation of the natural resources (water, soil, subsoil, wood, etc.)

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<sup>2</sup> For an analytical presentation of the features of the planned economy, see Alec Nove, "L' économie Sovietique", *Economica*, 2nd edition, Paris 1981.

could not be developed in an elementary functional way, as long as the numerous economic sectors that were involved in the exploitation of every resource were exclusively interested in acquiring, as soon as was possible (because of the pressure exerted in the accomplishment of the plan), that natural resource or element which was of interest to them, resulting in tremendous waste in all stages of their exploitation.

The other obstacle concerned the existence of factors in the plans of the enterprises that were involved in the natural resources, which were supporting their waste. In particular, the attempt to appreciate the productive result in the plans of the enterprises through indicators estimated in physical outputs like tones, square metres etc., contributed to the waste of materials.

## **1.2. THE HANDLING OF THE ENVIRONMENTAL CRISIS DURING THE PERIOD 1974-1991 IN THE COUNTRY**

The protection of the environment as an official aim is introduced in the Soviet planification restrictedly in 1974 and generally after the 10th five-year plan of 1976-1980. The fact that distinguishes the protection of the environment as a master plan is the adoption of the point of view that the user of the natural resources must be aware of their protection as well. This fact involved many economic branches in the protection procedure<sup>3</sup>.

The analysis of the environmental protection leads us to two basic aspects. Firstly, natural resources are pursued to be used in a «rational» way and secondly there is an effort to affront all kinds of pollution.

### **i) Aims of the protection of the environment**

The method of excavating the underground resources, the indicators of the plans of the enterprises, the form of exploitation of the natural resources, the nature of the industrial sector, which demands great energy inflows and quantities of materials, and the reduced credibility of raw materials have contributed to the formation of great quantities of abandoned materials, which by means of appropriate elaboration, can yield significant profits. The existing techniques and scientific potential can offer the country huge quantities of raw materials and at the same time reduce the adverse effects on the environment. The recapturing of all these materials, however, is obstructed by the disregard of the industrial branches that are not willing to bring the «reproduction» of raw materials into action. The critical point focused on the possibility of invention firstly, and, later on, the positive appreciation of the indicators that would express the economic-ecological effect in the plans of the enterprises<sup>4</sup>.

Regarding the second element of the protection, and more specifically, the aims of the pollution elimination, it is obvious that such aims are an additional cost for the enterprises and the supervising ministries, if they are not combined with specific features of the main plans. The reasons why the pursuits of this sector encountered obstacles in their accomplishment are<sup>5</sup>:

- The central aim of the economic branches is the accomplishment of the basic indicators of their plan, a process that also yields additional profits. The aims of the protection of environment, even as incorporated in the plans of the enterprises, are not considered to be dominant.

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<sup>3</sup> The structure of the mechanism of protection is analysed in Fanis Mavridakis, "La politique de protection de l'environnement en Union Sovietique", These de Doctorat, Doctorat de 3eme Cycle, Universite de Paris VIII, Mars 1988.

<sup>4</sup> See F. Mavridakis, op. cit., p. 271.

<sup>5</sup> Ibid, pp. 150-160

- The introduction of anti-pollutant devices often demands new technology and at the same time adaptations of the obsolete industrial installations. Even when modernization is imposed by the authorities and is pursued by the enterprises as well, there emerge substantial obstacles which eventually refute such a development, such as the possibility of the plan not being accomplished, the danger of setting high aims, etc.
- There are cases when the enterprises, and in consequence the ministry which supervises them, while trying to achieve the aims of protection, attempt to resolve the problem. However, similar attempts are not successful, as a significant part of the manufacturing machine appears to be defective. Most of the deficient machines are indissolubly connected with the function of the industrial sector.

## **ii) The effectiveness of the administration of protection**

The Administration that was created to encounter the environmental degradation does not succeed in accomplishing its pursuits, as far as it is influenced by the following features<sup>6</sup> :

- The departments of protection, so long as they come under the Ministry of Finance, are small sections of the total number of the duties of the ministry. The difficulty is derived from the attempt to influence the productive pursuits of the branches to which they belong for the benefit of the ecological aims.
- The sectors of protection of the productive branches are not able to present noticeable work owing to the shortage of skilled staff, limited means, as well as absence of financial incentives.
- The spread of the sectors of protection in various governmental mechanisms further enhances the weaknesses of the sector because of the inherent feature of the system, that is, the lack of co-ordination.
- Many difficulties are experienced by the departments of protection that are not under the authority of the production ministries in playing a co-ordinative role, as well as in controlling planning the actions of the sector.

