

Forum för hållbar utveckling

**Sustainable development and equity –
paradise lost**

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1. Inledning

Ett av de primära syftena med arbetet inom Forum för Hållbar Utveckling är att öka kunskaperna om Nord/Syd-frågorna. Visserligen kan man hävda att de traditionella spänningarna mellan Nord och Syd ser annorlunda ut idag än närmast efter andra världskriget. Vissa utvecklingsländer har haft en remarkabel ekonomisk utveckling vilket bland annat resulterat i kraftigt höjda inkomster och utvecklandet av en medelklass. I många frågor – inte minst sådana med en koppling till miljö- och klimatproblemen - är kontrasterna väl så stora inom olika länder som mellan länder. När vi därför talar om behovet att till exempel begränsa CO2-utsläppen är det på sätt och vis lika mycket en fråga för över- och medelklassen i länder som Kina, Indien, Brasilien etc. som för motsvarande grupper i Europa. Detta till trots existerar ett antal mycket tydliga spänningsfält inom ekonomi och handel, där Nords intressen dominerar både den internationella debatten och de institutioner på global nivå som har ansvaret för frågorna. Man kan till exempel tveklöst hävda att det i första hand är regeringarna i Nord och de stora företagen där som bestämt arkitekturen inom WTO. På samma sätt dominerar Nords regeringar arbetet inom Världsbanken och IMF.

För att granska denna problematik närmare och för att framför allt få lyssna till en röst från SYD – en röst med stor erfarenhet av och kompetens på utvecklings-, handels- och miljöfrågor – bad vi Joyeeta Gupta, professor i internationell miljöpolitik vid Institute for Environmental Studies i Amsterdam, att komma till Stockholm. Hennes anförande och efterföljande diskussion spände över vida vatten. Hon lyckades med det närmast omöjliga att på ett par timmar klarlägga och kommentera ett mycket stort antal av de problem och utmaningar vi står inför - från det allt annat än rättvisa handelssystemet över klimatfrågan till fattigdomsarbetets olika dimensioner. Det var en minnesvärd kväll.

En av de personer som deltog i seminariet den 27 november var Gudmund Larsson, en av initiativtagarna till bildandet av Forum för hållbar utveckling. Bara ett par veckor senare var Gudmund död. Det var hjärtat som inte orkade längre. Hans bortgång är en stor förlust för oss alla i Forum för hållbar utveckling.

I ett minnesord om Gudmund skriver John-Erik Thun och Kjell Johansson från Uppsala Kommunfullmäktige följande:

Förre utbildningsministern Bengt Göransson har tagit upp skillnaden mellan en ideolog och en teoretiker: ideologen har tänkt färdigt, medan teoretikern fortsätter att tänka. I den meningen var Gudmund ett vackert exempel på en teoretiker. Han hade inte tänkt färdigt. Men han hade tänkt! Han var en intellektuell i ordets bästa bemärkelse, antiauktoritär och sökande. Därför var ett samtal med Gudmund Larsson berikande och inspirerande. Han fick också oss andra att tänka. Och så blev man glad av att tala med Gudmund. Vi kommer att sakna honom mycket. (UNT den 24 december 2003)

Magnus Andersson och Anders Wijkman

Arbetsgruppen för Forum för hållbar utveckling

2. Sustainable development and equity – paradise lost.

In the process of dividing the cake of environmental resources the problem has been ‘who gets what?’ That is basically the driving force in global environmental politics.

The *concept of sustainable development* gives hope. “Meeting the needs of present generations without compromising the ability of future generations of meeting their own needs.”

The concept of *demographic transition theory* gives hope because as countries become richer populations are expected to stabilise.

The *concept of economic take-off theory* also gives hope because countries begin as subsistence economies, then they have surplus, they export the surplus, then they become rich. After industrialization they move to a service sector dominant economy. This theory gives hope – countries can develop.

Another theory that gives hope is the *inverted U curve theory*. This theory says that as countries develop they pollute their environment. After a certain point they will invest in pollution control technologies and therefore pollution will go down in relation to their income. This also gives hope.

So in effect if you look at this as a citizen of the world you think: well, developing countries will become rich, they will reduce their pollution, their populations will stabilise. That sounds good. And yet what we have seen in the last 50 years is that the top richest countries are becoming richer and the bottom poorest are not becoming richer. There is a growing gap. There are countries in the middle, take Argentina or some nations in the Asian area. They are going up and down. Maybe some of them will escape. Singapore may become a stable and rich country.

