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Environment and Globalization: Five Propositions (2010)

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The processes that we now think of as "globalization" were central to the environmental cause well before the term "globalization" came into its current usage. Global environmental concerns were born out of the recognition that ecological processes do not always respect national boundaries and that environmental problems often have impacts beyond borders; sometimes globally. Connected to this was the notion that the ability of humans to act and think at a global scale also brings with it a new dimension of global responsibility – not only to planetary resources but also to planetary fairness. These ideas were central to the defining discourse of contemporary environmentalism in the 1960s and 1970s and to the concept of sustainable development that took root in the 1980s and 1990s.

The current debate on globalization has become de-linked from its environmental roots and contexts. These links between environment and globalization need to be re-examined and recognized. To ignore these links is to misunderstand the full extent and nature of globalization and to miss out on critical opportunities to address some of the most pressing environmental challenges faced by humanity.

[…]

Although the contemporary debate on globalization has been contentious, it has not always been useful. No one doubts that some very significant global processes – economic, social, cultural, political and environmental – are underway and that they affect (nearly) everyone and (nearly) everything. Yet, there is no agreement on exactly how to define this thing we call "globalization," nor on exactly which parts of it are good or bad, and for whom. For the most part, a polarized view of globalization, its potential and its pitfalls has taken hold of the public imagination. It has often

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been projected either as a panacea for all the ills of the world or as their primary cause. The discussion on the links between environment and globalization has been similarly stuck in a quagmire of many unjustified expectations and fears about the connections between these two domains.

Although the debates on the definition and importance of globalization have been vigorous over time, we believe that the truly relevant policy questions today are about who benefits and who does not; how the benefits and the costs of these processes can be shared fairly; how the opportunities can be maximized by all; and how the risks can be minimized.

[…]

1 Globalization of the economy. [...]
2 Globalization of knowledge. [...]
3 Globalization of governance. [...]

While the importance of the relationship between globalization and the environment is obvious, our understanding of how these twin dynamics interact remains weak. Much of the literature on globalization and the environment is vague (discussing generalities); myopic (focused disproportionately only on trade-related connections); and/or partial (highlighting the impacts of globalization on the environment, but not the other way around).

Box 6.1 Defining Globalization

What is Globalization?

There are nearly as many definitions of globalization as authors who write on the subject. One review, by Scholte, provides a classification of at least five broad sets of definitions:

Globalization as internationalization. The "global" in globalization is viewed "as simply another adjective to describe cross-border relations between countries." It describes the growth in international exchange and interdependence.

Globalization as liberalization. Removing government-imposed restrictions on movements between countries.

Globalization as universalization. Process of spreading ideas and experiences to people at all corners of the earth so that aspirations and experiences around the world become harmonized.

Globalization as westernization or modernization. The social structures of modernity (capitalism, industrialism, etc.) are spread the world over, destroying cultures and local self-determination in the process.

Globalization as deterritorialization. Process of the "reconfiguration of geography, so that social space is no longer wholly mapped in terms of territorial places, territorial distances and territorial borders."

It is important to highlight that not only does globalization impact the environment, but the environment impacts the pace, direction and quality of globalization. At the very least, this happens because environmental resources provide the fuel for economic globalization, but also because our social and policy responses to global environmental challenges constrain and influence the context in which globalization happens. This happens, for example, through the governance structures we establish and through the constellation of stakeholders and stakeholder interests that construct key policy debates. It also happens through the transfer of social norms, aspirations and ideas that criss-cross the globe to formulate extant and emergent social movements, including global environmentalism.

In short, not only are the environment and globalization intrinsically linked, they are so deeply welded together that we simply cannot address the global environmental challenges facing us unless we are able to understand and harness the dynamics of globalization that influence them. By the same token, those who wish to capitalize on the potential of globalization will not be able to do so unless they are able to understand and address the great environmental challenges of our time, which are part of the context within which globalization takes place.

The dominant discourse on globalization has tended to highlight the promise of economic opportunity. On the other hand, there is a parallel global discourse on environmental responsibility. A more nuanced understanding needs to be developed – one that seeks to actualize the global opportunities offered by globalization while fulfilling global ecological responsibilities and advancing equity. Such an understanding would, in fact, make sustainable development a goal of globalization, rather than a victim. As a contribution towards this more nuanced understanding of these two dynamics, we will now outline five propositions related to how environment and globalization are linked and how they are likely to interact.

The Five Propositions

By way of exploring the linkages between environment and globalization, let us posit five key propositions on how these two areas are linked, with a special focus on those linkages that are particularly pertinent for policy-making and policy-makers. The purpose of these propositions is to highlight the possible implications of the dominant trends. This is neither an exhaustive list nor a set of predictions. It is rather an identification of the five important trajectories which are of particular importance to policy-makers because (a) these are areas that have a direct bearing on national and international policy and, (b) importantly, they *can* be influenced by national and international policy.

Proposition #1:

The rapid acceleration in global economic activity and our dramatically increased demands for critical, finite natural resources undermine our pursuit of continued economic prosperity.

