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# The World Bank, Dams and the Meaning of Sustainable Development in Use

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I. Introduction.....	93
II. Constructivism and the Normative Structure of Meaning-in-Use .....	97
III. Norm Implementation: The Formal Validity of Sustainable Development.....	100
IV. Norm Implementation through Social Recognition: The World Bank's Sustainable Development .....	105
V. Furthering Social Recognition through the WCD: Reconstituting Sustainable Development's Meaning-in-Use? .....	111
VI. Conclusion .....	121

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*Our understanding of sustainable development will undoubtedly change over time as new insights modify, or even redefine, the multilateral consensus.<sup>1</sup>*

## I. Introduction

In 1987 the World Commission on Environment and Development (WCED) stated that sustainable development aims 'to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs.'<sup>2</sup> Although there are voluminous and competing definitions of sustainable development, that of the WCED dominates

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<sup>1</sup> Mukul Sanwal, 'Trends in Global Environmental Governance: The Emergence of a Mutual Supportiveness Approach to Achieve Sustainable Development' (2004) 4 Global Env. Pol. 16 at 21 [Sanwal].

<sup>2</sup> World Commission on Environment and Development, *Our Common Future* (Oxford: Oxford University Press, 1987) at 8 [WCED].

international politics.<sup>3</sup> This article posits that because there is broad international consensus in favour of sustainable development, but confusion over what it constitutes in practice, sustainable development is an example of a fundamental norm that lacks specificity and is therefore open to contestation. A fundamental norm is a highly general but overarching shared belief within a community, in this case the international community of states. Fundamental norms may come from states' constitutions, or they may be basic procedural norms of international relations, where sustainable development fits the latter category.<sup>4</sup> Importantly however, sustainable development pertains to more than just states. As a result, the norm is best understood in the context of specific issue areas such as international development, where sustainable development as a normative structure acquires 'meaning-in-use' by non-state practitioners like the World Bank.<sup>5</sup> As will be argued throughout, a norm's 'meaning is likely to differ according to experience with "norm use"' in different contexts (from inter-state negotiations to non-state actor implementation for example).<sup>6</sup> The article therefore argues that the fundamental norm of sustainable development is constituted through practice, and its meaning is attributed via interaction amongst relevant members of a group or community. In this case, sustainable development takes on a specific meaning in relation to the practices of international development lenders and developers.

International norms are validated in three ways: they acquire formal or legal validity in treaties, constitutions, contracts, and organizational policies; they are socially recognized through interactions amongst relevant members of a group or community to become social facts; and international norms acquire cultural validity where they are enacted in domestic contexts, such that a norm acquires meaning in culturally specific social interactions.<sup>7</sup> This

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<sup>3</sup> There are literally hundreds of thousands of books written on sustainable development and there are numerous journals devoted to the issue. Internationally and domestically states, business, and non-government organisations are implementing sustainable development through creating departments, divisions, action plans and strategies.

<sup>4</sup> Antje Wiener, 'Contested Meanings of Norms: A Research Framework' (2007) 5 *Comp. Eur. Pol.* 1 at 9 [Wiener 2007a].

<sup>5</sup> Jennifer Milliken, 'The Study of Discourse in International Relations: A Critique of Research and Methods' (1999) 5 *Eur. J. Int'l R.* 225 at 230 [Milliken]; Antje Wiener & Uwe Puetter, 'The Quality of Norms is What Actors Make of It' (2009) 5 *J. Int'l L. & Int'l Rel.* 1 [Wiener & Puetter 2009].

<sup>6</sup> Wiener 2007a, *supra* note 4 at 4; Friedrich Kratochwil, *Rules, Norms and Decisions: On the Conditions of Practical and Legal Reasoning in International Relations and Domestic Affairs* (Cambridge: Cambridge University Press, 1989) at 18.

<sup>7</sup> Wiener 2007a, *supra* note 4 at 7; Antje Wiener, 'The Dual Quality of Norms and Governance Beyond the State: Sociological and Normative Approaches to Interaction' (2007) 10 *Crit. Rev.*

article traces the first two processes in relation to the implementation and validation of the international norm of sustainable development. First, it examines how sustainable development became formally valid within the context of United Nations (UN) conferences and commissions. It then traces how sustainable development took on a specific meaning-in-use through the practices of the World Bank in international development, which were reconstituted through contestation between environmentalists and states. The World Bank is privileged because of its size and influence in promoting sustainable development norms internationally.<sup>8</sup> Despite the proliferation of direct foreign investment,<sup>9</sup> the Bank still diffuses sustainable development to borrowers, to other multilateral development banks, to private sector banks through the Equator Principles, and most recently to bilateral export credit agencies.<sup>10</sup> Using the World Commission on Dams (WCD) as an example, the paper then documents how the meaning-in-use of sustainable development was challenged in relation to large dam energy projects. Here the social recognition of the meaning of sustainable development remains contested by divergent development actors. The process of norm contestation exemplifies how specific understandings of sustainable development for international development lending came to be considered appropriate. The case is important because it traces how international norms begin to acquire a meaning-in-use within the 'flexible world of governance beyond the state'.<sup>11</sup>

The article proceeds as follows: First, the theoretical argument is made that norms should be understood in terms of their normative structure of meaning-in-use; where norms takes on a specific meaning as a result of operationalizing it within a defined group or community that may not be understood in the same way compared to other communities. Constructivists often focus on the structural quality of norms at the expense of examining

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Int'l Soc. & Pol. Phil. 47 at 65 [Wiener 2007b]; Antje Wiener, *The Invisible Constitution of Politics* (Cambridge: Cambridge University Press, 2008) at 202 [Wiener 2008].

<sup>8</sup> Diane Stone, 'The "Knowledge Bank" and the Global Development Network' (2003) 9 *Global Governance* 43; Susan Park, 'Norm Diffusion within International Organizations: A Case Study of the World Bank' (2005) 8 J. Int'l Rel. & Dev. 14 [Park 2005].

<sup>9</sup> United Nations Conference on Trade and Development, *World Investment Report 2007: Transnational Corporations, Extractive Industries and Development* (New York: United Nations, 2007), online: UNCTAD <[http://www.unctad.org/en/docs/wir2007\\_en.pdf](http://www.unctad.org/en/docs/wir2007_en.pdf)>; Development Centre for the Organisation for Economic Co-operation and Development, *Financing Development: Whose Ownership?* (Paris: OECD Global Forum on Development, 2008); Michael Goldman, *Imperial Nature: The World Bank and Struggles for Social Justice in the Age of Globalization* (New Haven: Yale University Press, 2005) [Goldman].

<sup>10</sup> Independent Evaluation Group, The World Bank, *Environmental Sustainability: An Evaluation of World Bank Group Support* (Washington: The World Bank, 2008) at 59 [World Bank 2008].

<sup>11</sup> Wiener 2007b, *supra* note 7 at 63; Wiener & Puetter 2009, *supra* note 5 at 6; Wiener 2008, *supra* note 7 at 202.

their reflexive, contingent and divergent meanings. Second, the article traces how the norm of sustainable development became formally valid through inter-state negotiations at UN conferences, which would shape future multilateral environmental agreements by states with non-state actor influence.<sup>12</sup> While the norm of sustainable development became formally valid, its meaning-in-use is enacted by disparate international and transnational actors. As a result, the third section analyses how a particular actor influential in a specific context—the World Bank in international development—interpreted the norm of sustainable development from its root-context in inter-state negotiations.<sup>13</sup> This article explores how the normative structure of sustainable development acquired a specific meaning-in-use by the Bank (challenged by member states and environmentalists), which in turn led the Bank to enact new organizing principles such as environmental and social safeguards and internal operating procedures.<sup>14</sup>

The final section argues that changes in the Bank's practices were only the beginning in spreading recognition over the need for environmental and social mitigatory measures within international development. As a result of social pressure from environmentalists, the Bank and the World Conservation Union (IUCN) created an independent World Commission on Dams (WCD). These interactions, between the Bank, environmentalists, anti-dam proponents and industry, demonstrate the importance of social recognition for constructing the meaning of sustainable development in use for international development, particularly in relation to energy generation.<sup>15</sup>

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<sup>12</sup> Michele M. Betsill & Elisabeth Corell, *NGO Diplomacy: The Influence of Nongovernmental Organizations in International Environmental Negotiations* (Cambridge: MIT Press, 2008). To be clear, a fundamental norm where states generally agree upon shared understandings of an issue area through international agreements does not imply *jus cogens*. Most international environmental agreements are soft law.

<sup>13</sup> Wiener & Puetter, *supra* note 5. International organizations like the World Bank are increasingly recognised as having autonomy and authority in undertaking their mandates; Michael Barnett & Martha Finnemore, *Rules for the World: International Organizations in Global Politics* (Ithaca, N.Y.: Cornell University Press, 2004) [Barnett & Finnemore].

<sup>14</sup> Antje Wiener identifies three levels of norms: fundamental general norms, lower order organizing principles that are more specific and less contested and detailed specific standardized procedures; Wiener 2007a, *supra* note 4 at 8.

<sup>15</sup> The World Bank would also be challenged on its role in the extractive industries leading to the Extractive Industries Review (EIR, 2001-2003). While this is also an area where the Bank, environmentalists and project-affected peoples tried to establish shared understandings of how to enact the fundamental norms of sustainable development, the Review was established after the WCD and was less autonomous than the WCD. Indeed the EIR accorded more with the interaction between the Bank and environmentalists (detailed in section three) and is therefore not examined here. For more see the Extractive Industries Review, *Striking a Better Balance: The World Bank Group and the Extractive Industries – Final Report of the Extractive Industries Review* (Washington, D.C.: EIR, 2003), online: The World Bank <<http://web.worldbank.org/WBSITE/>

The article concludes with an assessment of the creation, actions and recommendations of the WCD in relation to reconstituting sustainable development's meaning-in-use for development practitioners.