But 50 years of history shows us that there is a structural problem. This means that if countries are not able to escape out of the poverty trap their populations will not stabilise very soon. If they cannot escape out of their poverty trap this means that they will exploit their environment so much that they will not be able to use those environmental resources for their own development. So there will be an *inverted C curve*.

We really have to accelerate the rate of economic growth if we accept that the inverted U curve makes sense.

The other major problem is that *the inverted U curve does not hold for global problems*. In the last ten years we have seen that as you grow richer you do not mind cleaning up your neighbourhood but you cannot see the waste without caring about it. Toxic waste is travelling all around the world. Greenhouse gas emissions increase. This is one major problem.

The other problem is that *delinking may be followed by linking*.

A third problem is that when you have the inverted U curve the idea was that developing countries would go in the footsteps of north. And it would make sense to give them new technology so that they could jump, leap-frog, to avoid western mistakes. But *leap-frog technologies are generally very expensive. And they are quite out of the reach for most developing countries*. In some cases leap-frogging has worked very well. In the case of mobile phones it works very well. Mobile phones became very popular in the West first. In the case of solar energy prices are not going down fast enough. Also it is not being used so much in the West.

A majority of the developing countries appear to be caught in a *structural spiral of poverty*. The spiral of poverty might create major environmental problems, population growth as well as reduce their ability to negotiate effectively at the international arena. This structural spiral of poverty is further exacerbated by global governance regimes. Two examples are the global food regime and climate change.

The global food regime

In the food regime I am talking essentially about the problem of hunger. Hunger kills 20,000 people per day. There is something called the hunger cycle. If you are a pregnant mother and you have not eaten properly your children are going to be affected. They grow up into being adults with a reduced productive capacity. They are very often unable to escape out of the hunger cycle. This goes from generation to generation, from mother to child.

I am now going to talk about the tragedies in food governance. Let us take the food aid regime. One would imagine that the driving force of such a regime would be to solve the hunger problem. But in fact the driving force behind this regime in the post-world war II period was that the US government had excess grains. And if they sold it in international markets the price would go down. So what they tried to do was to keep the price of grain high by keeping certain amount of grain apart and using that grain for aid. A lot of the aid-related research says that aid is only sustainable if the giver is happy about giving the aid. So you have to keep the giver happy and not necessarily the person who accepts the aid. I am not arguing against aid, I am just trying to focus on the weaknesses.

Theories say when you increase production prices go down. The farmer should be smart enough to know that if the prices is going down he should change to something else. If you are familiar with EU agricultural policy you know it is no point telling a farmer. It does not work. It does not work in developing countries either. So it is a theory that creates a lot of problems.

Farmers in the developing countries felt that they were unable to export their food products against good price in the international market. Their debt problem was aggravated, especially in foreign exchange, because many of them has soft currencies. When their debt problem was aggravated, the World Bank and the IMF proposed structural adjustment programmes. These programmes asked these countries to reduce their subsidies on health and education, which also affected women and children. The countries were asked to shift to export-oriented products. The food production went down. The countries were asked to devalue their currencies.

These tragedies can be linked to *the tragedy of free trade which is: it is not free*. The most common example of that is that the areas in which developing countries have a surplus – textiles, food etc – are very difficult for them to sell on the international market.

And there is *the tragedy of fishery governance*. The open sea is no longer accessible for all governments. They found that their own fish were being over-exploited. The EU, the US, Japan and China started making bi-lateral agreements with other developing countries to buy their fish. It was a government-to-government transfer. As result of it the local fishermen lost their jobs and the local people were unable to eat fish. Fish is actually a very cheap protein and is the dominant protein for at least one billion people in the world. And if you see what is happening now in many of these countries – it is not so useful for them to quit people. Even though the government may have made some money. And furthermore, the only reason that the EU can allow fishing in these countries is because of the gigantic subsidies that are given to the sector.

Let me go to two other tragedies. First, *the tragedy of the Green revolution*. The Green revolution was brilliant because it helped to develop the technologies to increase production. But it also increased the need for better pesticides, better seeds. It led to reduced agro-diversity because you began to focus on

certain seeds. The plants became more sensitive to disease. Soil fertility decreased. Many of these plants would drink up much more water and the water table started to decrease causing other problems in the local area.

All this would have been no problem if the farmer could have got a good return on his product in the international market. Because then he could have paid his debt off and there would have been a surplus. But they could not. As a result, many of the farmers got into debt.

