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Finland Tops Environmental Scorecard at World Economic Forum in Davos

New Haven, Conn.— Finland ranks first in the world in environmental sustainability out of 146 countries according to the latest Environmental Sustainability Index (ESI) produced by a team of environmental experts at Yale and Columbia Universities.

The 2005 ESI, to be released at the World Economic Forum January 27 in Davos, Switzerland, ranks Norway, Uruguay, Sweden and Iceland two to five respectively. Their high ESI scores are attributed to substantial natural resource endowments, low population density, and successful management of environment and development issues.

The ESI ranks countries on 21 elements of environmental sustainability covering natural resource endowments, past and present pollution levels, environmental management efforts, contributions to protection of the global commons, and a society's capacity to improve its environmental performance over time.

The United States places 45th in the rankings. This high-middle ranking, just behind the Netherlands (44) and ahead of the United Kingdom (66), reflects top-tier performance on issues such as water quality and environmental protection capacity. Bottom-rung results on other issues, such as waste generation and greenhouse gas emissions, bring down the overall U.S. standing.

"The ESI provides a valuable policy tool, allowing benchmarking of environmental performance country-by-country and issue-by-issue," said Daniel C. Esty, professor at Yale University and the creator of the ESI. "By highlighting the leaders and laggards, which governments are wary of doing, the ESI creates pressure for improved results."

The lowest ranked countries are North Korea, Iraq, Taiwan, Turkmenistan and Uzbekistan. Esty said these countries face many challenges, both natural and manmade, and have poorly managed their policy choices.

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The 2005 ESI generates a number of policy conclusions. Income emerges as a critical driver of environmental results. At every level of economic development, however, there are countries managing their environmental challenges well and others less so. For instance, Belgium is as wealthy as Sweden, but it lags badly with regard to pollution control and natural resource management. In this regard, the variables that gauge a country's commitment to good governance – including robust political debate, a free press, lack of corruption, rule of law are highly correlated with overall environmental success.

The ESI demonstrates that environmental protection need not come at the cost of competitiveness. Finland is the equal of the United States in competitiveness but scores much higher on environmental sustainability and outperforms the U.S. across a spectrum of issues, from air pollution to contributions to global-scale environmental efforts.

Analysis of the ESI data also makes it clear that developed countries face environmental challenges, particularly pollution stresses and consumption-related issues, distinct from those facing developing countries, where resource depletion and a lack of capacity for pollution control are dominant concerns.

"Fundamentally, we see the ESI helping to make environmental decision-making more empirical and analytically rigorous. Such a shift toward data-driven policy-making represents a potential revolution in the environmental realm," said Esty, who directs the Yale Center for Environmental Law and Policy.

"While the ESI makes comparative policy analysis possible, it is shocking how many critical environmental issues are still not measured in any usable way," noted Marc Levy, associate director of the Center for International Earth Science Information Network in the Earth Institute at Columbia University and one of the lead contributors to the ESI. "The international community must make a renewed commitment to developing metrics to track policy progress, particularly in the context of the environmental elements of the Millennium Development Goals – the worldwide effort to lift developing countries above the burdens of poverty by 2015."

The 2005 ESI rankings reflect refinements in methodology and advanced statistical techniques used to identify clusters of countries with similar environmental circumstances.

"Identifying a relevant peer group against whom to benchmark results turns out to be a critical element of good environmental policymaking," said Tanja Srebotnjak, Director of the Yale Center for Environmental Law and Policy's Environmental Performance Measurement Project and the ESI chief statistician.

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"No country is on a sustainable trajectory—and the ESI demonstrates this," said Gus Speth, dean of the Yale School of Forestry and Environmental Studies. "We've all got something to learn from those at the leading edge. And the ESI offers a mechanism for identifying best practices across the spectrum of environmental issues."

According to Jeffrey D. Sachs, director, The Earth Institute at Columbia University, the ESI is a pioneering attempt to bring systemic cross-country information to bear on the critical challenge of sustainable development. "This is not an easy task, since as the authors indicate, sustainability is multi-dimensional and not easily summarized in a single figure," said Sachs. "The ESI enriches our understanding by honing in on a range of important issues, including human vulnerability to environmental stress, the functioning of ecosystems, and global stewardship. The report amasses, analyzes and presents an impressive range of fascinating data in the process. This enormous effort will promote a deeper international understanding of, and attention to, the key challenges of environmental management."

The full 2005 Environmental Sustainability Index as well as a summary for policymakers is available at: www.yale.edu/esi.

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