## II. Constructivism and the Normative Structure of Meaning-in-Use

Constructivist accounts of the importance of international norms are now commonplace. International norms have been documented as shaping state and non-state actor behaviour across every area of international relations—from security to international political economy, foreign policy, human rights, and the environment.<sup>16</sup> Norms, defined as 'shared expectations about appropriate behavior held by a collectivity of actors',<sup>17</sup> are social, intersubjective facts within international society.<sup>18</sup> In proving that the constructivist research agenda on norms could compete with rationalist accounts of change, arguably less attention has been paid to some of the basic insights of early constructivist work. Specifically, what has been overlooked is the contingent, historically situated and contextually specific nature of norms.<sup>19</sup> This article recaptures and applies the theoretical strength of constructivism by examining not only the structural power of international norms in shaping actors' behaviour and identity, but also how norms are made meaningful within specific contexts. This basic insight into the nature of international norms is crucial to understanding what it means for norms to be diffused within international relations.

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EXTERNAL/TOPICS/EXTOGMC/0,,contentMDK:20306686~menuPK:592071~pagePK:148956~piPK:216618~theSitePK:336930,00.html>.

<sup>16</sup> See Emanuel Adler & Michael Barnett, eds., *Security Communities* (Cambridge: Cambridge University Press, 2005); Steven F. Bernstein, *The Compromise of Liberal Environmentalism* (New York: Columbia University Press, 2001) [Bernstein 2001]; Peter J. Katzenstein, ed., *The Culture of National Security: Norms and Identity in World Politics* (New York: Columbia University Press, 1996); Thomas Risse, Stephen C. Ropp & Kathryn Sikkink, eds., *The Power of Human Rights: International Norms and Domestic Change* (Cambridge: Cambridge University Press, 1999) [Risse, Ropp & Sikkink].

<sup>17</sup> Jeffrey T. Checkel, 'Norms, Institutions, and National Identity in Contemporary Europe' (1999) 43 *Int'l Studies Q.* 83 at 83.

<sup>18</sup> Martha Finnemore, *National Interests in International Society* (Ithaca, N.Y.: Cornell University Press, 1996) at 22-3 [Finnemore]; John R. Searle, *The Construction of Social Reality* (New York: Free Press, 1995) at 24-7.

<sup>19</sup> Anthony Giddens, *Central Problems in Social Theory: Action, Structure and Contradiction in Social Theory* (London: Macmillan, 1979) [Giddens]; Stefano Guzzini, 'A Reconstruction of Constructivism in International Relations' (2000) 6 *Eur. J. Int'l R.* 147. See also Jeffrey Checkel, 'The Europeanization of Citizenship?' in Maria Green Cowles, James Caporaso & Thomas Risse, eds., *Transforming Europe: Europeanization and Domestic Change* (Ithaca, N.Y.: Cornell University Press, 2001) 180 [Checkel 2001]; Finnemore, *ibid.*; Risse, Ropp & Sikkink, *supra* note 16.

Analyzing how norms acquire meaning in divergent contexts means going beyond an examination of how a norm emerged to influence actors' behaviour, including how it became recognized as appropriate within specific social contexts. Documenting this process in relation to sustainable development involves tracing its implementation from inter-state negotiations to the World Bank, and then between the Bank, environmentalists and member states. However, the normative structure of the meaning-in-use is also vital for an appreciation of how norms are then enacted *beyond* the World Bank. Examining the creation of the WCD goes some way towards addressing how 'culturally divergent' actors tried to create a meaning-in-use for sustainable development through social interactions within international development.<sup>20</sup> In other words, industry, environmentalists and the Bank agreed to negotiate new meanings for sustainable development in relation to dams, where energy generation is fundamental to the normative structure of sustainable development.

To explain, understanding norms as structured by their meaning-in-use is based on three underlying assumptions.<sup>21</sup> The first assumption is that norms have a dual quality. This recognizes that norms are often stable enough that we can take them as given at any point in time, but they are also flexible and can evolve over time.<sup>22</sup> Much of the 'modern' constructivist literature examines how norms exert force in the international system by shaping actors' behaviour. Norms then become 'locked in' or become stable enough to be taken as given.<sup>23</sup> Examples include the acceptable use of types of weapons in warfare, the emergence of human rights, the practice of humanitarian intervention, and development.<sup>24</sup> Constructivists have demonstrated how norms are transposed from the international to domestic contexts, including how norms spread by international organizations and non-state actors influence states.<sup>25</sup>

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<sup>20</sup> Wiener 2007b, *supra* note 7 at 11.

<sup>21</sup> Uwe Puetter & Antje Wiener, 'Accommodating Normative Divergence in World Politics: European Foreign Policy Coordination' (2007) 45 J. Common Market Studies 1063 at 1069.

<sup>22</sup> Audie Klotz, 'Can We Speak a Common Constructivist Language?' in Karin M. Fierke & Knud Erik Jørgensen, eds., *Constructing in International Relations: The Next Generation* (Armonk, N.Y.: M.E. Sharpe, 2001) 223 at 229; Wiener 2007a, *supra* note 4 at 4.

<sup>23</sup> Alexander Wendt, *Social Theory of International Politics* (Cambridge: Cambridge University Press, 1999) at 188.

<sup>24</sup> Richard M. Price, *The Chemical Weapons Taboo* (Ithaca N.Y.: Cornell University Press, 1997); Barnett & Finnemore, *supra* note 13; Risse, Ropp & Sikkink, *supra* note 16.

<sup>25</sup> Judith Kelley, 'International Actors on the Domestic Scene: Membership Conditionality and Socialization by International Institutions' (2004) 58 Int'l Org. 425; Ronald H. Linden, ed., *Norms*

However, this only tells part of the story. Norms emerge and exert influence on actors, but actors' practices in turn reconstitute international norms. The reconstitution of norms is often 'bracketed' once the norm has effected a change in actors' behaviour. Yet the basic constructivist insight is that norms have a dual quality: while they exert influence over actors' behaviour, they also evolve over time as a result of social interactions. Norms thus 'are both structuring and socially constructed through interaction'.<sup>26</sup> By demonstrating how the norm of sustainable development emerged at the international level, and how it was (re)interpreted by a development institution, the recursive nature of international norms is revealed. Further, once sustainable development was (re)interpreted by the Bank as a result of contestation with states and environmentalists, this then led to the creation of the WCD which in turn created new meanings-in-use for sustainable development. This accords with the second assumption underpinning this approach: that social life is recursive and constituted through practice.<sup>27</sup> Norms are constituted and reconstituted through a continual process of interaction between agents and structures such that social structures 'are nothing more than routinized discursive and physical practices' that define the meaning of actions in any given context.<sup>28</sup>

The third and final assumption—and this is where the normative structure of meaning-in-use approach adds value—is that while norms such as sustainable development may be established through general agreement, contestation is revealed through examining how norms are practiced in specific contexts. Earlier I mentioned that constructivists have explored how international norms transpose to domestic contexts. However, the assumption is that there is a common meaning for 'fundamental norms' such as human rights, democracy, citizenship, and the rule of law. As Antje Wiener points out, fundamental norms 'keep a community together' within the context of the sovereign state.<sup>29</sup> At the international level such fundamental norms as sovereign equality are stable enough to be taken as given.<sup>30</sup> Other fundamental international norms however, such as human rights and sustainable development arise from states agreeing to international conventions, treaties and declarations where a range of

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and Nannies: *The Impact of International Organizations on the Central and East European States* (Lanham, Md.: Rowman & Littlefield, 2002).

<sup>26</sup> Wiener 2007b, *supra* note 7 at 15.

<sup>27</sup> Giddens, *supra* note 19 at 5.

<sup>28</sup> Richard Price & Christian Reus-Smit, 'Dangerous Liaisons? Critical International Theory and Constructivism' (1998) 4 *Eur. J. Int'l R.* 259 at 267.

<sup>29</sup> Wiener 2007a, *supra* note 4 at 9.

<sup>30</sup> *Ibid.*

interpretations remain open. As such, state and non-state actors may create shared agreement over an international norm such as sustainable development but may disagree over the form and content of sustainability in relation to specific activities.

While much of the narrowing of the understanding of what constitutes sustainable development emerges from increasing scientific knowledge and narrower, more specific multilateral agreements and international organization policies, in areas like international development actors may agree to do as little ecological harm as possible but may continue to disagree over what this means. As a result, despite the formal validity of sustainable development, without social recognition amongst a group of relevant actors over the normative structure of sustainable development *in use* divergent and contestable practices will remain. The creation of the WCD is a case in point: controversies over dams led to 'white hot political conflict, social protest, even violence'.<sup>31</sup> The establishment of multi-stakeholder dialogues rather than further state-based treaties or organizational (read World Bank) policies was aimed at generating shared understandings of the meaning of sustainable development for all actors involved in international dams, beyond purely World Bank operations.

### III. Norm Implementation: The Formal Validity of Sustainable Development

As argued above, sustainable development emerged at the international level through inter-state negotiations. This process is detailed before examining how the norm was taken up by the World Bank. Substantial scholarship already exists on the World Bank's environmental activities, although this tends to be disconnected from the international context where the norm of sustainable development first emerged.<sup>32</sup> In some ways this is

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<sup>31</sup> Ken Conca, *Governing Water: Contentious Transnational Politics and Global Institution Building* (Cambridge, Mass.: MIT Press, 2006) at 28 [Conca 2006].