Worse still, when there was aid it brought foreign grain, even though there were farmer just a few steps further away with the grain available. So you could not sell product in the international market because of tariff barriers. You could not sell it to the local people because they did not have the money and you did not have the resources to subsidize them. Then somebody else coming from the outside dumps products in your country.

The other story is about the gene revolution and farming. In the 1960s to the 1980s seeds was seen as the global commons. Everybody had the right to own and to share the seeds. There was a movement throughout the world to collect the knowledge and to keep in the FAO and its junior bodies. Since the 1980s we are privatising the knowledge. So it has first been collected because it belongs to all of us and then we privatise it. Now that knowledge is becoming increasingly becoming concentrated in the hands of some food industries. There is a research institute in Canada which concludes that there are 147 cases of biopiracy. Seeds like rice is being patented by companies. There is a large number of cases. So what you see is that the farmers would then have to pay an American company for the right to use that seed.

My argument is that if we accept that economic divergence is likely to be structural it means that population growth will not stabilise soon. Environmental degradation will continue. *Countries will be caught in a pollution, poverty and hunger trap if we accept that there is structural divergence.* Worst still, if we accept that the inverted U curve does not hold for global problems this means that the *greenhouse gas problem may not be easily addressed in the coming future.* This means that the hydrological cycles in developing countries will change as a result of climate change. That will again effect the food problem. This brings me to the second part of my presentation which is on climate change.

Climate change

The bulk of the GHG emissions are caused by the developed countries. The developed countries, for the purpose of the climate change negotiations, are 40 countries. There are around 150 countries that fall into the category of non-developed countries. Not all of them belong to G77. There are 20 left-overs and they are by virtue of not being part of the first world part of the third world. If you look at the impacts, it is possible that the bulk of the physical impacts will take place in developing countries. Not monetarized impacts. Because when you get into the game of monetarizing life you all know what happens: “the price of one woman in India is worth two thousand the price of a woman in Sweden”. Then you start getting into the game how much is one life worth. Economists like to talk about monetarization but I will not do that.

Another example is the case of forestry. In 1996, the IPCC came up with a report which said that they had valued tropical forest at 200 USD per km² and tempered forest at 2000 USD per km². My conclusion is: cut those tropical forests!

It is a very complicated issue how science deals with impacts. But if you look at purely the physical side, most of the models show that it is the arid and semi-arid regions in the developing world that will suffer the most. They will get hotter. If it rains it will rain more in the rainy ones. If it is hotter it will get hotter in the hotter ones.

The problem is now that the emissions and the impacts are at different parts of the world.

Basically the long-term conflict is: how are we, as a global community, going to reduce emissions? Who is going to do what? And by what term?

I would like to say few words about Article 2 of the Climate Convention (UNFCCC). It says that we have stop dangerous climate change. Now, what is dangerous? If you ask a scientist, the scientist will say 'that is not a scientific question, that is a perception issue'. So naturally, for all these years the IPCC has been avoiding this question and now they are going to deal with it. But they say very clearly 'we will not deal with the value side because values are subjective and subjectivity is not science'. Ignoring completely that there is an entire body of social science that has been working on subjective issues in societies for many, many years. They were not economists but anthropologists, political scientists etc.

There are tools to deal with these issues. But because the mainstream scientists do not want to touch the issue nobody is going to deal with it. This is going to be a major problem. Because if we do not know where Rome is all roads will not lead to Rome. That is where we currently are.

At any moment of time countries would have to emit a certain amount of emissions assuming that we know where we want to go. The big question is: how does one allocate emission rights? In the 1990s this issue was discussed in the literature and in the negotiations. What happened was that a number of criteria were put forward. But by the time 1992 came all the criteria were moved away. And the reason was: dividing the cake is not easy. Since dividing the cake is not easy the critical question is: how do we deal with the problem? Then we decide that we will break the world into developed and developing countries. The developed countries will take measures, the developing countries will be allowed to grow. That is called the *leadership paradigm*. The North leads, the South follows. That is the basis of the 1992 convention. So if you look at the inverted U curve, the South must quickly follow the North. That was the idea.

A few years later the US said that the US would not take action until developing countries take minimum action. I did number of interviews with people from the US and most of them said: there is no definition of meaningful participation. So there was no known criteria that you can reach and therefore prove that you have done something as a developing country. It was more something like an excuse for not taking action.

The Europe said: we will not ratify the agreement until Japan and the US does so. So Europe was waiting. And developing countries said: why should we ratify, you guys were supposed to lead? And so we came into a *conditional paradigm* situation. Now, luckily for us we have George Bush now as president of the US. He has broken the conditionality because he walked out. And by walking out he left the EU in the cold. The EU could walk out with him but then it would have been a real embarrassment for the EU itself. That was one of the reasons why the EU had to rush, psychologically speaking, to ratify the agreement. Japan did it also.

