Gonga mountain is the highest peak of the area of China proper, situated in Great Snow Mountain Ranges of Hungduan region in Western Sichuan High land. It reaches an altitude of 7,556m. The view in front of the Gonga is alpine meadow of Litang plateau, eastern margin of Great Tibetan Plateau
Photo © Zhang Yongzu, Institute of Geography, Chinese Academy of Science

Economic Policy and Planning

Chaired by:
Fu Lai Sheng,
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Introduction

Planning of sustainable development has gone through many changes over time. In the seventies new projects needed only to be sound technically and feasible economically. Projects were mainly judged on their economic merits. Later social aspects and the environment were taken into account as well. At present, a project has to go through screening, showing that the project is:

- technically sound,
- economically feasible,
- socially desirable, and
- environmentally justified.

In the countries of the former Soviet Union, the above criteria were not followed much. It was mainly the planned quota that governed all activities. Economic and environmental aspects were neglected, and there was no integration of ecological goals into economic development. The cost of undertaking activities was not important and, because of these practices, these countries are facing serious environmental problems.

At present, this is changing because donor representatives and NGOs require adherence to technical, economic, social, and environmental considerations while planning projects.

There are many different ideas about 'sustainable development'. Some see the main objective of sustainable development as a growing and stable welfare of the population, others see it as "minimising the environmental harm which may arise from development activities, rehabilitating contaminated lands to beneficial use, alleviating poverty through implementing sustainable industrial and agricultural developments and thereby improving the standards of living of developing communities.

It is also considered as 'building up of self-sustainability in order to ensure national independence'.

In all cases it is clear that a programme of sustainable development cannot be a short-term one, but should be developed for the long-term. Such a programme should give proper consideration to the specific factors of the Central Asian region, including:

- high annual and diurnal temperature fluctuations,
- low rainfall density,
- high evaporation rates,
- rapid growth in population and unemployment, and
- changes in markets and the economic system in general (including land reforms).

Considering the divergent ideas and interests concerning proper use of the natural resources amongst the different ethnic groups in the region, sustainable use of resources becomes an even more complicated issue.

The situation is not an easy one on account of the following factors.

- Improper waste management resulting in pollution
- Absence of treatment facilities for drinking water
- Obsolete, inefficient, and polluting industries
- Intensive use of chemicals in agriculture with an adverse impact on health and productivity and causing irreversible loss of wildlife
- Salinity, deforestation, climatic changes, soil erosion, wetland destruction, and loss of livelihood as a result of unsustainable use of water and land resources in the basin of the Aral Sea
- Radiation risks caused by nuclear testing in the Semipalatinsk Nuclear Polygon decades ago
- A poor health situation, especially for children, caused by a variety of reasons: insufficient and incorrect nutrition, poverty of families, and the increasing prices of and a dilapidated health system

An additional problem mentioned for the coastal areas of the Caspian Sea is the threat of inundation due to the rising water levels.

Notwithstanding, there are also some positive factors that could play an important role in the efforts for sustainable development and these are:

- a vast reservoir of well-educated people;
- sufficient supply of professionals, in particular doctors, who are ready to improve their skills;
- a majority of people own land and domestic animals, and this could help to solve food problems; and
- a population that is very keen on developing the non-governmental sector.

All authorities involved in planning projects in the region must be made aware that this can only meet with success through a genuine interdisciplinary approach, in which none of the aspects of importance to the region is overlooked. This can be assured by consulting with the communities who will benefit from the projects and by involving them in the actual planning. It should also be said that economic planning should not be carried out only by economists: qualitative considerations, such as social and environmental values that do not always appear in economic analysis, should be included in the planning process.

Transition to A Market Economy, Poverty, and Sustainable Development in Central Asia

Prof. Richard Pomfret
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At the time of the dissolution of the USSR, the Central Asian republics were, together with Azerbaijan, the poorest Soviet republics and the ones with the largest percentage of the population living in poverty. Since becoming independent, Kazakhstan, the Kyrghyz Republic, Tadzhikstan, Turkemenistan, and Uzbekistan have followed divergent national development strategies, with the first two moving relatively quickly to reform their economies and the last two adopting explicitly gradual transitional strategies. All five countries suffered declines in output and national expenditure, but there is dispute over the magnitudes.