<sup>32</sup> See for example Dana Clark, Jonathan Fox & Kay Treakle, eds., *Demanding Accountability: Civil Society Claims and the World Bank Inspection Panel* (Lanham, Md.: Rowan & Littlefield, 2003) [Clark, Fox & Treakle]; Jonathan A. Fox & L. David Brown, eds., *The Struggle for Accountability: The World Bank, NGOs and Grassroots Movements* (Cambridge, Mass.: MIT Press, 1998) [Fox & Brown]; Tamar L. Gutner, 'Explaining Gaps between Mandate and Performance: Agency Theory and World Bank Environmental Reform' (2005) 5 *Global Env. Pol.* 10 [Gutner 2005a]; Tamar L. Gutner, 'World Bank Environmental Reform: Revisiting Lessons from Agency Theory' (2005) 59 *Int'l Org.* 773 [Gutner 2005b]; Tamar L. Gutner, *Banking on the Environment: Multilateral Development Banks and Their Environmental Performance in Central and Eastern Europe* (Cambridge, Mass.: MIT Press, 2002) [Gutner 2002]; Daniel L. Nielson & Michael J. Tierney, 'Theory, Data, and Hypothesis Testing: World Bank Environmental Reform Redux' (2005) 59 *Int'l Org.* 785



understandable; the World Bank began to respond to environmental issues from the 1970s, prior to norm contestation by environmental groups and member states in the 1980s. Yet broader inter-state negotiations influenced World Bank management in terms of signaling the direction (member) states were already taking on environmental problems. Within inter-state fora, states encouraged the Bank's use of market-based solutions as appropriate responses compared to economic and political alternatives.<sup>33</sup> The broader social context is therefore important for understanding what sustainable development meant for the World Bank.

Sustainable development, which attempts to reconcile environmental preservation with economic development and social justice, is relatively new. Over time the environmental discourse has shifted towards sustainable development.<sup>34</sup> From the 1940s to the 1960s a conservation approach dominated international environmental policy making, but this shifted to sustainable development from the late 1960s to the enshrining of the WCED definition, mentioned at the outset of this paper, in 1987.<sup>35</sup> Increased scientific understanding of environmental damage from rapid economic growth provided further impetus for detailed international policy responses, triggering intellectual debates over finite resources and catapulting the environment to the top of the international agenda.<sup>36</sup>

The precise meaning of sustainable development is open ended as a result of evolving international policy responses to natural resource use and environmental degradation.<sup>37</sup> In responding to environmental constraints

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[Nielson & Tierney 2005]; Daniel L. Nielson & Michael J. Tierney, 'Delegation to International Organizations: Agency Theory and World Bank Environmental Reforms' (2003) 57 Int'l Org. 241 [Nielson & Tierney 2003]; Park 2005, *supra* note 8; Bruce Rich, *Mortgaging the Earth: The World Bank, Environmental Impoverishment and the Crisis of Development* (Boston: Beacon Press, 1994) 26 [Rich]; Robert Wade, 'Greening the Bank: The Struggle over the Environment, 1970-1995' in Devesh Kapur, John P. Lewis & Richard Webb, eds., *The World Bank: Its First Half Century*, Vol. 2 (Washington, D.C.: Brookings Institution, 1997) 611 [Wade].

<sup>33</sup> For example there were no major political decisions to revise how international development practices were organized, such as shifting to limited small scale renewable development activities or preferencing command and control regulatory approaches.

<sup>34</sup> Adil Najam, 'Developing Countries and Global Environmental Governance: From Contestation to Participation to Engagement' (2005) 5 Int'l Env. Agreements 303 at 304-5 [Najam].

<sup>35</sup> Rosalind Irwin, 'Posing Global Environmental Problems from Conservation to Sustainable Development' in Dimitris Stevis & Valerie J. Assetto, *The International Political Economy of the Environment: Critical Perspectives* (Boulder, CO: Lynne Rienner, 2001) 15 at 17 [Irwin].

<sup>36</sup> Tony Brenton, *The Greening of Machiavelli: The Evolution of International Environmental Politics* (London: Earthscan, 1994) at 18, 22-3 [Brenton].

<sup>37</sup> René Kemp & Pim Martens, 'Sustainable Development: How to Manage Something that is Subjective and Never can be Achieved?' (2007) 3 Sustainability: Science, Practice & Policy 5 at 7.

and state differences, states constructed the norm through international treaties, agreements and commissions. Sustainable development emerged as a means of overcoming divisions between the industrialized North's concern for environmental conservation and pollution prevention and the developing South's economic needs that were evident at the United Nations Conference on the Human Environment (UNCHE) in Stockholm in 1972. It was endorsed by states because it represented the 'idea that development could be reconstructed as a (newly sustainable) common social project between North and South'.<sup>38</sup> General agreement therefore emerged between states to overcome the seemingly irreconcilable differences between environment and development.<sup>39</sup>

In the 1980s the WCED was established to bridge this gap between North and South, and its definition of sustainable development became dominant.<sup>40</sup> The 1987 WCED report became the 'preferred vehicle for the institutionalization of sustainable development'<sup>41</sup> because it clarified the link between poverty and environmental degradation, addressed the need for integration across various issue areas and disciplines, and established the need to weigh long-term environmental problems such as climate change against inter-generational inequities.<sup>42</sup> As a result, sustainable development became a 'useful, necessary and effective metanarrative for reconciling economic development with environmental and natural resource protection'.<sup>43</sup>

Pursuant to these objectives, much of the WCED report further interpreted sustainable development as ecological modernization, identifying 'science and technology as central institutions for ecological reform' while seeking to 're-orient technological innovation towards solving environmental problems rather than creating them'.<sup>44</sup> This goal was pursued

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<sup>38</sup> Irwin, *supra* note 35 at 28-9.

<sup>39</sup> Najam, *supra* note 34 at 308.

<sup>40</sup> This definition existed prior to the WCED but the WCED gave it international legitimacy. Bernstein 2001, *supra* note 16 at 58; Ian Moffatt, *Sustainable Development: Principles, Analysis and Policies* (New York: Parthenon, 1996) at 27.

<sup>41</sup> Irwin, *supra* note 35 at 32.

<sup>42</sup> Daniel G. Esty, 'A Term's Limits' (2001) 126 *Foreign Policy* 74 at 74.

<sup>43</sup> Robert F. Durant, 'Reconceptualizing Purpose' in Robert F. Durant, Daniel J. Fiorino & Rosemary O'Leary, eds., *Environmental Governance Reconsidered: Challenges, Choices and Opportunities* (Cambridge, Mass.: MIT Press, 2004) 29 at 30.

<sup>44</sup> Keith Stewart, 'Avoiding the Tragedy of the Commons: Greening Governance Through the Market or the Public Domain' in Daniel Drache, ed., *The Market or the Public Domain: Global Governance & the Asymmetry of Power* (New York: Routledge, 2001) 202 at 208 [Stewart]. For an opposing view see Oluf Langhelle, 'Why Sustainable Development and Ecological Modernization Should Not be Conflated' (2000) 2 *J. Env. Pol. Planning* 303 at 305 [Langhelle].

on the basis that 'the current development trajectory can be maintained in an environmentally safe manner through relatively minor modifications'.<sup>45</sup> Efficient economic development was therefore prioritized while natural resources and environmental goods were seen as 'essentially substitutable in the production of consumption goods and as a direct provider of utility'.<sup>46</sup> The sustainable development norm became pervasive because it is general enough to allow for both ecological modernization and environmental ideas that go beyond technological responses, although state (and industry) interpretations ruled out recognizing the limits to economic growth.<sup>47</sup>

Environmental concerns became a mainstream in the 1990s once the shift from environmental protection to 'sustainable development' occurred.<sup>48</sup> Norm-setting states favoured market dynamics to reconcile environmental degradation and economic growth.<sup>49</sup> Inter-state negotiations increasingly reflected ecological modernist interpretations of sustainable development but where halting environmental degradation was often subordinated to economic growth and development. Bernstein locates sustainable development within a much broader norm-complex based on state sovereignty, the shifting of the political economy from Keynesian to neoliberalism, and the promotion of environmental management approaches.<sup>50</sup>

Sustainable development was however further institutionalized at the United Nations Conference on Environment and Development (UNCED) in 1992. The UNCED conference heralded the importance of international cooperation on environmental issues through the Rio Declaration, the Agenda 21 blueprint for action, and the 'promotion of multilateral environmental agreements as a way to make environment and development possible'.<sup>51</sup> At UNCED states 'established a range of behaviours and

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<sup>45</sup> Marc Williams, 'In Search of Global Standards: The Political Economy of Trade and the Environment' in Dimitris Stevis & Valerie J. Assetto, *The International Political Economy of the Environment: Critical Perspectives* (Boulder, CO: Lynne Rienner, 2001) 39 at 42.

<sup>46</sup> Eric Neumayer, *Weak Versus Strong Sustainability: Exploring the Limits of Two Opposing Paradigms*, 2nd ed. (Northampton, Mass.: Edward Elgar, 2003) at 1 [Neumayer].

<sup>47</sup> Irwin, *supra* note 35 at 33.

<sup>48</sup> Bernstein 2001, *supra* note 16 at 2-4, 29.

<sup>49</sup> See Stewart, *supra* note 44 at 208. If sustainable development had been interpreted as 'strong sustainability', international political and economic structures—including those in international development—would look very different. That strong sustainability was not taken up points to the historically situated nature of inter-state negotiations in the 1980s and 1990s. On strong sustainability see Neumayer, *supra* note 46.

<sup>50</sup> Neumayer, *ibid.*, see Chapter 2.