Now you have the US outside, probably Russia, probably Australia. The rest of the countries are trying to work together. *The developing countries still assume that it is the 1990 situation: North leads, we follow.* They have not realized that politics have changed. If they do not change their act now, the EU might lose its patience. This is a big problem for developing countries. They are constantly focused on the perception that 'North has to lead, we follow.' But that does not work under these circumstances. The dynamics has changed.

But let me come back to the cake. In 1996 Al Gore said: 'I would like to set targets only if I get emissions trading'. In 1997 that became a reality – targets with emissions trading. You cannot trade something you do not own. What has happened in effect is the polluter has got paid.

If we assume that the North has the bulk of the emissions, if we apply the polluter-pays-principle, then the North would have to pay the bulk of the resources to a fund. What has now happened is that the North's pollution has become a property, minus 5.2 per cent. So there is a small jump that has been taken out and the rest has become a property. So if the US invests in double glass in their windows they can easily make money. This is particularly the case for Ukraine and Russia because they have very high emission allowance and they are expected not to reach that allowance. This made Kazakhstan very angry. Because after the fall of the Berlin wall Kazakhstan, that belonged to the old Soviet bloc, hoped to be part of the first world. By default it was put into the group of third world countries and then suddenly discovered that its situation was just like that of Russia. Kazakhstan now wants to be part of Annex 1 to make money.

Then I did interviews in China and India. They also want to be part of Annex 1 to make some money. The moment they want to be part of Annex 1 they want a 100 per cent increase in emissions. 'Why not if Australia gets a plus 80 per cent increase? Or Portugal which is allowed plus 27 per cent?' So if these developed countries can increase their emissions then why should not developing countries ask for a substantial increase? But then we come back to the story of the cake. There is only such a small cake. So if you really start to divide the cake then you have small slices. That is essentially the reason why developing countries today are very angry about the substantive outcomes of the negotiation process.

Now, why does this all happen? It happens primarily because *realists and neo-realists* argue that 'why should some countries protect the interests of other countries?' A large part of the countries will only protect their own interests. And *institutionalists* argue that 'yes, that is the case' but on occasion a powerful country's interests may lie somewhat differently. But when they talk about benign problems we are talking about relatively simple problems. Neither hunger, nor climate change are simple problems. Most environmental and most developmental problems are not simple.

Cognitive approaches argue that non-state actors may be a major countervailing power and they may help developing countries express their views.

I have been following the global actors for the last five years now. It gets increasingly frightening because what is happening now is in order to have transparency we allow non-state actors to participate in the negotiations. But non-state actors do not want other non-state actors besides. They want the door to be closed. They want criteria about when you are eligible to come in. They are losing their exclusive position. What you do find about non-state actors also is that industries are coming in too, they are much richer than most other non-state actors. Their tools are much more subtle. They are having much more impact on the global negotiation process. Unfortunately, there are more developed country industrialists and developed country NGOs participating than developing country NGOs and industrialists.

I have tried to develop a theoretical framework about how the world actually functions. You could look at *the world in terms of three boxes*. The smallest box is where the actual decision-making process takes place. This takes place within the context of an organisation or a forum. That takes place within the context of ideologies, finance and power. So normally you find that in the smallest box there is no room for complaint for developing countries. Because they are in the room, they are talking, they are participating. And very often, when they make a point strongly those points are taken on board. The problem is mostly at the level of organisation and the roots of procedure and at the level of ideology. So it is not so much at the focused level. Let me give you an example. If you look at some regimes, ostensibly they protect the resources of all negotiating parties like climate change, the Montreal Protocol on ozone. Or they even protect developing countries from themselves as in the case of the CITES convention on endangered species. So basically it looks good for developing countries. These are problems that they are facing.

There is a trade-off in the negotiating process to the extent to which a developed country actually wants to hand power to a developing country. So if I take the example of the Basel Convention on

transboundary movements on hazardous waste the reason why it came on the agenda was because hazardous waste is being sent to developing countries. But when the convention was negotiated it was not negotiated to prevent the problem but merely to create a framework to facilitate the transfer of these resources. So it did not address the problem.