## **2. THE PERSPECTIVES OF THE PROTECTION OF THE ENVIRONMENT IN RUSSIA, IN THE TRANSITION REGIME DURING THE PERIOD 1991-1995**

### **2.1. INTRODUCTION**

The changes that appeared in the area of Eastern Europe during the period of 1990-1992, are politically, socially but mainly economically discerned. In connection with the Soviet Union, the development as a whole forms a new framework which has multiple consequences. Two main points are worth noting. These concern the following changes: the first one is that from the whole area once known as the Soviet Union emerges a state-nation, Russia, which covers the greatest part of the former Soviet Union in geographical size, population, raw material, and existing economic potentials. The second one concerns the points on which the economic reform of the country was attained during the period of 1991-1995<sup>7</sup>. Our objective is the presentation of the main points and their correlation with the issues of the protection of the environment and the environmental conditions. If our first point reminds us of the relation between the problems that Russia inherits from the former regime, in the second one, the main points of the reform are analysed as follows:

- i) the economy ceases to be centrally planned,

<sup>6</sup> Ibid, pp. 141-144.

<sup>7</sup> The total appraisal of the changes during the period of 1991-1995 is presented in M.A. Crosnier, H. Gricqiau et A. Giroux «Russie: Atouts et Faiblesses», *Le courrier des Pays de l'Est*, No. 397-398, Mars, 1995, pp. 68-95.

- ii) deliverance of the actions of enterprises and evolution of their autonomy is noticed, and
- iii) privatisation of the state enterprises takes place in all sections of economy.

## **2.2.ANALYSIS OF THE MAIN CHANGES IN THE ECONOMIC SYSTEM**

### **i)**

To cease being dependent on the regime of the administered economy implies the abandonment of the priorities that were previously imposed. The reduced state intervention in the economy also appears through the reduction of investments and subsidies heading towards that direction. To the point where the state sector continues to conduct sections of social structure, the decrease in state authorities and services, that is the governmental as well as the financial cutbacks respectively, obviously influence the whole mechanism that directly or indirectly concerns the functions of the protection of the environment. With respect to the allocations, the restriction of subsidies from the government to the various receivers (districts, regions, democracies, and economic branches) has a significant effect on the final allocations that are provided for the problems of the environment<sup>8</sup>. Such a development will influence the existing infrastructure, which, according to the latest facts, is encountering functional problems. The five-year (1991-1995) stagnation in subsidies has given rise to significant problems in sectors, which also refer to the public well-being, e.g. sewage and water purification systems, etc.

### **ii)**

The deliverance of the enterprise from the restrictions of the plan implies the differentiation of its aims. If the productive indicators were the factors that defined, in the former regime the function of the enterprise followed by the notorious consequences on the environment, the main element, in accordance with the new facts, has to do with the survival of the enterprises. Regarding this target, firstly it pursues the labour peace and secondly it tries to ensure a network of connection with enterprises (suppliers and clients) in order to develop it. A great part of this process has been retained since the regime instituted exclusive relations. The product of these specific relations is not able by origin to differentiate the quality of productive outputs and does not allow space for change in the existing productive procedures. This fact obviously defines the environment as long as it refers to the former policies (high inputs of raw materials). The shock caused by the changes certainly does not leave uninfluenced any of the productive branches; production as a whole has been reduced during the period of 1991-1995 by 40% in comparison with the level during the period of 1990<sup>9</sup>. The decline of production is not, however, sufficient to reduce pollution significantly (because of the nature of the function of the economic branches). Therefore, according to the facts<sup>10</sup>, the pollution appears to be at higher levels, in respect with those during the 80's (a period with great production levels).

### **iii)**

The privatisation of enterprises in all scales of production aims at the modernization of the economy and its incorporation into an internationalized framework. The policy of enterprise

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<sup>8</sup> According to A. Yeblov, member of the Academy of Sciences, the central subsidies for the protection of the environment were reduced from 1.2% of the state budget, during the period of perestroika, to the level of 0.5% during 1994. In «Actualites Russes», 23/05/95, pp. 18-21.

<sup>9</sup> An analysis of the facts regarding the economy is presented by M.A. Crosnier «L' economie de la Russie en 1993: la regne de l' aleatoire», *Le Courrier des Pays de l' Est*, No. 389, Mai 1994, as well as in M.A. Crosnier, H. Gicqiau et A. Giroux, «Russie: Atouts et Feiblesses», op. cit., pp. 85-86.