<sup>51</sup> Sanwal, *supra* note 1 at 17.

appropriate policy practices for dealing with global environmental problems that then set the pattern for action on specific environmental problems, and rights and responsibilities involved'.<sup>52</sup> In other words, norm setters<sup>53</sup> (states negotiating at UNCHE and UNCED and delegating to the WCED) formally validated the norm of sustainable development for themselves, and their agents such as the World Bank, to obey.<sup>54</sup> States would reaffirm these commitments within the United Nations General Assembly in 1997 (the Rio+5 Summit) and the World Summit for Sustainable Development (WSSD) held in Johannesburg in 2002.

Assuming that sustainable development has indeed created shared understandings about appropriate behaviour among a group of actors, how might this be assessed? For constructivists, norms must entail 'recognizable and hence enforceable prescriptions for behaviour'.<sup>55</sup> How is the norm of sustainable development enforced or violated? For states, collective compliance is assessed in light of the Stockholm, Rio and Johannesburg Declarations, the Stockholm Plan of Action, Rio's Agenda 21, the Rio+5 Program for Further Implementation of Agenda 21, and the Johannesburg Plan of Implementation. States are further assessed against these commitments in specific environmental treaty negotiations such as the conventions and protocols on climate change, ozone depletion, and desertification.<sup>56</sup> Norm setting and following is therefore an ongoing process of inter-state cooperation within each specific environmental problem or policy area.<sup>57</sup>

Thus far, I have argued that the norm of sustainable development emerged to balance environmental preservation with economic growth and social justice within the context of inter-state agreements. But norms also exert structural pressure on actors at any given point in time. The next section examines how the World Bank began to implement the norm of sustainable development through international development lending.

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<sup>52</sup> Bernstein 2001, *supra* note 16 at 70-1; see also 68-9, 108-9.

<sup>53</sup> Wiener 2007a, *supra* note 4 at 6.

<sup>54</sup> Langhelle, *supra* note 44 at 310.

<sup>55</sup> Wiener 2007a, *supra* note 4 at 6; Checkel 2001, *supra* note 19 at 182.

<sup>56</sup> On state compliance in MEAs see Abram Chayes & Antonia Chayes, *The New Sovereignty: Compliance with International Regulatory Agreements* (Cambridge: Harvard University Press, 1998).

<sup>57</sup> States' behaviour varies across different environmental treaties according to their interests and identity. See Dimitris Stevis & Hans E.A. Bruyninckx, 'Looking through the State at Environmental Flows and Governance' in Gert Spaargaren, Arther P.J. Mol & Frederick H. Buttel, eds., *Governing Environmental Flows: Global Challenges to Social Theory* (Cambridge, Mass.: MIT Press, 2006) 107.

#### IV. Norm Implementation through Social Recognition: The World Bank's Sustainable Development

States gave only general prescriptions for the World Bank in their articulation of sustainable development in international fora. For example, the 1972 Stockholm Plan of Action states that the World Bank should be prepared to 'assist the less industrialized countries in solving the environmental problems of development projects,' including the planning of human settlements with respect to infrastructure (housing, transport, water, and community services).<sup>58</sup> Absent specific state sanctioned rules over how to address environmental issues within international development lending, sustainable development is best understood as a normative structure of meaning-in-use: the Bank enacts sustainable development through its operations in international development.<sup>59</sup> As argued below, the Bank undertook its own initiatives in response to inter-state negotiations, and so 'set the pace and standard for other international organizations whose behavior has environmental consequences'.<sup>60</sup> Indeed, other multilateral development banks now emulate the World Bank.<sup>61</sup>

The World Bank took a 'rhetorically positive although cautious position to ecologically sound development'.<sup>62</sup> Responding to increased pressure for international action on environmental issues in the lead up to Stockholm, the Bank viewed the environment through an ecological modernization approach, such that its early work focused on health and 'brown' issues such as pollution, energy utilization and end-user efficiency.<sup>63</sup> Brown issues matched the skill sets of the Bank's engineers.<sup>64</sup> This fits the argument that an organization will take up norms more readily if they fit the organization's culture or identity.<sup>65</sup> At the UNCHE in 1972, President McNamara stated that

<sup>58</sup> *Report of the United Nations Conference on the Human Environment (Stockholm 1972)*, UN Doc. A/CONF.48/14/Rev.1 (1973), see 'Action Plan for the Human Environment', section B. Recommendations for action at the Environmental Level: Planning and Management of Human Settlements for Environmental Quality, Recommendation 1.

<sup>59</sup> Milliken, *supra* note 5 at 230; Wiener & Puetter 2009, *supra* note 5.

<sup>60</sup> Susan Baker, *Sustainable Development* (London: Routledge, 2006) at 181.

<sup>61</sup> Wade, *supra* note 32.

<sup>62</sup> Lynton Keith Caldwell, *International Environmental Policy*, 2nd ed., (Durham: Duke University Press, 1990) at 110.

<sup>63</sup> Philippe Le Prestre, *The World Bank and the Environmental Challenge* (Selinsgrove: Susquehanna University Press, 1989) [Le Prestre].

<sup>64</sup> Michelle Miller-Adams, *The World Bank: New Agendas in a Changing World* (New York: Routledge, 1999); Wade, *supra* note 32.

<sup>65</sup> Daniel L. Nielson, Michael J. Tierney & Catherine E. Weaver, 'Bridging the Rationalist-Constructivist Divide: Re-engineering the Culture of the World Bank' (2006) *J. Int. Rel. & Dev.* 107.

the Bank had each project evaluated by its environment staff and that there were guidelines for environmental protection for its development operations.<sup>66</sup> Operationally, however, the Bank had difficulties in reconciling environmental aims and lending priorities, and divisions between environmental and other staff emerged.<sup>67</sup> The World Bank's initial 'do no harm' approach was a means of grappling with the policy and organizational implications of adding sustainability to its economic development activities.<sup>68</sup>

The Bank enacted sustainable development through extolling the environmental benefits of market-based approaches to its borrowers. In the early 1980s environmental groups began to challenge the World Bank's understanding of sustainable development because of its neglect of natural resource issues<sup>69</sup> and its lack of compliance with its own limited guidelines.<sup>70</sup> The main criticism of the World Bank's sustainable development practices were demonstrated via 'case study' project campaigns, which environmentalists used to detail the impact of the World Bank's ecological modernization approach.<sup>71</sup> Points of contestation between the World Bank and environmental groups included the opening up of pristine areas for development rather than environmental preservation or conservation; the building of major infrastructure in ecological systems without proper environmental and social assessment; and the Bank's ongoing support of the dam and extractive industries.<sup>72</sup>

In 1987 when the WCED report was released, the Bank responded to environmentalist pressure and member state demands by upgrading the Office of the Environment to the Environment Department, creating stand-alone environmental loans and agreeing to strengthen the Bank's environmental policies. It retained, however, its commitment to

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<sup>66</sup> Wade, *supra* note 32 at 636.

<sup>67</sup> *Ibid.*; Rich, *supra* note 32.

<sup>68</sup> Le Prestre, *supra* note 63.

<sup>69</sup> Brenton, *supra* note 36 at 125; Barbara J. Bramble & Gareth Porter, 'Non-Governmental Organizations and the Making of US International Environmental Policy' in Andrew Hurrell & Benedict Kingsbury, eds., *The International Politics of the Environment: Actors, Interests, and Institutions* (Oxford: Clarendon Press, 1992) 313 at 314.

<sup>70</sup> Rich, *supra* note 32, see Chapter 5.

<sup>71</sup> David A. Wirth, 'Partnership Advocacy in World Bank Environmental Reform' in Fox & Brown, *supra* note 32.

<sup>72</sup> For detailed accounts of the environmental campaigns see Rich, *supra* note 32; Wade, *supra* note 32; Fox & Brown, *supra* note 32; Clark, Fox & Treackle, *supra* note 3232; Sanjeev Khagram, *Dams and Development: Transnational Struggles for Water and Power* (Ithaca, N.Y.: Cornell University Press, 2004) [Khagram]; Goldman, *supra* note 9.

infrastructure and the extractives industry.<sup>73</sup> International policy makers within UN fora, the OECD, and the Group of Seven (G7) positively encouraged the Bank's environmental activities, including its research on environmental economics. The World Bank's 'emphasis on export led growth, open markets and domestic liberalization' through its program lending and structural adjustment loans were further legitimized as appropriate for sustainable development by the WCED.<sup>74</sup>

The WCED report *Our Common Future* states that the Bank 'has taken a significant lead in reorienting its lending programmes to a much higher sensitivity to environmental concerns and to support for sustainable development'.<sup>75</sup> It highlights the Bank's efforts in articulating 'clear policies and project guidelines for incorporating environmental concerns and assessments into their planning and decision making', noting that only a few organizations like the World Bank 'have assigned staff and resources to implementing them'.<sup>76</sup> While making some specific environmental recommendations, including more attention to species conservation, in terms of energy utilization the report ultimately encourages development banks to press 'governments to require that the most energy-efficient technology be used when industries and energy utilities plan to build new or extend existing facilities'.<sup>77</sup> This again reinforces the ecological modernization approach. In turn, the World Bank endorsed the WCED report's definition of sustainable development based on 'careful macroeconomic analysis [that] will strengthen environmental protection and lead to rising and sustainable levels of welfare'.<sup>78</sup>

*Our Common Future* does state, however, that the Bank's changes 'will not be enough unless and until it is accompanied by a fundamental commitment to sustainable development by the World Bank and the transformation of its internal structure and processes so as to ensure its capacity to carry this out'.<sup>79</sup> This supports the change demanded by environmentalists at the World Bank. Indeed the WCED report explicitly argues that the World Bank 'should develop easily usable methodologies to augment their own appraisal techniques and to assist developing countries

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<sup>73</sup> Nielson & Tierney 2003, *supra* note 32 at 259.

<sup>74</sup> Bernstein 2001, *supra* note 16 at 77.

<sup>75</sup> WCED, *supra* note 2 at 337.