If you look at the Montreal Protocol we needed to address certain ozone depleting gases. But because industry was not initially willing, they were given a couple of years in which they could, if they wanted to, transport their home industry to developing countries. And that did take place between the Vienna Convention and the Montreal Protocol. Not only that, in the Montreal Protocol we gave developing countries a ten year grace period. After ten years they will have to do what developed countries were doing. India did it because, for example M. Gandhi asked for it. She said: "Why should we not have fridges in the South?" A very stupid argument from my perspective because they already had fridges. The question was whether they should use CFCs. The argument – you use fridge, I should use fridge – served the North perfectly well. The South was given ten years to get all those CFCs. Now we are telling them: buy HCFCs from us. While we know that HCFCs are a greenhouse gas. So HCFC was formerly sponsored by developed countries to go developing countries as a substitute for CFCs. It served the northern countries very well that M. Gandhi had brought that issue up in such a strong manner.

There is a little anecdote I would like to tell you which came up in the Millenium Assessment Draft Report last week. In CITES we try to protect wild animals in developing countries. We want to protect tigers and elephants and other animals. But there is a problem for the local people because the elephants do come into their houses and the tigers do create damage. But I read in the report that in Spain green NGOs want European countries to reintroduce wild life. The Spanish farmers are furious.

On the other hand, if I am really honest, when developing countries effectively negotiate they do get concessions. The problem is they do not always effectively negotiate. But when they effectively negotiate this also often leads to what is called forum shopping. Essentially, you can effectively negotiate within a context of an organisation. Then you become stronger. If you become too strong then suddenly you find the discussion is dead here and has moved to another forum. That happened in the case of intellectual property rights. In the World Intellectual Property Organisation, WIPO, the developing countries are becoming very strong. And suddenly the whole discussion on intellectual property rights moved and has now reached the WTO.

You see that in other organisations. In the UNEP, the UNDP and the UNESCO the developing countries were fairly strong.

Primarily, the anger of developing countries is focused on past, colonial masters and what they call the new colonialism which is essentially the US. So it is focused on France, the Netherlands, Belgium, the UK and the US.

So what happens is that at the middle level you have the rules that determine how decisions are taken. In the UN it is one country, one vote. But if you go to the Security Council, which is also part of the UN, it is different. But there is a logical system behind it. If you go to the Bretton Woods institutions, World Bank etc, there is a totally different voting system. So the power of developing countries changes as where the institutions changes.

Let me come back to climate as an example of explaining what happened at the middle level. I did more than 300 interviews in developing countries to try understand: How do you negotiate at the international arena? What are you asking for? Who do you belong to?

Most of the negotiators have no idea what they want from the climate change negotiations. They are not even aware that the bulk of the negative physical impact will take place in their countries. They think it is a problem for the small islands states. That is a complete misunderstanding of information. This is related to the fact that the language in the IPCC reports is so scientific that many people do not

understand what the message is. And if you speak to industrialists from India and China they do not think they will be effected negatively by changes in the hydrological balance in their countries. Industry uses huge amounts of water.

Developing countries has a *hollow negotiating mandate*. They hardly get other ministers to discuss climate change because climate change is seen as esoteric. Scientists are unable to work out for them what the interests are for their country. So they do not have a valuation of interests. They do not have the top ministers supporting them. The journalists are hardly ever covering it so they do not have public support. And then what happens is: two people go to negotiations, there are hundreds of Americans in the room and a very strong EU army.

What happens also in the rooms of negotiations is that the chairman says: "Shall we discuss what is dangerous?". Then somebody says: "Yes, it is a question of impact." The chairman says: "Make a little group and go discuss impacts". Somebody else says: "Then it is about perceptions. You make a group, go and discuss perceptions."

I have seen meetings where at the end of the first day there were 12 subsidiary groups. All the subsidiary groups talk in English. No translation. That is permitted under UN law. Because translations are only vital for plenary sessions.

Then they come back on the second last day, sit together and discuss these issues. But by then the agreements are already hammered out in those small groups. So if you are a country with two negotiators you can hardly participate in the whole process. And this brings into question how legitimate is this whole process.

The other problem is that the Kyoto Protocol, for example, was agreed to long after the African delegates were already on their way home. The meeting was supposed to end on Friday in the afternoon. They all had cheap tickets, they all went home. In the flight they saw that the Kyoto Protocol was agreed to. Is the Kyoto Protocol legitimate or not? This is a problem from a Third World perspective.

It might not be inappropriate to tell a little anecdote about an Indian negotiator. I met him 1998. He was being attacked by the NGO community because he had agreed to emissions trading at the Kyoto negotiations. And then he asked me: what is the connection between emissions trading and property rights? It was one year after the Protocol. It was too late to explain that you can only trade what you own. It is too complex concept if you do not have affinity with the subject. You would think that India with all its scientific capability should be able to understand these issues. But they do not.