The Kyrghyz Republic has been the most ambitious of the Central Asian Republics (CARs) in the speed and extent of its transition to a market-oriented economy. This strategy has been associated with a serious decline in living standards and widening of income inequalities. Those most at risk are the rural poor in the south of the country. Uzbekistan, where people are the least educated among the states, has adopted a more gradual transition strategy than the Kyrghyz Republic or Kazakhstan and appears to have experienced lesser decline in living standards then these two. The experiences of Turkmenistan and Tadzhikstan are more difficult to interpret in a comparative setting because, for most of the post-independence era, the former has attempted to maintain the economic *status quo,* whereas the latter has been disrupted by armed conflicts: neither of these two had embarked on a sustainable development strategy before 1996 and subsequent changes are too recent to assess.

Supporters of rapid transition point to the benefits of creating the right environment for a market-based economy as quickly and fully as possible, in order to set the scene for future growth. On the other hand, the decline in living standards in the Kyrghyz Republic may be undermining future growth prospects by inducing responses that reduce capital stock; the necessity to sell or slaughter livestock or to cut down fruit trees to cover the current consumption needs of poor families have already been mentioned. There is also evidence that the distribution of human capital is becoming less egalitarian, with changes in the delivery of education and health care. Particularly worrying for long-term growth is the drop in kindergarten enrollments; in the Kyrghyz Republic about a third of the relevant age group, attended kindergartens in 1991, but by 1994 enrollment rates had fallen below 10 per cent of children in the target age group as state enterprises and collective farms came under pressure to impose charges or reduce quality or divest themselves of kindergartens. Such inequality of assets reinforces the likelihood that underprivileged children will grow up to be poor, and this reduces the prospects for long-term growth.

Kazakhstan is less vulnerable to the vicious cycle of poverty because of its higher initial living standards. It may, however, be a less satisfactory test of the benefits of rapid reform, because the government is widely believed to have failed to provide the framework for good governance required for a successful market economy. Moreover, widening inequality and severe reductions in public spending on education and health undermine future growth prospects, even if they do not lead to the immediate asset liquidation observed in the Kyrghyz Republic.

Uzbekistan has pursued a more gradual transition strategy, which can be directly linked to the lesser fall in GDP than and

perhaps with less severe inequality than in the Kyrghyz Republic. In part, the relative success in protecting those most threatened by transition could be due to policy innovations such as decentralization of social assistance through the *mahallah* system or to private transfers, but we do not know of any firmly-based quantitative assessments of these relationships. What is more readily documentable is that Uzbekistan has been the most successful CAR in terms of protecting the level of government spending and minimising cuts in health and education, and this could augur well for the future. In Uzbekistan, however, the government still keeps a heavy hand on the allocative mechanism, and this discourages entrepreneurship and, especially, the creation of new private enterprises. Whether the net implication of Uzbekistan's initial strategy for sustainable long-term development is positive or negative is as yet unclear.

Any overall assessment of the relationship between policies and performance in Central Asia is thus conditional. The Kyrghyz Republic has pushed further with the reforms advocated by many outside advisers than the others, but its performance in the first half decade after independence was disappointing. More seriously, increased poverty associated with rapid transition may undermine the sustainability of Kyrghyz development. Turkmenistan, with its strategy of minimising economic change under a highly personalised government, has performed poorly; inflation is still not controlled and there is no immediate prospect of economic growth. By 1995/96 the economic stagnation was placing severe pressure on the sustainability of the no-change strategy. Less predictable is the sustainability of the current strategies in the two largest CARs; and these two occupy an intermediate position between the Kyrghyz Republic and Turkmenistan in terms of speed of reform. Therefore, whether future growth prospects are rosiest in the unrestrained crony-capitalism of Kazakhstan or the more regulated paternalism of Uzbekistan is the key issue for the next decade.

Mechanism for Coordinated Development of the Environment and Economy in the Less Developed Regions of China

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The development gaps between the eastern, middle, and western parts of China have existed for a long time and have increased particularly while the national economy has been growing rapidly since the policy of 'Reform and Open' was introduced in China.