<sup>76</sup> *Ibid.* at 338.

<sup>77</sup> *Ibid.* at 178.

<sup>78</sup> World Bank, *World Development Report 1992: Development and the Environment* (Oxford: Oxford University Press, 1992) at 8 [World Bank 1992].

<sup>79</sup> WCED, *supra* note 2 at 337.

to improve their capacity for environmental assessment'.<sup>80</sup> The Bank did implement mandatory environmental impact assessments for all World Bank projects in 1989, after environmentalists pushed for such changes both directly and indirectly—persuading powerful member states to force the Bank to do so as well.<sup>81</sup>

Changes in the Bank were further triggered in 1992, the year of the Rio Summit. The impact of a major international campaign against the largest dam project in history—the Bank-funded Narmada Sagar in India—reached its tipping point when an independent, Bank-authorized, investigation revealed major shortcomings in the Bank's environmental and social practices at Narmada.<sup>82</sup> On the back of this debacle, and with the release of an internal report detailing broader Bank project failures, the Bank responded to environmentalist demands and member state pressure (member states were also buoyed by the Rio Summit process) in several ways.<sup>83</sup> It elevated the Environment Department to the Vice-Presidential level within the Bank; it strengthened its environmental and social safeguard policies for all projects; it increased its transparency through establishing an information disclosure policy; and it created an Inspection Panel for project-affected peoples to seek redress. Further changes included establishing environmental monitoring and evaluation procedures to improve its environmental practices and the hiring of more environmental specialists. By 2001 the Bank had an institution-wide environmental strategy outlining how it could mainstream environmental concerns throughout its operations.<sup>84</sup>

The Bank therefore broadened its understanding of sustainable development to incorporate green issues and specific safeguard practices in the 1990s, while further embedding its ecological modernization approach. Compared to earlier commonly held views 'which saw the trade-offs between environment and economy as a zero-sum game',<sup>85</sup> the Bank began to make the case for a 'win-win' approach to sustainable development such

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<sup>80</sup> *Ibid.* at 163.

<sup>81</sup> Park 2005, *supra* note 8; Nielson & Tierney 2003, *supra* note 32; Gutner 2002, *supra* note 32; Wade, *supra* note 32; Rich, *supra* note 32.

<sup>82</sup> Willi A. Wapenhans, *et al.*, *The Wapenhans Report, Portfolio Management Task Force* (Washington D.C.: World Bank, 1992); Bradford Morse & Thomas Berger, *The Independent Review of the Sardar Sarovar Projects* (Ottawa: Resource Futures International, 1992). For more see Susan Park, *The World Bank Group: Changing International Organization Identities* (Manchester: Manchester University Press, forthcoming) [Park forthcoming].

<sup>83</sup> Nielson & Tierney 2003, *supra* note 32 at 261.

<sup>84</sup> For a detailed account of the Bank's environmental changes as a result of environmentalist pressure, see Park forthcoming, *supra* note 82 at chapter three.

<sup>85</sup> Stewart, *supra* note 44 at 208.



that 'enhanced efficiency contributes to the emergence of environmental industries and technologies.' This was detailed in the World Bank's flagship publication the *World Development Report*, which in 1992 was devoted to the environment. It further stated that 'continued, and even accelerated, economic and human development is sustainable and can be consistent with improving environmental conditions.'<sup>86</sup> The World Bank went on to endorse the removal of market distortions and the regulation of development activity by conceding that institutions are an important requirement for fully effective markets. Nevertheless, the World Bank also aimed to further efficient environmental management and sustainable development by 'getting the prices right'.<sup>87</sup> In 1999 the World Bank devised new measurements for sustainable development such as the *Genuine Savings* indicator covering environmental depletion, investment in human capital, and traditional savings.<sup>88</sup> However, this model for measuring sustainable development was internally contested,<sup>89</sup> such that it was 'ignored' in the Bank's own country macroeconomic work.<sup>90</sup>

Overall, the World Bank began to accept that market forces do not operate in a social and political vacuum to produce environmental benefits.<sup>91</sup> The Bank now agrees that some environmental goods are not substitutable, and that environmental services are non-rival and non-excludable. Yet it continues to measure environmental factors using utility-based indicators rather than on throughput or within an eco-systemic approach.<sup>92</sup> This may go some way towards explaining why the World Bank created global partnerships for the global and regional environmental commons such as biodiversity hotspots on the one hand, while maintaining its adherence to engaging in environmentally and socially risky sectors such as dams on the

<sup>86</sup> World Bank 1992, *supra* note 78 at iii (emphasis in original). See also Neumayer, *supra* note 46 at 76; Bernstein 2001, *supra* note 16 at 77; Stewart, *supra* note 44 at 208.

<sup>87</sup> World Bank, *Five Years After Rio: Innovations in Environmental Policy (Environmentally Sustainable Development Studies and Monograph Series No. 18)* (Washington D.C.: World Bank, 1997) at 34.

<sup>88</sup> Peter P. Rogers, Kazi F. Jalal & John A. Boyd, *An Introduction to Sustainable Development* (Cambridge, Mass.: Harvard University Press, 2006) at 336.

<sup>89</sup> Neumayer, *supra* note 46 at 144-55.

<sup>90</sup> Philip Lawn, *Sustainable Development Indicators in Ecological Economics* (Cheltenham: Edward Elgar, 2006) at 65.

<sup>91</sup> Phillip J. Cooper & Claudia Maria Vargas, *Implementing Sustainable Development: From Global Policy to Local Action* (Lanham, Md.: Rowman & Littlefield, 2004) at 156.

<sup>92</sup> World Bank, *World Development Report 2003 – Sustainable Development in a Dynamic World: Transforming Institutions, Growth, and Quality of Life* (Washington, D.C.: The World Bank, 2003); Herman Daly, 'The Illth of Nations: When Growth Becomes Uneconomic' in Liane Schalatek *et al.*, *conts.*, *Managing Sustainability World Bank Style: An Evaluation of the World Development Report 2003*, Papers No. 19 (Washington, D.C.: Heinrich Böll Foundation, 2002) 19.

other.<sup>93</sup> Agenda 21—the 1992 UNCED programme of action on sustainable development,<sup>94</sup> the 1997 Plan of Further Implementation,<sup>95</sup> and the 2002 Plan of Implementation<sup>96</sup> continued to recommend that the Bank increase states' environmental capacity and promote economic growth through market mechanisms.

Both rationalist and constructivist approaches have been used to explain the World Bank's greening. The former explains the Bank's environmental shift through state-based material directives (the logic of consequences), as opposed to the latter's international norms, organizational identity and culture (the logic of appropriateness).<sup>97</sup> Rationalists, particularly through the Principal-Agent (P-A) model, analyze intergovernmental organizations as states' agents. According to this model, the Bank was forced to either meet the changes demanded of it by powerful member states such as the United States or have its funding cut. The logic of consequences therefore informs the agents' behaviour, and in the case of the World Bank, meant the introduction of environmental and social safeguard policies and the establishment of compliance mechanisms.<sup>98</sup> The constructivist argument goes beyond material pressure to argue that changes within the Bank came from environmentalist persuasion, social influence and coercion through lobbying of powerful member states using material pressure to change the organization's actions and therefore its identity.<sup>99</sup> In this regard, change within the World Bank resulted from the logic of appropriateness, where shared assumptions by powerful member states, environmentalists and the Bank itself coalesced on the appropriateness of implementing environmental practices including environmental safeguards and standardized procedures such as environmental monitoring and evaluation.

Both accounts agree that the World Bank introduced environmental reform at the organizational level. For example, Gutner compares the World

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<sup>93</sup> World Bank 2008, *supra* note 10 at 25.

<sup>94</sup> *Report of the United Nations Conference on Environment and Development (Rio de Janeiro)*, UNCED, Annex II 'Agenda 21', UN Doc. A/CONF/151/26/vol.1 (1992) [UNCED Agenda 21].

<sup>95</sup> *Programme for the Further Implementation of Agenda 21*, GA Res. S/19-2, UN GAOR, 19th Sess., Annex, Agenda Item 8, UN Doc. A/RES/S-19/2 (1997).

<sup>96</sup> *Report of the World Summit on Sustainable Development (Johannesburg)*, Annex 'Plan of Implementation of the World Summit on Sustainable Development', UN Doc. A/CONF.199/20, see Chapter X 'Means of Implementation', recommendations 116-124, also recommendation 159.

<sup>97</sup> Gutner 2005a, *supra* note 32; Gutner 2005b, *supra* note 32; Nielson & Tierney 2005, *supra* note 32; Nielson & Tierney 2003, *supra* note 32; Park 2005, *supra* note 8.

<sup>98</sup> Gutner 2005a, *supra* note 32; Gutner 2005b, *supra* note 32; Nielson & Tierney 2005, *supra* note 32; Nielson & Tierney 2003, *supra* note 32.

<sup>99</sup> Park 2005, *supra* note 8; Park forthcoming, *supra* note 82.

Bank's aims with its outcomes in terms of its environmental performance.<sup>100</sup> Evidence of the ability of the World Bank to change focused on its integration of environmental issues into its development aims as well as the creation of increased environmental loans and staff; environmental divisions, policies and processes; and environmental monitoring and evaluation procedures.<sup>101</sup> In terms of its operational practices the Bank established environmental projects and impact assessments, national environmental action plans and country environmental analysis. That the Bank would shift from ignoring, to rejecting, to responding to environmentalist claims provided evidence, constructivists argued, of a shift in the organization. Further, that these changes became the benchmark for all multilateral development banks and were seen to be appropriate by states, environmentalists and the World Bank indicated a logic of appropriateness at work.<sup>102</sup>

The World Bank's greening is an important component for examining how sustainable development is implemented and enacted.<sup>103</sup> Tracing the Bank's implementation of sustainable development, first from inter-state negotiations and then from environmentalist and member state opposition to the World Bank's operations, shows the importance of social recognition on how norms become appropriate for actors with given identities. This does not mean, however, that the meaning of sustainable development is now fixed across all aspects of international development. Rather, it is the specific operational practices of multilateral development banks and other lenders that become fixed.<sup>104</sup> Yet the greening literature on the Bank focuses on that institution's specific actions and does not go beyond its organizational changes to examine how the process of establishing a normative structure of sustainable development is understood amongst culturally divergent actors. This process is discussed next.