Most developing country negotiators have a defensive strategy.

- They *ad lib*. *Ad lib* means that they make up as they go along.
- They do not propose, they oppose. So every time a suggestion comes from the North it is per definition wrong because it is coming from the North. They use proxy indicators of legitimacy. It means that if something worked in CITES then they use it here because it must work here too. So if we can ask technology transfer in Montreal, we should ask technology transfer here. It must work here too. And if we ask it here we should ask it in desertification. It is not a thought out idea that here we want technology and there we want compensation. They do not have a strategy for how to deal with all this different issues.
- They tend to vacillate, which is they move from yes to no, from no to yes. If you know that as a developed country it is very easy to break them. G77 is 150 countries now. We just have to

find one weak spot there and they will at the next meeting say no to the G77 position and G77 loyalty is finished. That is happening all the time. There are countless examples.

- Developing countries feel cheated because they have not been able to prepare effectively for the negotiations. They argue when they have a chance to speak but they cannot come up with an effective solution. Therefore they lose in the negotiation process. And they hate the outcomes.

Together the developing countries have a very brittle strategy. Annex 1 consists of 40 countries and is a much more coherent group. G77 has only a common colonial past and that is basically what is binding them.

The dilemmas of developing countries

If you make a proposal to a developed country based on a market mechanism and the persons have never heard of that proposal he or she may say yes because it is a market mechanism. Developed countries understand market mechanisms. If you suggest a market mechanism to the South most of their representatives does not know if it is a good or bad proposal because they do not have a settled ideological commitment. That is true for most of the countries in Africa and in Asia. Maybe less true for Latin American elite politics because there they have made certain choices.

In the case of poverty one of the big dilemmas is: How do I survive without squandering? How do I cook my last meal without cutting the last tree? Poverty is too: How do I beg for help from the North without mortgaging my land? How do I ask the North to give me money and then prevent them from coming in and developing things on a 99 year contract? When we want to invest we do not want to invest in things we are not going to go to the poor lands, we are going to the better lands. Because if we go to the poor lands we rise the price of forestry.

The next issue is: How do we empower the private sector to solve public problems? That is a major problem in the area of water. The World Bank, for example, is saying to the developing countries that we will not give you resources until you privatise. Privatisation will increase efficiency. But in the area of water you will get monopolies and the prices go up. All the market mechanisms are embedded in international laws. It is a choice between regulative mechanisms and market mechanisms. Market mechanisms only function if the international legal framework functions and provides them the room for it.

Negotiation strategies

On the few occasions the South is constructive the North immediately tends to go into defensive mood. If the South advocates free trade the North gets defensive. If the South advocates money for adaptation, the North gets defensive. When that happens you get accommodation on paper. There will be so many sub-clausals that you will not get what you want. The only way you can really get problem-solving is if we can help the South become constructive.

Problem-solving is not helped by smart negotiators. It may serve your private interests or national interests but it will not solve the problem. This is what I see happening in the global negotiating arena.

With globalisation we got two things. We got inter-state negotiations which is the blue ball. But we are also getting increasingly corporations and non-state actors. Industry and NGOs are getting frustrated with the lack of decision-making at the global negotiating arena. So they are taking the law into their own hands and promote eco-labelling. Let us assume that all the subsidies go away so that developing countries can sell their food. Then the eco-label systems on food will become

very complex. Already they are very complex. If you want to sell flowers from Zimbabwe to the Netherlands you have to get the certification from the Netherlands. So if you are a small actor you cannot sell. You have to have a Dutch guide to come to Zimbabwe to certify the flowers. If you want to sell flowers to the UK you have a totally different certification system with different rules. The new eco-labeling debate, which is becoming very dominant in Europe and America, will be that the new way that the non-state actors are going to become dominant in the area of global environmental change. I think developing countries are very ill prepared to deal with this.

Conclusion

I think that in this global arena we probably need more emphasis on some kind of a new constitution. My feeling is if you really talk in terms of global community without a global constitution where every human being has a same price we are really going to have problems in the future. Those problems will be because of the boomerang effect of environmental problems.

