Contents

Industry 126 Conclusions 132

A	cronyms and initials x
	efinitions and data notes xi
O.	Focusing on the right problems 4 Development, the environment, and the long-term prospect 7 Policies for development and the environment 10 Removing impediments to action 14 Putting policies to work 15 The costs of a better environment 23
1	Development and the environment: a false dichotomy 25
	The context: population, poverty, and economic growth 25 Sustaining development 33 The nature of the challenge 41
2	Environmental priorities for development 44
	Water 45 Air pollution 50 Solid and hazardous wastes 53 Land and habitat 55 Atmospheric changes 61 Conclusion 63
3	Markets, governments, and the environment 64
	Environmental damage: diverse problems, common causes 64 Adopting good development policies 65 Using targeted environmental policies 70
4	Making better decisions: information, institutions, and participation 83
	The political economy of environmental degradation 83 Improving knowledge and understanding 85 Changing institutions: making the public sector more responsive 81 Involving local people 93
5	Sanitation and clean water 98
	Water supply and sanitation as environmental priorities 98 Managing water resources better 100 Providing services that people want and are willing to pay for 103 Increasing investments in sanitation 106 Rethinking institutional arrangements 108 What might be accomplished 113
6	Energy and industry 114
	Energy 115

7	Rural environmental policy 134		
	Resource management by indiv	iduals and enterprises	137
	Resource management by comm	nunities 142	
	Resource management by governousions 151	rnments 144	
8	International environmental concerns	153	
	Some lessons from experience	154	
	Responding to the threat of greenhouse warming 158		

Biological diversity: an approach to common concerns

166

9 The costs of a better environment 170

Finance and the local environment 170
Financing environmental expenditures 175
Development in the twenty-first century 178

Bibliographical note 179

Environmental data appendix 192

World Development Indicators 207