The results of classification analysis based on fifteen indicators illustrate that the development levels in three cities; Shanghai, Beijing and Tiajing; and in six provinces; Liaoning, Jiangsu, Zhejiang, Fujian, Shanong and Guangdong; located in eastern China, are higher than the average of the whole country. The per capita GDP was about 120-395 per cent of the national level in 1996. The development level in the 12 provinces located in the middle of China are close to the national level. Their per capita GDP was in the range of 66-115 per cent of the national level. Nine provinces located in the west of China have typical features of less developed regions. Their per capita GDP was only about 37-92 per cent of the national level.

The volume of pollutants generated from industries coincides closely with the growth in GDP, and this might be called 'pollution by economic forces'. The pollutant load is relatively lower in the less-developed regions, particularly in the western provinces where the discharges of waste water and gas from industries are only one third of those in developed provinces and the pollutant loads per

unit of land are only about five per cent of those in eastern provinces.

The most obvious distinction between the developed and less developed regions is seen in the differences in ecological conditions. The less developed regions, particularly the western provinces, are located in an area with ecological conditions that are fragile, and they are facing a lot of problems in terms of ecological damage and degradation. For instance, decline in vegetation, loss of ecological integrity, loss of soil and water, desertification, soil salinisation and acidification, shortage and deterioration of water resources, grassland deterioration, decrease in biodiversity, and so on. Owing to the poor economy, the impacts of ecological damage and pollution are also greater than in other areas.

Although the west has the advantage of being the late comer, it cannot expect technology and management to make much contribution to economic growth because of the existing economic conditions and the fact that it is in the preliminary stages of industrialisation.

Western provinces have to promote transformation of their economies by carrying out integration of environmental and economic decisions. The west has great potential for development of mineral and energy resources. However, the pollution caused by these industries needs to be carefully managed in the fragile environment of the west. The main obstacle is shortage of finances to support environmental protection. Most of the poor counties identified by the national government are located in the less developed regions and, according to the policy for 'polluter control', they have to bear the costs of reducing pollution. There is the possibility of some industries in the developed regions moving to the less developed regions, with increasing environmental standards in the developed areas.

The less developed regions should focus on five aspects, i.e., speeding up economic growth, improving the patterns of economic growth, promoting integrated decision-making for environmental and economic interventions, raising environmental investments, strengthening support by the national government to less developed regions, and building new mechanisms for coordinated development of the environment and the economy.

KAZAKHSTAN'S PROGRAMME FOR SUSTAINABLE DEVELOPMENT: ISSUES OF SUPPORT FOR SCIENCE AND INFORMATION

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Sustainable development calls for an integrated and balanced approach to attaining the aims of economic growth, social equality, and environmental protection to provide maximum benefits for the present generation and greater opportunities for future generations. These principles should be of atmost importance in scientific programmes for development strategies.

Certain advances were made by Kazakhstan from 1992-1997 in applying and implementing the above principles. Kazakhstan was the first country in the history of the world to abolish nuclear weapons and become the initiator of an integrated process to rehabilitate the Aral Sea. However, it is essential to achieve consensus about the nature of the main problems to sustainable development, about identifying new pathways and approaches, and about attracting widespread attention to their solutions.

Disintegration of the Soviet Union (FSU) resulted in the formation of a number of new independent states. Kazakhstan, as one of these states, has the benefits of a

strategic geographic location and significant economic potential. The climatic conditions of the Republic are semi-arid in the mountain regions and arid in the plains. The land resources are dominated by deserts.

Past policies towards the natural environment were wrongly perceived in considering land and environment as infinite resources. The short-sighted policy of the Soviet administration resulted in the designation of many regions as military testing grounds. Furthermore, exploitative irrigation policies to support cotton production led to the contraction of the Aral Sea. Excessive ploughing also caused soil erosion and degradation of vast areas of Kazakhstan. Consequently, many regions now face an ecological catastrophe.

The Aral region is in a critical situation, as a result of the sharp decrease of water inflow from the Syrdarya and Amudarya rivers. Unwise water usage led to the catastrophic drying of the Aral Sea and, as a consequence, to the degradation of soil, vegetation, and fauna and progressive aridity and desertification in adjacent territories.

Following the decision to expand cotton production the irrigation and agricultural sectors grew to account for 60 per cent of the GNP.

In the Caspian region, the main form of pollution is associated with the exploitation of oil and gas deposits, of which there are more than 100. At present, as a result of mining, processing, and transportation of uranium ore, there is an unfavourable radioactive situation in the Mangistau area. In the region, there were 140 anomalous places and 120 of them had oil deposits. The uranium mining enterprises of this region also contain most of the radioactive waste.

