

SHAPING A GLOBAL RESOURCE STRATEGY

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ARE GROWTH-ORIENTED ECONOMIES STILL IN KEEPING WITH THE NEEDS OF THE TIMES? HOW CAN WE REDRESS EXPLOITATION OF RESOURCES AND ACHIEVE ECOLOGICAL AND SOCIAL JUSTICE – OR AT LEAST ATTEMPT TO DO SO?

The world is facing huge challenges as more and more people struggle to share rapidly dwindling resources. Yet even tapping into raw materials like oil and gold, cotton and cacao involves the exploitation of people – equitable distribution is not a term that figures on any of the agendas of the players concerned. What’s more, exploitation of resources is leading to such ecological instability that people now begin to wonder whether growth-oriented economies are really in keeping with the needs of the times.

Ever higher demand in combination with a dwindling supply base means that new ways for sustainable production have to be found. Can such solutions be more easily realized by democratic societies or is a kind of ecological dictatorship what we need to force through unpopular solutions?

The issue of growing demand is further exacerbated by the shift of climate zones caused by global warming which means that the pattern of available resources is also changing. This shift is marked by weather-related disasters like floods and droughts, rising sea levels and the thawing of permafrost soil. In other words, it’s a global problem that requires a global response. Five experts from China, Hong Kong, El Salvador and Germany discuss the range of possible approaches – yet none of them really pin their hopes on a global master solution.

Economic interests override compliance with human rights

All over the world slaves are forced to work and supply us with the things we buy. Raw materials and commodities like cotton, sugar, iron, gold, diamonds, coffee, timber, fish, cocoa, not to mention goods like clothing, shoes, toys and bricks all come from slave labor. These commodities and goods flow into the global product chain and arrive in our homes. It’s obvious that market forces aren’t sufficient to enforce compliance with human rights – so what can the solution be?

Juan Jose Daboub argues that we have to differentiate between companies that work for profit and are involved in supporting their communities and those that don’t stick to the law and exploit people. He thinks it’s self-evident that “unfair treatment of workers can’t be allowed, nor inefficiencies that reduce competitiveness of the companies.”

Claudia Sommer, on the other hand, sees corruption as the main problem as credits disappear into the pockets of corrupt politicians and the destruction of the environment only serves to make an already vicious cycle of debt even more debilitating. She believes that more effective controls on the granting of credits need to be put in place: “Part of the profits need to return to local communities to enable them to develop their local economies.”

Daojong Zha thinks that it’s a rule of thumb “that poor economic conditions provide a more fertile social and political breeding ground for abuse of human rights”. Zha sees the way forward for those countries which so far have solely been considered as suppliers of resources if “the outside world could contribute more effectively by encouraging the diversification of their economies and by upgrading the capacity of the general population to gain a decent living from their own efforts.” He argues that incentives must be created for all those bodies now focused on the exploitation of resources to create processing chains within these countries. Government and civil society, he says, must ensure not merely that such chains are realized but that they also function profitably.

Chandran Nair believes that it’s up to governments to set clear rules in obvious cases of unfair treatment or blatant inequality. He argues that it’s not enough to rely solely on the same market forces that have failed to correct a century-long undervaluation of resources and led to an externalization of the real costs of goods and services. He says that the consumption-led economic model embraced by western industrialized nations cannot be applied to Asian countries as their resources are too limited. And he points out that the consumption-led model was based first on slavery, then on colonialism and today is founded on exploitation of cheap migrant labor. Nair thus advocates a resource management system with an appropriate pricing system. “If we can start to price resources properly – for example, water, land, forests, fisheries and even air – then we will have a

middle class – maybe smaller, but not necessarily poorer – that is paying a true price for the goods and services they consume rather than taking advantage of under-pricing on which the current model thrives and which robs people of their future as it disenfranchises the majority in countries like India.”

Are democracies better than non-democracies for environmentally sustainable development?

The experts are far from believing that democracies can indeed ensure sustainable environmental development, even though most of them think that democratic states do offer the best organizational platform for sustainable development. Barbara Unmüßig, Claudia Sommer and Juan Jose Daboub all agree that ecologically and socially sustainable solutions can only be arrived at when a wide cast of stakeholders is involved. Unmüßig refers to the link between democracy and human rights clearly established by Article 21(3) of the Universal Declaration of Human Rights which states that “the will of the people shall be the basis of the authority of government; this will shall be expressed in periodic and genuine elections which shall be by universal and equal suffrage and shall be held by secret vote or by equivalent free voting procedures.”

At the same time she cautions against simplistic solutions as the political measures needed to deal effectively with climate change are highly complex. She says that statistics have shown that greenhouse gas emissions in democratic OECD states are on the increase both in per capita terms and in absolute figures. And she argues that this should be seen as a “major failure” of governments and markets in democratically ruled societies.

Chandran Nair follows on by arguing that unpopular measures like limiting private car ownership or reducing oil dependency simply cannot be enforced in democratic societies, “I am not advocating dictatorship. But the point is that authority is not a bad word, and that in societies there has to be some respect for the rules that allow for equal access and control overuse and regulate the way resources are used.” He proposes that “we should have a more honest conversation about notions of freedom as they are currently narrowly defined with perhaps too much of a focus on democratic and political freedoms. The most basic and important freedoms and rights are those of secure and safe access to food, water and sanitation, basic housing, education and health care.”