## **V. Furthering Social Recognition through the WCD: Reconstituting Sustainable Development's Meaning-in-Use?**

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<sup>100</sup> Gutner 2005a, *supra* note 32 at 15.

<sup>101</sup> Gutner 2002, *supra* note 32; Gutner 2005a, *supra* note 32; Nielson & Tierney 2003, *supra* note 32; Park, *supra* note 8; Wade, *supra* note 32.

<sup>102</sup> Park forthcoming, *supra* note 82.

<sup>103</sup> This is documented in the literature: Gutner 2002, *supra* note 32; Nielson & Tierney 2003, *supra* note 32; Park forthcoming, *supra* note 82.

<sup>104</sup> For example, that all lenders should have environmental and social policies, environmental loans and staff, and environmental monitoring and evaluation is now socially recognized.

Thus far, the Bank's ecological modernization approach to sustainable development has been detailed in relation to the norm of sustainable development as constructed by states. In the 1980s, the Bank was challenged by environmentalists and member states to incorporate green issues into its operations, which it integrated into its ecological modernist approach. The Bank's greening is important for demonstrating how international norms shape actors' behaviour, and how the Bank's meaning of sustainable development was both reconstituted and socially recognized through interactions with states, environmentalist and the Bank. Although shared understandings emerged between environmentalists, states, and the Bank over incorporating environmental practices, contestation remained over the Bank's role in funding energy generation projects such as large dams in developing countries. World Bank support for large dams corresponded with inter-state environmental agreements, where states recognized their right to develop and to use their environmental resources as they see fit.<sup>105</sup>

As a result, the normative structure of sustainable development implicitly accepts that large dams remain fundamental to states' energy requirements. Further, the ecological modernization approach focuses on more efficient technology to provide for states' energy needs, without ruling out large infrastructure energy projects.<sup>106</sup> Therefore, the normative structure of sustainable development's meaning-in-use was contested by those at the project site: between project-affected peoples, environmentalists, industry and international development lenders such as the World Bank. Protracted contestation led to stalemate amongst culturally divergent actors that eventually paved the way for the creation of the WCD. The commission made recommendations for achieving sustainable development in ways that were acceptable to all actors involved in dams and development.<sup>107</sup>

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<sup>105</sup> See *Declaration on the Right to Development*, GA Res. 41/128, UN GAOR, 41st Sess., Agenda Item 101, UN Doc. A/RES/41/128 (1986) at Art. 1; see also *Report of the United Nations Conference on Environment and Development (Rio de Janeiro)*, UNCED, Annex I 'Rio Declaration on Environment and Development', UN Doc. A/CONF/151/26/vol.1 (1992) at principle 2. While shared understandings about how to address dams may be considered independent norms (see Khagram, *supra* note 72) examining whether consensus can be reached regarding dams feeds into the fundamental norm of sustainable development and is the reason for examining it in terms of the meaning-in-use approach.

<sup>106</sup> UNCED Agenda 21, *supra* note 94.

<sup>107</sup> Cultural divergence here refers to actors that have different nationalities, different ideologies and operate at different levels of international politics—internationally and transnationally. They have different normative baggage that they bring to international negotiations owing to these entrenched differences. The WCD states that its 'work programme covered 5 continents irrespective of political milieu, sectoral interest, administrative arrangement and power relations'; World Commission on Dams, 'Outline of the WCD', online: WCD

At first, the World Bank increasingly came under fire for maintaining a high profile role in large dams while simultaneously arguing that it was enacting sustainable development with appropriate safeguards in place.<sup>108</sup> Environmentalists galvanized throughout the late 1980s and 1990s against Bank-funded large dams because of their high potential for environmental and social impacts. Large dams such as Narmada in India often involve the involuntary resettlement of people and may include substantial loss of biodiversity, natural habitats, forests, and cultural heritage. More generally, the dams and reservoirs are now known to contribute to global warming through the release of greenhouse gases.<sup>109</sup>

Dams were not were substantial components of the World Bank's portfolio in the 1980s and 1990s. However, the World Bank is a lynchpin in international development that can play a catalytic role in this industry; while the environmental impact of large dams made them the focus of high profile environmental World Bank campaigns.<sup>110</sup> Environmentalists claimed that the World Bank was 'the biggest funder of the international dam industry',<sup>111</sup> by lending over fifty billion dollars for approximately 527 dam projects throughout the world<sup>112</sup> (although the Bank argued that it lent only three per cent of the total funding of dams in developing countries, equalling about three per cent of the Bank's overall portfolio during this period<sup>113</sup>).

Dams erupted as a major point of contestation between industry, environmentalists and the Bank because there was an increasing disjuncture between national standards for large dams throughout the 1980s.<sup>114</sup>

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<<http://www.dams.org/commission/partners.htm>>. Nonetheless these groups interact internationally to reach agreement amongst all actors engaged with dams. They therefore constitute a group attempting to establish sustainable development's a meaning in use for dam development.

<sup>108</sup> This may be considered a case of green versus greenwash, but that would ignore the range of environmental practices that the World Bank does undertake. See Gutner 2002, *supra* note 32; Nielson & Tierney 2003, *supra* note 32; Park forthcoming, *supra* note 82.

<sup>109</sup> Patrick McCully, *Silenced Rivers: The Ecology and Politics of Large Dams*, 2nd ed., (London: Zed Books, 2001) [McCully 2001].

<sup>110</sup> *Ibid.* at ix; Conca 2006, *supra* note 31 at 83, 179-80; Rich, *supra* note 32.

<sup>111</sup> McCully 2001, *supra* note 109 at xvii. See also Jennifer M. Brinkerhoff, 'Partnership as a Social Network Mediator for Resolving Global Conflict: The Case of the World Commission on Dams' (2002) 25 Int'l J. Public Admin. 1281 at 1287 [Brinkerhoff].

<sup>112</sup> Jeff Lawson, '2,000 NGOs Support Manibeli Declaration' (1995) 18 Cultural Survival Q.

<sup>113</sup> See World Bank Independent Evaluation Group (IEG), 'World Bank Lending for Large Dams: a Preliminary Review of Impacts' [IEG], online: The World Bank Group <<http://lnweb90.worldbank.org/oed/oeddoclib.nsf/DocUNIDViewForJavaSearch/BB68E3AEED5D12A4852567F5005D8D95>>.

<sup>114</sup> Richard E. Bissell, 'A Participatory Approach to Strategic Planning: *Dams and Development: A New Framework for Decision-Making*' (Review) (2001) 43 Environment 37 [Bissell].

Environmentalists were engaged in protracted high profile transnational campaigns against dams throughout developing countries—most famously against the World Bank over the Narmada dam in India—precisely when developed states were beginning to decommission dams for their environmental impact.<sup>115</sup> Meanwhile, the dam industry ‘had always left dam discussions with dam opponents to governments and the World Bank, finding the terms of argument rather distasteful,’ even while it witnessed a decline in the number of dams being commissioned during this period.<sup>116</sup> Sparked by Narmada, over 2,000 non-government organizations (NGOs) from 44 states signed the *Manibeli Declaration* in October 1994, calling for a moratorium on World Bank funding for large dams.<sup>117</sup> The declaration pushed the World Bank to commission and implement

the recommendations of an independent comprehensive review of all Bank-funded large dam projects to establish the actual costs, including direct and indirect economic, environmental and social costs, and the actually realized benefits of each project... The review must be conducted by individuals completely independent of the Bank without any stake in the outcome of the review.<sup>118</sup>

In 1994 the World Bank’s Operation Evaluation Department (OED) began a review of fifty Bank-funded large dams. Of the two-year desk review only a short précis is publicly available, stating that seventy-four per cent of the dams are ‘acceptable or potentially acceptable’ and that ‘the Bank should continue supporting the development of large dams provided that they strictly comply with Bank guidelines and fully incorporate the lessons of experience.’<sup>119</sup>

<sup>115</sup> Khagram, *supra* note 72; McCully 2001, *supra* note 109.

<sup>116</sup> Bissell, *supra* note 114 at 38. There has been a resurgence of dam building in developing countries as states grapple with meeting their energy requirements; see David Biello, ‘The Dam Building Boom: Right Path to Clean Energy?’ *Yale Environment* 360 (23 February 2009), online: *Yale Environment* 360 <<http://e360.yale.edu/content/feature.msp?id=2119>>.

<sup>117</sup> Large dams have a height of fifteen metres or more from their foundation; World Commission on Dams, *Dams and Development: A New Framework for Decision-Making, Report of the World Commission on Dams* (London and Stirling: Earthscan, 2000) at 11 [WCD 2000].

<sup>118</sup> International Rivers, ‘Manibeli Declaration: Calling for a Moratorium on World Bank Funding of Large Dams’ (1 September 1994), online: IRN <<http://www.internationalrivers.org/en/follow-money/manibeli-declaration>>.

<sup>119</sup> IEG, *supra* note 113. While OED reviews often include forthright criticisms of the World Bank—Willi A. Wapenhans, ‘Learning by Doing: Reflections on 35 Years with the World Bank’ in J. Carlsson & L. Wolgemuth, eds., *Learning in Development Cooperation* (Stockholm: Expert Group on Development Issues, 2000)—they can also elide over substantive criticism. For more see Catherine Weaver, *The Hypocrisy Trap: The World Bank and the Poverty of Reform* (Princeton: Princeton University Press, 2009).