Past economic growth in Kazakhstan was tied to the industrial production system of the FSU, through which it provided agricultural products and minerals. The situation has become even more difficult because of the fact that current income from the sale of mining and agricultural products does not cover real costs in those sectors. Vast areas of agricultural land, in spite of its poor state, permit Kazakhstan to harvest on average between 10-20 million tonnes of grain every year. Following the transformation of the agricultural sector, using modern technology, Kazakhstan will become a net food exporter.

The transition period is provoking new and complex issues, and the present Kazakh Government is trying to deal with these through the development of an independent economic policy.As the first step, it involved pulling out of the zone and introducing its own ruble currency. Second, the Government has given priority to developing a programme for the oil and gas sectors – including a project that involves laying an oil pipeline from the Tengiz oil field to the Black Sea. Third, treaties have been signed with western companies such as the American oil giant Chevron, British Gas, and others for the development of oil and gas deposits. However, at present, difficulties still remain with the transport of oil and gas through the territories of neighbouring countries.

The new formula for human development is as follows: a good environment is a sound economy and a sound economy means an opportunity to secure a good environment. People become the focus of sustainable development in society.

Thus, the transition to sustainable development advances the task of designing and implementing statistical indicators of sustainable development that would reflect economic and social and defence security, environmental well-being, employment levels, natural resource consumption, capacity of the economy, ecological damage per unit of final prod-

uct, per capita specific energy and resource demand per unit of GDP, and demand/resource ratio, and so on.

Apart from construction of mathematical and statistical models for monitoring, the use of geographic information systems (GIS) is also increasing. The potential application of modern GIS technologies to environmental and territorial management problems is substantial.

Balancing the State and the Market for Sustainable Development: A Policy Economist's Perspective on the Changing Role of Government in the Former Soviet Republics of Central Asia

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Since gaining their independence the former Soviet states in Central Asia have taken on the responsibility for their national development. Aided by western institutions, they have entered into a transition from the Command Soviet Economy towards market economies. Ever since Adam Smith, economists have seen the provision of the framework within which businesses operate as one of the functions of government. In the context of the transition taking place in the former Soviet Union, it is important that the role of government in promoting the market economy acknowledges that markets are not simply locations of economic activity. They are also important as locations of social interaction. In order for marketeers to evolve and function effectively, the government needs to address the social dimension of market operations alongside the legal and institutional dimensions. If these are addressed, then market oriented economies have a good potential for achieving sustainable development.

Structural adjustment and market liberalisation are necessary but not sufficient conditions for sustainable development. Sustainability depends upon a socioeconomic system's ability to adapt and take advantage of evolving circumstances. Since no one has the monopoly on correctly interpreting the future, effective adaptation is more likely if decision-making is devolved to the lowest possible level, rather than being concentrated in a central planning authority. It is certain that decisions will be made that prove to be unwise. Nevertheless, in a devolved management system, the decision-maker is in the best position to identify errors and to take prompt remedial action. Insofar as the wisdom (or otherwise) of a decision is demonstrated through market operations, then the more efficiently markets work, and the clearer the market signals are, the better. Where there is a direct and obvious link between decision-making responsibility and income received, then the decision-maker also has every incentive to be responsive to market signals.

In the former Soviet Republics of Central Asia, governments need to address two particular legacies of the former regime. The first is a tendency for enterprise managers to look to an authority for directives rather than to take responsibility themselves. The second is the view that the use of one's position for short-term personal advantage is normal and expected.

As far as agriculture is concerned, the first legacy can be partially addressed by changing policies from prescriptive and commodity orientation towards a broader goal orientation. Thus, for example, policies for food self-sufficiency, export promotion, and import substitution are more appropriate than having specific commodity production. Within these broad frameworks farmers and other enterprise managers should be free to decide which crops to grow. However, broader policy objectives and managerial freedom need to be complemented by skill development so that farm man-

agers can identify the enterprises that are likely to be most profitable on their farms. This will require a re-orientation of management and technical training so that managers are equipped to compare alternatives rather than simply knowing how to undertake a task in the prescribed manner.