I also think very strongly we need to restructure our scientific reward system. If I want to publish in a dominant economics journal, I cannot write really about environmental issues. I have to take the dominant theories. Environmental articles are completely irrelevant in the dominant law journals. I can only publish in environmental law journals. And each journal has its own rules and multidisciplinary science is considered a bit low. My conclusion is that it is not enough to have theories from one side because those theories are embedded in other disciplines and those are embedded in society. Economists have often said that it is a choice between regulative instruments and economic instruments, that is, economic instruments can function without a regulative context. They cannot. Emissions trading require so much of regulation dividing the cake between countries, making sure that there is compliance and making sure there is a verification system. But legal systems cannot function if you do not understand societies. We need anthropology, we need to understand the cultural context. So if you all take just a small narrow approach you are not going to get anywhere. We really have to drastically change our system.

The IPCC scientists said a few years ago that they would like to have a report on sustainable development looking at it from a multidisciplinary and a transdisciplinary perspective. The US government blocked the development. They agreed to a technical report but they declared that they would not support any IPCC report on sustainable development. Today we do not have an IPCC report on sustainable development and climate change.

Before the fourth assessment of the IPCC the US government declared that they will not support a chapter on the politics of climate change because politics is not science. But we are dealing with political issues. Politics determines what scientists should do, not just by paying for it.

I think very strongly that it is not a question of Northern countries now building capacity in the South. The South has to get its act together. If it does not get its act together they will never come up with joint a position. This is something they have to do.

3. Discussion

(1) *Do we need a new institution to deal with multi-disciplinary science?*

(2) *What are the implications for the UN system for the conclusions you draw? What are the implications for our aid policies to increase the negotiating capacity of the developing countries? How do we create a global agenda and a long-term global awareness in the developing countries?*

(3) *What message do you have for the FAO?*

Joyeeta Gupta:

(1) Maybe we need to have a system by which rewards are not just given on the basis on how well you perform in mono-disciplinary world. At my universities we get points on the basis of the best journals. The best journals are mono-disciplinary. The higher you walk in the hierarchy of journals the more narrow they are. In those journals you cannot discuss these kind of issues. I am asking for a change in the way science foundations make science policy. Do we need a new institution to deal with this? I think that would be an institution outside. It is very important that we change the fundamental system. There needs to be a non-negotiated discussion between people which is not in the negotiation arena. That is what creates the pressure.

When I said that developing countries need to get their act together that is primarily because I believe that God helps those who help themselves. If they do not start to help themselves nobody will help them. But having said that, whenever they are constructive in the international arena, the North becomes defensive. It is something that they need to internalise.

(2) What does it mean for the UN system? Two years ago I was really afraid because George Bush came to power he basically said that the UN is irrelevant in our time. But now, because of the reconstruction work in Afghanistan and Iraq, he is saying that the UN has a role. Suddenly the UN is back mainstream again. My feeling is that *it is time to start thinking about a new UN charter or a modified one*. The present ones has served us for 60 years. *We need to start thinking about a constitution, about fundamental rights for all human beings worldwide*. We are talking about it in terms of human rights in political arenas. We get angry with China because they do not respect human rights. But we should also get angry with countries that violates human rights because of their non-action.

I have not studied the whole spectrum of aid policies but if I look at the aid that is coming through the climate change process, much of the money is coming to developing countries to implement joint implementation which is what we want because it is good for us. But we are not helping them deal with their structural problems of looking at how they are going to get content in their negotiation process. We help them write National Communications because it is part of the obligations.

I have asked agencies to get some resources to be put at the disposal of some developing countries and ask them identify key questions to be prepared for the next negotiations. Then they would find researchers and prepare it. If they do not ask questions about how to implement the climate convention they will never get the money. This is a major problem in the capacity building story. We are helping them imitate us through the capacity building.

The global agenda in developing countries. For a long time I have been convinced that the developed world will not suffer so much from climate change as the developing countries will suffer. The biggest mistake developing countries can make is to frighten the developed countries

away from the negotiating table. But they have to realise that climate change is their problem, not a developed country problem. They have to come up with a responsible response. But how do you get them to the agenda? Last year I was able to convince the Dutch government to provide some resources for dialogue in developing countries. But we did not go to these countries. We just found partners and institutions in developing countries and gave them a sum of money and we said that the topic is: How dangerous is climate change? Then they really had an interesting discussion amongst themselves because they were not really reporting to us. We were not there in the room so we were not seen as spies. They came up with their own type of questions they would like answered. But at the end of the meeting the organisers said that they really felt enthusiastic because it was the first time that they had a discussion where they were not talking about things like co-generation in the sugar industry, and other very practical things to get joint implementation projects. I think that these are small methods of trying to get global issues onto their agenda.