In March 1997, the first international meeting of people affected by dams was held in Curitiba, Brazil, with activists from twenty states calling for an independent commission into the effects of dams.<sup>120</sup> Knowing the OED report findings would be controversial, the Bank intended to deliver them to a joint workshop with the hybrid environmental organization IUCN one month later.<sup>121</sup> On the basis of a leaked copy of the report, Patrick McCully from the International Rivers Network (IRN) issued a statement that the 'OED had wildly exaggerated the benefits of the dams under review, underplayed their impacts, and displayed a deep ignorance of the social and ecological effects of dams'.<sup>122</sup> Intensifying criticism meant that World Bank management realized 'that it needed to either get out of the dam-building business or find a new avenue for reconciliation with stakeholders'.<sup>123</sup> NGOs argued that the World Bank was in a weak position, forcing it to make concessions;<sup>124</sup> others argued that the World Bank lost 'control of the process of evaluation review and standard setting on large dams'.<sup>125</sup> The forthcoming workshop then became the basis for creating an independent review to examine dam building internationally.

In early April 1997 thirty-nine participants from the World Bank, the IUCN, the dam industry—including representatives from the largest industry organization, the International Commission on Large Dams (ICOLD)—and environmentalists and anti-dam proponents met to discuss whether they could negotiate a consensus to examine dam effectiveness and principles and guidelines for future dam building.<sup>126</sup> Despite distrust participants agreed to the Gland Initiative, which aimed to establish an independent committee that would produce a report within two years.<sup>127</sup> The Gland meeting was a watershed in the politics of dams, with all participants realizing the need to move beyond the ongoing, protracted and destructive

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<sup>120</sup> Patrick McCully, 'A Critique of the "World Bank's Experience with Large Dams: A Preliminary Review of Impacts"' (Berkeley: IRN, 2008) [McCully 1997].

<sup>121</sup> Conca 2006, *supra* note 31 at 181; Brinkerhoff, *supra* note 111 at 1287.

<sup>122</sup> McCully 1997, *supra* note 120.

<sup>123</sup> Bissell, *supra* 114 at 38.

<sup>124</sup> Lori Pottinger, 'Dam Industry Faces Judgement Day' (1997) 12 World Rivers Review, online: International Rivers <<http://www.internationalrivers.org/files/WRR.V12.N3.pdf>>.

<sup>125</sup> Conca 2006, *supra* note 31 at 181.

<sup>126</sup> Critical NGOs that attended included the IRN, the Bank Information Centre, the Berne Declaration, Movement of People Affected by Dams, and the Narmada Bachao Andolan (NBA or Save the Narmada); McCully 2001, *supra* note 109 at lxiv.

<sup>127</sup> Tony Dorcey *et al.*, eds., *Large Dams: Learning from the Past, Looking at the Future – Workshop Proceedings: Gland, Switzerland* (Gland & Washington, D.C.: IUCN and The World Bank Group, 1997).

contestation over dam-building throughout the world.<sup>128</sup> It would lead to the creation in 1998 of the World Commission on Dams to review the performance of large dams and to issue recommendations on its findings.

The commission was never sure of its ability to reach consensus or even to complete its work owing to the ongoing dam building and anti-dam controversies playing out around the world.<sup>129</sup> The WCD was comprised of twelve commissioners, including representatives from states, the dam industry and anti-dam advocates. It initially relied on thirty-nine organizations from across the spectrum for advice on its work, later expanding to sixty-eight.<sup>130</sup> Headed by South Africa's former water minister Kader Asmal, the commission operated for two and a half years at the cost of almost ten million dollars.<sup>131</sup> The WCD created the largest source of information on the dam industry ever. It analyzed 1,000 dams and took an inventory of 45,000. It examined 125 dams—including controversial ones—in detail, undertook three country level reviews, and conducted seventeen thematic reviews including environmental, economic and governance aspects.<sup>132</sup> The process was transparent, open to submission, and included outreach activities such as regional workshops and newsletters. It was also supported by a sophisticated online presence.<sup>133</sup>

As a member of the WCD forum states, 'rarely has a commission taken an intransigent international controversy further into politics rather than fulfilling the hopes of the initiators that the commission would find a non-political answer'.<sup>134</sup> Despite entrenched industry/environment divisions the WCD was able to operate on a consensus basis; releasing its finding in November 2000.<sup>135</sup> Noting that dams also have substantial overrun costs and have contributed to the displacement of between 40 and 80 million people,<sup>136</sup>

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<sup>128</sup> *Ibid.* at 9.

<sup>129</sup> *Ibid.*; McCully 2001, *supra* note 109.

<sup>130</sup> Bissell, *supra* 114 at 39.

<sup>131</sup> Navroz K. Dubash *et al.*, 'A Watershed in Global Governance? An Independent Assessment of the World Commission on Dams (Executive Summary)' (2002) 21 Pol. & Life Sciences 42 at 55 [Dubash *et al.*].

<sup>132</sup> Bissell, *supra* note 114; Ken Conca, 'Introducing the Harrison Symposium' (2002) 21 Pol. & Life Sciences 37 at 38.

<sup>133</sup> Brinkerhoff, *supra* note 111 at 1291.

<sup>134</sup> Bissell, *supra* 114 at 37.

<sup>135</sup> Only one commissioner resigned—Madame Shen Guoyi from China, purportedly for personal reasons—while Madha Patkar from NBA added a comment to the final draft of the report challenging the shortcomings of the normative structure of sustainable development; WCD 2000, *supra* note 117 at viii, 321-2.

<sup>136</sup> *Ibid.*



the WCD report also points to successful dams all having the same three characteristics:

they reflected a comprehensive approach to integrating social, environmental, and economic dimensions of development; they created greater levels of transparency and certainty for all involved; and they have resulted in increased levels of confidence in the ability of nations and communities to meet their future energy and water needs.<sup>137</sup>

Encompassing key elements of sustainable development regarding development and the environment as well as human rights, the WCD recommended seven policy principles and twenty-six guidelines to policy makers. The principles were that dam building should ‘gain public agreement; conduct comprehensive options assessment; address existing dams; sustain rivers and livelihoods; ensure compliance; recognise entitlements and share benefits; and share rivers for peace, development and security’.<sup>138</sup>

The WCD was advisory and its recommendations were voluntary. As the WCD Commissioner Asmal noted, the WCD uses “moral authority” to secure acceptance of its guidelines’.<sup>139</sup> According to Brinkerhoff the ‘WCD’s success is not conclusive, though its experimental approach, groundbreaking cooperation and the relative optimism it created, do suggest it is an important model to analyze in the search for appropriate responses to global conflict’.<sup>140</sup> For some scholars, it exemplifies a process of deliberative democracy, increased accountability and legitimacy because of the participation of international organizations, global networks of environmentalists, and business.<sup>141</sup> The WCD is part of a broader trend towards creating private sector or hybrid standards among a range of industries<sup>142</sup> that supplement agreements between states.<sup>143</sup> More

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<sup>137</sup> Bissell, *supra* 114 at 39.

<sup>138</sup> *Ibid.* See also WCD 2000, *supra* note 117 at xxxiv-v.

<sup>139</sup> Quoted in Brinkerhoff, *supra* note 111 at 1290.

<sup>140</sup> *Ibid.* at 1282.

<sup>141</sup> *Ibid.*; Klaus Dingwerth, ‘The Democratic Legitimacy of Public-Private Rulemaking: what Can We Learn from the World Commission on Dams?’ (2005) 11 *Global Governance* 65; Steven Bernstein ‘Legitimacy in Global Environmental Governance’ (2005) 1-2 *J. Int’l L. & Int’l Rel.* 139.

<sup>142</sup> Sander Chan & Philipp Pattberg, ‘Private Rule-Making and the Politics of Accountability: Analyzing Global Forest Governance’ (2008) 8 *Global Env. Pol.* 103; David Vogel, ‘Private Global Business Regulation’ (2008) 11 *Ann. R. Pol. Science* 261; Ronnie D. Lipschutz & Cathleen Fogel, ‘“Regulation for the Rest of Us?” Global Civil Society and the Privatisation of Transnational Regulation’ in Rodney Bruce Hall & Thomas J. Biersteker, eds., *The Emergence of Private Authority in Global Governance* (Cambridge: Cambridge University Press, 2002) 115.

importantly, the WCD located itself within the international framework of treaties and agreements. For example the WCD couched

its recommendations within the context of the United Nations covenants and declarations of human rights, development and environment. By doing so it firmly located itself as within, rather than external to the frameworks of intergovernmental organization deliberations.<sup>144</sup>

The WCD therefore saw its recommendations as enacting the normative structure of sustainable development by upholding the Rio Declaration and specifying its meaning-in-use. While industry, environmentalists and international policy makers such as the World Bank largely viewed the process of deliberation and negotiation within the Commission as legitimate,<sup>145</sup> did they accept its recommendations? As stated in the introduction, the meaning of sustainable development is attributed via interaction amongst relevant members of a group or community. The WCD created guidelines for sustainable development's meaning-in-use for disparate actors involved with dams internationally. These guidelines do therefore entail recognizable and enforceable prescriptions for behaviour.