In order to overcome the second legacy there has to be a general acceptance that, as a result of the economic reforms, the 'rules of the game' have changed, but there are still rules and it is not a free-for-all. This acceptance has to start at the top; societies tend to follow the lead of opinion makers (especially politicians). Laws to regulate market behaviour must be made to limit the exploitation of the weak. However, legislation should be framed in such a way as to promote competition and avoid abuse of market power. It will not be enough to put laws on statute books. Laws have to be enforced, objectively and equally for all members of society if they are to provide a framework for business transactions. As long as input traders and bankers fear farmers can 'strategically' default with impunity and farmers fear that they will not be paid fairly and on time for their produce, then market relations will remain rudimentary.

Environmental Policy of Mongolia

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The traditional Mongolian lifestyle that had developed in harrmony with nature over many centuries was greatly disturbed and changed over more than 200 years of rule by the ancient Mani Chin state and because of European socialist ideas, technical revolution, and a centrally planned economic system over the last 60 years.

Improper use of natural resources as a result of mismanaged urbanisation and industrialisation processes in Mongolia at present is a matter of serious concern. Half of the total cropland and 1/3 of the total pastures are degraded. There have been reductions in soil fertility by as much as 20 per cent, forest resources by a l/3 and animal resources by a 1/5. About five million hectares of land in the Gobi have been affected by sand shift; more than 300 lakes, rivers, streams and springs have been affected; and more than 100 animal and plant species are threatened by extinction.

Transition to democracy and a market economy, which started at the beginning of the 1990s, has given us a great opportunity to re-assess the historic path and to chart out an environmentally sound and sustainable development approach.

The new Constitution of Mongolia adopted in 1992 guarantees the right of citizens to live in a healthy and safe environment. Adoption of environmental laws, covering lands, protected areas, underground resources, mineral resources, environmental protection, water, forests, hunting, plants, and air, has been an important step in creating a legal framework for environrnental protection.

These laws were formulated on the basis of a detailed assessment of the quantity and quality of natural resources and the life-sustaining capacity of nature. They reflect many important issues — including fees for natural resource use and proper and efficient use of natural resources. These provide the foundation for further development of bilateral and multilateral cooperation in the field of environmental protection; and in addition a number of environmental projects are being implemented.

The Government of Mongolia has not only made an attempt to accelerate development, but also to protect and maintain the pristine environment of Mongo-

lia. Environmental issues for international cooperation have been identified.

- Foreign trade should meet the requirements for protecting people from toxic chemicals, conserving gene pools of animals and plants, ensuring ecological safety, and sustaining ecological carrying capacity.
- Scientific and technical cooperation should be established in the field of introducing and transferring environmentally-sound technology, re-introducing rare animals, planting trees, expanding the network of special protected areas, combatting and preventing natural disasters and hazards, forecasting weather, ecologically-clean production, and promoting environmental management and information systems.
- Promotion of international cooperation to carry out joint studies on Mongolia's specific nomadic traditions and customs — which are in full harmony with nature, raising public awareness of these among other nations, and developing environmentally sound economic activities and lifestyles.

Mongolia will support the proposal to include its territory in the world biosphere reserve and will cooperate with nations who support the proposal.

Primary Integration of Socioeconomic and Ecological Objectives in Critical Land Use Decisions

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Land is the most substantial asset with regard to the functioning of ecosystems on which various types of human activities depend. The implementation of every development plan will bring specific changes in land use and will consequently result in a certain new form of land use. It is important to provide concepts for a better land-use policy in terms of practical applications of of sustainable development concepts. This can only take place if land-use planning takes into account sufficiently and operationally the degradation of environmental quality and vice versa.

In most situations, land-use decisions are still very much characterised by a traditional, secondary integration approach that firstly considers the needs of socio-economic development and, only secondly, and mostly insufficiently, taking into account requirements of environmental and resource protection. Social, economic, and environmental objectives in a given administrative territory are consolidated and implemented by quasi independent sectoral plans. This problem is particularly serious in the regions, that are growing rapidly in economic terms, of which South-East China is a typical example, and in areas that are ecologically sensitive; and the arid and semi-arid zones of Central Asia are typical examples of the latter.