With regard to climate change, Barbara Unmüßig points out that the Chinese government’s ambitious top-down goals are confronted with problems of implementation mainly due to the lack of participation on the local and regional level. She puts this down to “the lack of participation and decision-making on the regional and local level” yet also acknowledges that democratic principles which prescribe administration of state authority through decentralization or self-administrative entities can also be an equal impediment to effective decision-making. “There are no indicators to suggest that the fact that the population of a democracy is ecology and green-minded automatically translates into broad support for determined policy that leads to a profound change in lifestyle” she says even though she believes this is precisely what is needed to bring about change. On top of this, she says, nobody is clear about whether a linkage exists between certain types of democracy and improved climate policy-making – even the notion of an efficient autocratic type of government that could more readily push through unpopular decisions like mass evacuations would not automatically lead to more climate-friendly policy-making.

Daojiong Zha thinks that large parts of such discussions are “theoretical and even speculative. It is difficult to verify the hypothesis that non-democratic governments willfully choose to ignore the environmental dimension of development.” In his opinion, the really critical questions are how “effectiveness and efficiency in redressing human harm to the environment” can be achieved. In this respect he believes that any change in the form of government would tend to be counterproductive: “Because of the transaction costs associated with transformation of a political system, we would be too naive to equate regime change with widening the door toward environmentally sustainable development. Historians and philosophers can afford to evaluate a policy effect over a fairly long framework of time.” At the end of the day, opting for a particular type of policy with regard to climate change is a matter of political conviction and thus has to do with a country’s political culture. The out-

side world should work toward positive change by working with willing partners and let successful environment-friendly projects have demonstration effect in those societies.

National interests override a global resource strategy!

With regard to climate change, it's clearly not enough to operate on the national level alone. Climate change is a global problem that requires global answers. But if we wait for a global agreement – some kind of universal acceptance of a legally binding commitment – we could be waiting for quite some time. So what are the alternatives?

Even though all the experts readily agree that climate change is a global problem, most of them are strongly in favor of local level politically supported solutions. Barbara Unmüßig is the only one who still pins her hopes on a globally coordinated political solution. In the light of the USA's failure to take up the climate change challenge, she sees the European Union as the key player even though thus far the EU itself has failed "to step up to the challenge of truly taking leadership". What she proposes is that the EU should enter into partnership with other countries, including notably China, to form a "progressive alliance" with the aim of finding "a political agreement to secure the legally binding nature of the Kyoto Protocol immediately while moving towards a more comprehensive legally binding package of instruments covering all countries in the next few years".

Yet Daojiong thinks that the approach adopted thus far "has placed too much faith in a concerted top-down action plan". He warns of the "formidable" hurdles lying in the way of the present system of negotiation because of "the threat of connecting performance to border adjustment' measures for product trade." Even today, he argues, it remains unclear how the revenue from a cross-border CO₂ tax should be invested in a system for the reduction of CO₂ emissions. Zha regrets that bottom-up approaches like the clean development mechanism (CDM) for Annex I countries of the Kyoto Protocol nowadays no longer play any important role because he thinks that establishing credible projects for the reduction of CO₂ emissions and for better CO₂ measurement systems is still very important. Postindustrial countries, he argues, should show transparent and plausible ways of how they intend to reduce the CO₂ footprint in less well developed lands.

Juan Jose Daboub prefers a more pragmatic approach which provides "practical, local solutions that produce results in a relatively short period of time". He argues that, especially in developing countries, special, specific and quantifiable initiatives from organizations, enterprises and public agencies could provide the right kind of signals and incentives, and ultimately lead to a global impact. Daboub believes that to do this they need the support of "investments and the right public policies to increase the production and management of food, agriculture, energy, water and coastal protection as they are a significant part of the solution that will enhance the chances of people surviving the effects of this global trend and even enable them to capitalize on some of the opportunities that arise from such challenges."

Chandran Nair is convinced that much would be gained if the biggest global emitters of CO₂ adopted efficiency measures to reduce their emissions. He says that international agreements could help encourage them, particularly since it's the major economies like the USA, China and India that would directly benefit. Yet he believes that the best start is to be made with local level activities since in the last analysis all things come down to the local level. Such activities must be capable of transforming local economies, he says yet their success must not only be measured in economic terms because they should also benefit the local community. Nair cites certain imports like meat and interventions such as "in private car ownership and mandating energy" as being exemplary in this respect. And Claudia Sommer also advocates the bottom-up approach and calls on people to "change your light bulbs to the energy efficient type, insulate your home better, switch to a green energy supplier if they're available in your country. And ask your politician to follow the Energy Revolution."

To summarize the discussion, basically, it's on questions of regulation and control that the experts disagree. While the experts from El Salvador and Germany tend to rely on company- and organization-led initiatives, the experts from Asia emphasize the importance of government support in creating incentives for such initiatives. All the experts concur in distrusting rigid top-down solutions since they all agree that account must always be taken of people's needs if truly sustainable social and ecological solutions are to be arrived at.

The lack of faith in an economic model mainly geared to the private sector and trusting in the power of markets to regulate themselves becomes particularly apparent when it comes to the issue of ensuring respect for human rights, a question that is closely bound up with issues of social justice. Because – seen from a global perspective – the western world's version of market liberalism has led to less developed societies or economies being forced to surrender or market their resources under unfair conditions. While the experts from El Salvador and Germany tend to pin their hopes on the voluntary commitment of companies or on local initiatives, the experts from Asia call for a deliberate pricing policy and the development of the domestic market as ways of establishing social justice in these countries.

Such an experience of inequality is also at the root of the reluctance shown by these countries to embrace the climate change solutions put forward by western industrialized nations. Particularly on the Chinese side, such proposals have aroused much discussion which sees the benefits of solution strategies evolved by democratic states as being heavily colored by ideological concerns and not fit-for-purpose. The West is thus facing a credibility problem that can only be solved by deeds, not words. Deeds such as carrying out projects for reducing CO₂ emissions that are not only effective but which also clearly benefit the communities concerned. In short, we have now arrived at a point where what we need is not an ideologically loaded but, as Chandran Nair says, an “honest” debate on climate change and equitable distribution of resources.