<sup>10</sup> The Russian Minister of the Environment supports this point of view in «Minister warns of impending disasters as Russian pollution levels rise» in Summary of World Broadcasts (BBC) 17/2/95 p. 6.

privatisation during the period of 1992-1994, apart from its inherent problems, finally pushed forward a new generation of owners of the former state enterprises who were eminent personalities of nomenclature from the former regime<sup>11</sup>. Therefore, apart from the percentages in the total number of enterprises in which changes were made, the kind of enterprises which were driven to such processes (the branches they belong to) as well as the region they belong to (significant factors), the greatest part of the enterprises was driven to the «hands» of leading elements - men of power in the districts and representatives of the workers. The «socialised» enterprise, apart from the problem connected with its viability, must conduct numerous manpower (regarding the branch standards), nurtured in the stereotypes (labour, etc.) of the former regime, which must also be protected because of their specific relations under the new circumstances. The new type of enterprise, among others, must also resolve the problems of its financing, since the state subsidies have been reduced. The incorporation of the aims of the environmental protection in connection with the economic reform encounter difficulties and for this reason, in many cases, the assistance coming from the Western countries is not only pursued but also offered voluntarily at all levels (financial and technical help) without, however, satisfactory results up to now<sup>12</sup>. The evaluation of the reform variables under no circumstances implies that the significance of changes that are related to the facts are underestimated, e.g. the decision of the price liberation, an important factor which influences the financial transactions or the elevation of the district role either on a level of allocation, authority or autonomy claim, as well as their inherent interferences in the region's current affairs or the compound consequences that derived from the changes which were run in the country on a political and economic level during that period. However, this does not belong to the present analysis.

### **2.3. THE PRESENT**

### **2.4. ATION OF THE FACTS REGARDING THE ENVIRONMENTAL CONDITIONS IN RUSSIA**

The scale of the phenomena of pollution, as regards their whole appearance and size, mainly shows the following aspects: air pollution, water pollution, toxic wastes and radioactive pollution. Russia is the leader of Europe in the field of air pollution; in particular, the transmission of substances such as sulphur oxides surpasses all Western countries<sup>13</sup>. The main sources of the pollutant substances are, of course, the industrial sector, while over the last few years, the contribution of all kinds of transport has been significant.

The water pollution is an important factor of the water problem in the country<sup>14</sup>. Needless to say the greatest percentage of drinkable water does not cover the standards defined. High water consumption in industry and in big towns leads, in many cases, to shortages, especially in areas where there is a shortage of resources (the European part of the country). Another parameter is the problems caused by the water channelling network (leaks and destruction of the network), which adds further to the problem of water shortage. The flow of large quantities of urban and industrial waste in rivers and lakes (thereby facilitating the transportation of dangerous substances), explains the width and the intensity of the problems of this particular natural resource.

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<sup>11</sup> Analysis of the process of privatisation of enterprises is presented in M.A. Crosnier and others, see note 7, pp. 77-80.

<sup>12</sup> Many efforts have been made in one of which the World Bank is also involved with a project of \$194 million for the battle against all kinds of pollution. For further analysis, see «Depollution en Russie: un projet spécifique en vue de lutter contre diverses formes de pollution», *Banque Mondiales - Actualites*, Vol. XIII, No. 42, 10 November 1994, pp. 1-2.

<sup>13</sup> See note 13 where the whole description of the downgrading of the environment is presented.

<sup>14</sup> For a detailed description of the situation of the particular natural resource, see «Alarm sounded on quality of Russian Federation's drinking water» in Summary of World Broadcasts (BBC), 3/6/94.

The greatest part (75%) of the transmitted industrial waste is toxic and only a small part of it is liable to elaboration (20%). The reason for this inadequacy is that there is no space for the burial of decontaminating toxic waste which can cover the standards<sup>15</sup>. A great part of the population is liable to the consequences of the radioactive substances, which stem from the activity of the installations of the military sector, as well as the nuclear stations. Since 1986, the nuclear accident of Chernobyl contributed to the increased sensitivity of the population towards the radiation issues. The existence, however, of a powerful military-industrial sector all these years virtually did not allow the handling of the problems caused by the sector.

The degradation of the environment does not stop here. The analysis of the geographical regions with the most serious problems is also of great interest and is a product of particular economic activities. They do not, however, belong to the issues of this particular article.

In conclusion, the environmental problems in the country today, carry on in connection with the former regime, some of which may be worsened (e.g. radiation) because of the reduction of governmental subsidies. The transformations, which apparently arose from the change of regime, had an effect on the handling of the problems.

The mechanism of protection is restricted, since it has fewer means and less potential of intervention at its disposal, provided that the organisations involved no longer comply with a powerful role of authority. At the same time the whole system of the environmental policy, just like in the past, is inefficient.

In many cases, great trust is reposed in the perspective of co-operation with the western countries for the management of the pollution problems. The intentions of the western countries are also evident. They are interested in getting involved in the exploitation of the country's rich natural resources as well as in the introduction of know-how for pollution. Besides, the development of the important European community programmes indicates specific tendencies and pursuits. The effectiveness of these goals and programmes as well as the forms they will receive will be better analysed in the near future.

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<sup>15</sup> The data are provided by the Minister of the Environment in connection with the annual programme; see «Russian Ecology Ministry has an environmental protection programme» in S.W.B. (BBC), 5/2/1993.