(3) Regarding FAO, I think that the major fear in developing countries today is the privatisation of the seeds and how to deal with that. The other issue I think that developing countries are really afraid of is vertical integration of the food market. There are only so many companies and they regulate the coco trade. There is no free trade anymore.

What is the role of innovation and technology in developing countries?.

Joyeeta Gupta:

I have been trying to figure out why developing country governments do not invest much money into technological innovation. If you speak to anthropologists in different parts of the world they say the conception of time and the reward system in their religious systems is not focused on rewards in this life. They are not focused on achieving goals in this life.

When you invest in new technology costs go down step-by-step when volumes go up. Costs to abate carbon dioxide emissions is being reduced over a period of time, but adaptation costs have a tendency to go up. So from pure self interest it is logic to draw the conclusion: it is better to pay a little bit more today in order to have lower costs in the future rather than to do nothing today and to have huge costs in the future.

Joyeeta Gupta:

Economists say that emission reduction is a global common issue and impacts is a local issue. After 1992 the emission story and the impact story have been separated. All economists now approach emissions as a global commons issue and therefore it makes sense to reduce emissions. But impacts are a local issue and therefore the costs are not for us. American economists say that the costs of taking measures in America is more than the costs of anticipated measures to deal with adaptation in America.

They have separated the two issues because they do not want to get the polluters-pay game. If you had dealt with this problem from a legal perspective and said: let the OECD countries pay and let even the rich Indians and the rich Chinese pay. But they did not want that legal paradigm because the economic paradigm suited the dominant economic affairs ministries.

What is a safe level of CO2 concentration in the atmosphere?

Joyeeta Gupta:

This issue is addressed by Article 2 of the climate convention (the UNFCCC). How many ppm (parts per million) do we want? Do we want that in ten years or fifty years? That is the area in which neither the scientists are coming up with the solution and nor in the negotiating arena is it possible to even discuss it because every time it is on the agenda it is pushed aside. So in the climate issue we cannot even agree on the goal.

My conclusion is that we need a constitution to protect human beings everywhere and we need common principles.

What kind of coalition should we build with the South?

Joyeeta Gupta:

Maybe we should look at the industrial coalitions in the South. There are in the South some really good NGOs but they already have a good network. The industrial coalitions are not involved yet, for example the coalition of small manufacturers, the coalition of large manufacturers. Maybe they should somehow be involved intellectually in this discussion because they do not get involved in these kind of issues. There are many intellectuals in those communities and we should try and get to them. Maybe more good businessmen should be given the job to solve the problems because they have the tools, they have the connections, they have the network. (Our best environmental ministries in the Netherlands have been industrialists. They took a business like approach.)

Final words by Anders Wijkman, the moderator of the seminar

You talked about the need for developing countries to get their act together. I think there is the same demand for us in the North. I do not believe that market system, as presently structured, will lead us anywhere in terms of a solution. You do not have to be a rocket scientist to realize that because it is too short term. The economic system we live in is supposed to deal with scarcity and it does, in a very efficient way, when we talk about commodities and products and so on. But environmental scarcity and poverty does not really appear in this model. Mainstream economists do not care, they do not listen. They claim they have the answer but they exclude the life-supporting system from their models. We need the economists, desperately, but they also have to listen and take in some other knowledge.

Why single out the economists? Precisely because they constitute 80-90 per cent of the top advisors to the decision-makers of this world.

This has been two fascinating hours. Thank you Joyeeta for coming here and sharing all your experience, wisdom and humour.

4. Deltagarlista

Magnus Andersson, egen företagare
Anita Brodén, riksdagsledamot (fp)
Anders Byström, egen företagare
Elisabeth Corell, Utrikespolitiska Institutet
Berndt Ekholm, riksdagsledamot (s)
Bo Ekman, Nextwork
Gustav von Essen (kd)
Göran Gennvi, Naturakademin
Henrik Grape, Svenska kyrkans miljövern
Gudmund Larsson, (s)
Björn Lindbergson, Tillväxtmetodik i Sigtuna AB
Olof Lindén, World Maritime University, Malmö
Angela Meissner, (s)
Valter Mutt, (mp)
Lars Nieckels, egen företagare
Jens Reutercrona, Vaxholm
Per Ribbing, Det Naturliga Steget
Petra Schagerholm, Utbildningsförvaltningen, Stockholm
Dick Tillberg, Nacka
Carl Wahren, The 21st Century Drama
Anders Wijkman, Europaparlamentariker
Anders Ölund, Svenska kyrkan