In this regard, the relevant members of the group or community include both state and non-state actors including environmental NGOs, project affected peoples, industry associations and individual firms. Indeed, the majority of respondents were non-state actors. Patrick McCully from the IRN for example, argued that the report is 'surprisingly strong worded and coherent' and 'as a whole [it] vindicates many of their arguments and proposes a progressive decision-making framework for future water and energy planning'.<sup>146</sup> Environmentalists like the IRN and the Berne Declaration, as well as project-affected groups including many from Africa and Asia, were in favour. Only the NBA and the Ethiopian IUCN issued critical letters; the former questioning the WCD's support of dam

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<sup>143</sup> Georgina Ayre & Rosalie Callway, eds., *Governance for Sustainable Development: A Foundation for the Future* (London: Earthscan, 2005); Elizabeth R. DeSombre, *Global Environmental Institutions* (London: Routledge, 2006); Norichika Kanie & Peter M. Haas, *Emerging Forces in Environmental Governance* (Tokyo: United Nations University Press, 2004).

<sup>144</sup> Dubash *et al.*, *supra* note 131 at 60; WCD 2000, *supra* note 117 at 201-2.

<sup>145</sup> Only some actors challenged the legitimacy of the WCD outright, including one academic, the state of India and the Russian National Committee of Large Dams. See the World Commission on Dams, 'Dams and Development: A New Framework for Decision-Making, The Report of the World Commission on Dams - Reactions to the Final Report', online: WCD <<http://www.dams.org/report/reaction/>>.

<sup>146</sup> McCully 2001, *supra* note 109 at xxv.

construction, the latter questioning the preference of environmental concerns over development objectives.<sup>147</sup>

While all stakeholders examined the WCD's report closely,<sup>148</sup> dam critics responded more positively to the report than dam proponents.<sup>149</sup> Some firms such as the construction company Skanska AB immediately agreed to adopt the recommendations.<sup>150</sup> This was however inconsistent with the overall negative view held by the dam industry. ICOLD's President stated that the WCD's recommendations 'are not universally applicable and should not be considered as such by anyone, including funding institutions.'<sup>151</sup> Only a handful of the national chapters of ICOLD supported the recommendations; the majority were overwhelmingly critical, as was the Russian National Committee of Large Dams. In comparison the United States National Hydropower Association (NHA) was an outlier, in stating that it was 'further along on creating opportunities to optimize benefits from existing dams and strengthen environmental mitigation and restoration measures' as called for by the WCD.<sup>152</sup>

In terms of international organizations, UN agencies such as UNEP and the World Health Organization were in favour of the report. Both the African and Asian Development Banks initially responded positively, although they were non-committal. In comparison, the World Bank 'was the most cautious' stakeholder to the report, using 'client government reservations as a

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<sup>147</sup> Narmada Bachao Andolan, 'World Commission on Dams Report vindicates unjustifiability of large dams' (20 September 2000), online: WCD <[http://www.dams.org/report/reaction/reaction\\_nba.htm](http://www.dams.org/report/reaction/reaction_nba.htm)>; Gedian Asfaw, 'Criticises the report from an Ethiopian perspective', online: WCD <[http://www.dams.org/report/reaction/reaction\\_asfaw.htm](http://www.dams.org/report/reaction/reaction_asfaw.htm)>.

<sup>148</sup> Dubash *et al.*, *supra* note 131 at 56.

<sup>149</sup> Conca 2006, *supra* note 31.

<sup>150</sup> Skanska AB, 'Skanska Supports the World Commission on Dams' Recommendations' (16 November 2000), online: WCD <[http://www.dams.org/report/reaction/reaction\\_skanska.htm](http://www.dams.org/report/reaction/reaction_skanska.htm)>.

<sup>151</sup> C.V.J. Varma, 'Response to the Final Report: ICOLD – Open Letter to WCD Chair' (30 November 2000), online: World Commission on Dams <[http://www.dams.org/report/reaction/reaction\\_icold2.htm](http://www.dams.org/report/reaction/reaction_icold2.htm)>

<sup>152</sup> Initial statements were made from twenty-five national chapters of ICOLD. Only five national groups responded favourably, and only two—Australia and the Netherlands—were strongly positive. National Hydropower Association USA, 'NHA comment on world dam report' (20 November 2000), online: WCD <[http://www.dams.org/report/reaction/reaction\\_nha.htm](http://www.dams.org/report/reaction/reaction_nha.htm)>. The main criticisms of the WCD report detailed by states, industry representatives and professional associations are that the report was biased in overlooking the positive aspects of dam development; that it was methodologically flawed in its choice of the dams analyzed in depth; that it did not take into account current efforts by the dam industry to rectify environmental and social issues; that the costs of implementing its recommendations will be too high; and that the principles and guidelines recommended do not translate into national context and take local variation into account.

rationale for its unenthusiastic response.<sup>153</sup> The Bank 'experienced a major internal debate over the implications of the report', because 'the Bank's board of executive directors [comprised of member states] is visibly concerned about the "costs of compliance" with the WCD approach' to the point where it 'is quite doubtful that the World Bank can afford the possible increase in design and compliance charges for dam projects'.<sup>154</sup>

As a result, the World Bank offered only 'a modest suite of follow-up activities such as gathering information on good practice and further exploration of how the WCD guidelines might inform the World Bank's own guiding strategies'.<sup>155</sup> An internal Bank report stating that the WCD recommendations were too weak to implement was endorsed by the Bank's Board.<sup>156</sup> The Bank did argue however, that much of the WCD's recommendations already fit within its the environmental and social policies. Dubash *et al.* argue that had the World Bank been on the WCD or better represented it would have 'placed greater pressure on the institution to acknowledge ownership of the findings and recommendations', but at the price of the commission's independence.<sup>157</sup>

Despite the Bank's lacklustre response, since the Commission completed its work there has been engagement with the report's recommendations. Although states with big dam projects like India and China have not endorsed the WCD, numerous other international actors, including states grappling with dam controversies, have.<sup>158</sup> In other words, while the recommendations have not been universally accepted, the WCD process has been—and continues to be—taken up. This was demonstrated by the engagement in the WCD process by states, international organizations, industry associations, environmentalists and project-affected people. Yet it is also evident now that the WCD has completed its work. Under the auspices of UNEP's 'dams and development project', which was established to further the work of the commission, annual global multi-stakeholder dialogues were held between 2002 and 2006, emulating the WCD template. These dialogues drew attention to those aspects of dam building that remained unaddressed by the WCD report. Furthermore, twelve developing and five developed states have enacted multi-stakeholder meetings at the national level to

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<sup>153</sup> Dubash *et al.*, *supra* note 131 at 57.

<sup>154</sup> Bissell, *supra* 114 at 40.

<sup>155</sup> *Ibid.* at 57.

<sup>156</sup> Conca 2006, *supra* note 31 at 204; McCully 2001, *supra* note 109.

<sup>157</sup> Dubash *et al.*, *supra* note 131 at 50. The World Bank was on the WCD forum, contributing to only six per cent of WCD financing; *ibid.* at 51.

<sup>158</sup> *Ibid.*

discuss the implications of the WCD recommendations.<sup>159</sup> Perhaps even more importantly, five states—Nepal, South Africa, Thailand, Uganda and Vietnam—have undertaken more extensive ongoing dialogues to assess how to understand the WCD report recommendations within their national context.<sup>160</sup>

Can we then speak of a single meaning of sustainable development in use for dams in international development? One can argue that the WCD recommendations are being diffused around the world and that international actors like the World Bank, the dam industry and states can be assessed against the recommendations (and found wanting thus far). In other words, there are now legitimate principles and guidelines for international development in the dam industry with which actors must contend. That states with dam controversies are engaging with them supports the argument that an ongoing process of interaction between disparate actors over these principles and guidelines is reconstituting the meaning of sustainable development in use. While the initial focus that led to the creation of the WCD was World Bank funding of large dams, the establishment of the WCD has contributed to a much larger process of interaction and contestation amongst culturally divergent actors. Further research into the how the meaning of sustainable development in use is playing out at the national level through multi-stakeholder dialogues will reveal whether culturally divergent actors understand the WCD's meaning of sustainable development in use the same way. Fortunately, we have the theoretical means to undertake this research.<sup>161</sup>

## VI. Conclusion

This article traces how the fundamental norm of sustainable development became stable enough to be taken as given through inter-state conferences and negotiations. Yet norms also evolve over time and may have different meanings within specific contexts. The article traced the evolution of sustainable development from its inter-state context to its influence on the World Bank. The Bank interpreted sustainable development as ecological modernization, enacting market based efficiency solutions to solve the

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<sup>159</sup> Developing states include Argentina, Indonesia, Ghana, Kenya, Lesotho, Malawi, Nigeria, Namibia, Pakistan, Sri Lanka, Togo, and Zambia. Developed states include Germany, Netherlands, Norway, Sweden and the United Kingdom. See UNEP Dams and Development Project, 'Dialogue Activities', online: UNEP <[http://www.unep.org/dams/Promoting\\_Dialogue/National\\_Dialogue/](http://www.unep.org/dams/Promoting_Dialogue/National_Dialogue/)>.

<sup>160</sup> *Ibid.*

<sup>161</sup> Wiener 2008, *supra* note 7.

environmental impacts of its development activities. This upheld the normative structure of sustainable development as constructed by states. It was subsequently challenged by environmentalists and member states, who engaged in a process of greening the institution to create shared understandings of the appropriate behaviour for multilateral development lenders. Both processes, of formal validity and of social recognition, are therefore examples of norm implementation.

However, norms may also remain contested where actors are culturally divergent within a specific group or community. This is particularly significant in the realm of international dams development, where industry, states, the World Bank, environmentalists, and project-affected people continue to contest the meaning of sustainable development in use. The creation of the WCD aimed to overcome such normative contestation. While the WCD provided concrete principles and guidelines that could reconstitute the normative structure of sustainable development, these were not automatically accepted by states, industry or the World Bank. However, the process for overcoming stalemate has created new means of interactions for disparate actors to culturally validate sustainable development's meaning-in-use at the national level.