It would be totally unrealistic to conceive a radical change of policies in the sense of giving some sort of absolute priority to the objectives of environmental and resource protection; and of pursuing economic and social objectives only within the constraints of long-term ecological objectives. Therefore, a compromise is necessary. The present growth-oriented approach must be replaced by a more balanced approach that also takes ecological concerns into account. The relative importance attributed to the two basic components might then be continuously adapted towards a greater role for ecological concerns when and where affordable.

The objective of this paper is to briefly present a methodological framework for a primary integration approach relating to land-use planning. The final output of this approach is a matrix that provides a set of planning oriented categories of land-use potentials.

The principal idea is to provide a planning-oriented classification of land, at a sufficiently low level of spatial aggregation, by integrating all the relevant key aspects into a consistent framework of hierarchical matrices. The classification, if carried out with the aim of considering concomitantly and in a balanced way all the main social, economic, and ecological requirements and constraints in the early stages of land-use planning, could be used as an input into the subsequent decision-making process (in particular zoning decisions).

Generally speaking, the overall process of conceiving and implementing a method for truly integrating socioeconomic and ecological considerations with regard to classifying land-use potentials is comprised of three main tasks as follow.

Firstly, to produce criteria and thresholds that are logical and pragmatic to a sufficient degree (i.e., applicable) as inputs into decisions on land use

Secondly, the institutional organization of the collection and classification of information (i.e., the implementation of the logical system of criteria and thresholds)

Thirdly the institutional organization of subsequent political decisions which establish practically applicable categories of land-use as an input into the planning (zoning) decisions of interested parties such as local governments.

Particular attention with regard to methods of overcoming apparent weaknesses in existing land-use decision mechanisms – and particularly in China – should be given to the following.

- The improvement of the legal conditions within which mechanisms function
- Establishment of formalised procedures of decision-making about the use of land resources
- The improvement of coordination mechanisms and of the supervision of government decisions
- The necessity of enforcing the competence assigned to each level of government
- Augmentation of the role of financial instruments with respect to the implementation of national development strategies

Training personnel with the purpose of improving the professional capabilities of politicians/officials is considered a very essential aspect with respect to the success of the implementation of national legislation on land-use planning.

Development in China, which fundamentally depends on social and political stability and on overcoming the problems related to the large and ever growing population, will only come close to achieving the objective of sustainability, if the country's limited natural resources are safeguarded for future generations. To ensure this the present degradation of the environment should be reduced and stopped. Such a strategy requires further improvements in legislation and in the implementation of legislation of government decisions on development at all levels. The economic reforms that began in 1979 provide the government and population with opportunities to undertake and experience reforms in every aspect of development.

The Risk Precaution Approach to Sustainable Development

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Following the industrial era, we are now in the stage of a risk society. The emergence of a risk society signifies the empowerment of the people in environmental protection and the legitimisation of individual contributions to risk evalua-

tion. Pollution, as a kind of risk, is posing harm and potential harm to human and environmental well-being. There has been a growing public involvement in environmental policy setting in order to remedy the situation. It is not possible to definitely predict or control our present environment through the scientific and technological-fix approach. Policy-making has gone beyond the criteria of scientific certainty. There has been a growing advocacy worldwide for a precautionary or preventative approach to managing the environment. Greater attention is being paid to how the public think. There has been a growing consideration about scientific uncertainty and local norms and values with reference to the fundamental needs of the people in environmental policy setting.

A Risk-Precaution Model is presented to throw light on the current and future management of our environment. This model, following the human conceptual framework, stresses the importance of paying attention to our fundamental needs and associated risks and of employing a preventative approach to proper environmental management. There is an emphasis on a participatory and cooperative approach in sorting out the route to sustainable development. The application of this model, as related to local conditions in Central Asia, is also discussed.

Economic and Cultural Development

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In Hong Kong, the Silk Route Travel Agency has been established to promote cultural tourism and to rediscover the 5,000 years of history and the cultures of the Chinese Silk Road in order to enlighten and educate visitors with the support of local governments.

The Facilities

The author has invested in hotels along the Rilk Route, three have already come up and more are to come. They are located in Guangdong, Gansu, and Xinjiang. They are called Cultural Hotels, and they embody the historic architecture of different times and highlight the lifestyles of byegone era; all this is presented with modern day comforts, offering traditional food and entertainment.

Souvenirs

Memorabilia of new products and themes are being developed for sale through a Special Theme store called 'Bazaar', as a way of preserving the culture and history.

The opening up of the markets in North Western China provides investment opportunities. It is a self-educating and fascinating opportunity not only for the Chinese themselves but also for western tourists. Thus, we are educating people through cultural tourism in history, culture – where east meets west — and where trade and cultural exchanges are spontaneous.

Cultural Products

It is imperative that the Silk Road is extended in time to Central Asia and Europe. The opportunities are manifold: cultural hotels, tourism, and shops. This is where economic and cultural developments take place side by side. The aim is to learn from the past that war and conflict will bring misery and tragedy whilst peaceful coexistence with tolerance and acceptance can bring harmony and prosperity. This is a business with a mission.

The first 'Bazaar' shops with mementos have recently opened in Guangdong. It is envisaged that they will be franchised in other parts of China and the world by the turn of the century.

Environmental Protection

The response to the cultural hotels and souvenirs is great. It is a often a challenge to protect some of the locations – combining cultural preservation with ecological protection. The author calls upon all to join and share in this endeavour. Currently, insufficient air connections deter some people from travelling to this area.

New tourist sites that have opened up in North West China have highlighted wildlife watching. Though hunting practices in the past several decades have endangered many life forms, it is necessary to manage this well. Efforts are being made to educate the local ethnic people in the idea of ecological tours rather than hunting tours and the author sees the close linkage between ecological tourism and cultural tourism.

Missions to Share

As to the development of Central Asia, the same theme could be adopted. The long history and diversity of the ethnic groups in Central Asia offer many tourist attractions, the diverse lifestyles and ethnic arts and crafts would add colour for all to appreciate. The author would be happy to cooperate with government or private parties interested in furthering the concept in this region with those who share these common missions and vision.

Conclusions

The presentations and the discussions that followed raised the points highlighted below.

Neglect of Economic and Environmental Considerations in Planning

In all the countries that had a centrally-planned economy, there were major economic and environmental problems. Economic problems were related to loss of incomes and employment opportunities; and these included removal of subsidies and the closure of many basic services. These changes had a greater impact on poorer groups and increased inequality. Environmental problems were also widespread because of the misuse of natural resources and lopsided industrial development without adequate environmental safeguards. More recently, all the countries had made a concerted effort to improve their economic performance and environmental management but faced many difficult challenges; and among these lack of adequate resources figured very prominently.

Alternative Approaches to Reform

While all the countries were committed to pursuing a path of sustainable development, the route chosen was not always the same and each approach had its merits and drawbacks. Those choosing the 'quick reform' path had experienced a decline in living standards, growing inequality, cutbacks in public expenditure, and a situation in which the poor were suffering more than other groups. Those following a more gradual transition continued to experience the heavy hand of the government, discouragement of the private sector, and lack of entrepreneurship development. Policy-makers needed to learn from each others' experiences in order to avoid imposing severe hardship on the people as well as loss of private entrepreneurship and investments.

Harnessing Human Resources

The education and skills of the inhabitants in the countries of the former Soviet Union were important assets for the region and need to be mobilised for the sustainable development of the area. At the moment skills are not being used because of lack of resources. There are many skills that could be used profitably

to improve the natural resources and environment conditions.

Promoting Market Liberalisation and Development

The removal of state control did not always guarantee the development of sound markets. In order to do so, appropriate legal and institutional measures were needed. In addition, the laws needed to be enforced and made applicable to all concerned. There was still the tendency to look for directives and to use one's position for short-term personal gains. Markets represent a phase in social development with acceptance of new values and rules of the game. An important aspect of this liberalisation and development was to promote decentralized decision-making so that errors are quickly identified and remedial action taken.

Integration of Culture and Economy

This region had a very rich culture, and ways to integrate with economic development needed to be identified. Various aspects of cultural promotion could be profitably integrated with tourism development, while other aspects needed to be systematically documented, assimilated, and protected for posterity.

Planning, Integration, Monitoring and Training

Rapid changes were being seen in many areas, but there was little understanding of the factors behind and the impacts of these changes. There was also a need for better integration of the different components of society and the environment. All of these required new information, new analysis, new indicators, and more comprehensive methods of integration such as the use of GIS. This required training and knowhow.

Adequate International Support

The entire region is in a state of transition. At present, these countries require substantial external cooperation in managing both their economies and their environment.