Table 6.1 Environment and Globalization: Some Examples of Interaction

How does globalization affect the environment?	*Means of influence*	*How does environment affect globalization?*
- *Scale* and composition of economic activity changes, and consumption increases, allowing for more widely dispersed externalities. - *Income* increases, creating more *resources* for environmental protection. - *Techniques* change as technologies are able to extract more from nature but can also become *cleaner*.	Economy	- Natural *resource scarcity or/and abundance* are *drivers of globalization,* as they incite supply and demand *forces* in global markets. - The need for *environmental amelioration* can extract costs from economy and siphon resources away from development goals
- Global interactions *facilitate exchange of environmental knowledge and best practices.* - *Environmental consciousness* increases with emergence of global environmental networks and civil society movements. - Globalization facilitates the spread of existing *technologies* and the emergence of new technologies, often replacing existing technologies with more extractive alternatives; greener technologies may also be spurred. - Globalization helps spread a homogenization of *consumption*-driven aspirations.	Knowledge	- Signals of environmental stress travel fast in a compressed world, *environmentally degraded and unsustainable locations* become marginalized from trade, investment, etc. - Sensibilities born out of environmental stress can push towards *localization* and *non-consumptive development* in retaliation to the thrust of globalization. - Environmental stress can trigger alternative technological paths, e.g., dematerialization, alternative energy, etc., which may not have otherwise emerged.
- Globalization makes it increasingly difficult for states to rely only on *national regulation* to ensure the well-being of their citizens and their environment. - There is a *growing demand and need for global regulation,* especially for the means to enforce existing agreements and build upon their synergies to improve environmental performance. - Globalization facilitates the involvement of a growing *diversity of participants and their coalitions* in addressing environmental threats, including market and civil society actors.	Governance	- Environmentalism becomes a global *norm*. - Environmental standards *influence patterns of trade and investment* nationally and internationally. - The nature of environmental challenges requires the incorporation of environmental governance into other areas (e.g., trade, investment, health, labour, etc.). - Stakeholder participation in *global environmental governance* – especially the participation of NGOs and civil society – has become a model for other areas of global governance.

The premise of this proposition is that a sound environment is essential to realizing the full potential of globalization. Conversely, the absence of a sound environment can significantly undermine the promise of economic prosperity through globalization.

The notion that rising pressures on, and dwindling stocks of, critical natural resources can dramatically restrain the motors of economic growth is not new. What ***is*** new, however, is the realization that the spectacular economic expansion we have been seeing has made the resource crunch a pressing reality that could easily become the single biggest challenge to continued economic prosperity.

The premise of the proposition is fairly simple. First, natural resources – oil, timber, metals, etc. – are the raw materials behind much of global economic growth. Second, there is ultimately a finite amount of these resources available for human use. Third, and importantly, the quantum of resources being used has grown exponentially in recent years, especially with the spectacular economic expansion of large developing economies – such as India and China – and increasing global prosperity. Fourth, we are already witnessing increasing global competition for such resources; and not just market, but geopolitical forces are being mobilized to ensure continued supplies and controls over critical resources.

[...] degredation of ecological processes – especially fragile ecological systems that are central to the preservation of our essential life systems – could cause a major hiccup in continued global economic growth, and possibly become the single most important threat to the continuation of current globalization trajectories. [...]

Although scares about "limits to growth" have proved less than credible in the past, simple economic logic (and available trends) argues that, as competition for scarce natural resources increases, prices will be driven up – and sooner than we might have assumed. In the past, technology has – and in the future, it certainly could – help to alleviate some of these pressures by developing new solutions and by more widely deploying existing technological solutions. However, the prospects of higher demand, growing prices and dwindling stocks are already propelling new races for control over key resources. The race is now on not just for oil, but for metals, minerals, timber and even for recyclable waste. For many developing countries endowed with critical resources in high demand, this provides an opportunity to harness the power of globalization and pull themselves out of poverty. Past experience suggests that national and global economies have not been particularly good at allowing for the benefits of resources to flow down to the poor; the challenge today is to find the ways and means to do exactly that.

A parallel challenge is to decrease the adverse effects of resource competition on the poor. [...]

Environmental degradation could also impact productivity through damages to health. For example, international agencies found that 2.5 million people in the Asia-Pacific region die every year due to environmental problems including air pollution, unsafe water and poor sanitation. Ignoring environmental costs destroys value. The "natural capital" of ecosystem services (such as watersheds, which provide clean water) is drawn down, creating a need to pay for services (like water filtration plants) that could have been provided for free, in perpetuity, if sustainably managed.

Similarly, environmental degradation, global and local, will affect the agricultural sector, on which the majority of the world's poor depend directly for their survival. For example, recent data suggest that global climate change could reduce South Asia's wheat area by half. While gains in productivity in temperate areas could partially offset the difference, whether poorer tropical countries could afford to buy food from richer regions of the world is uncertain. To avoid famine, the Consultative Group on International Agricultural Research has already called for accelerated efforts to develop drought-, heat- and flood-resistant strains of staple crops. The Worldwatch Institute estimates that 17 per cent of cropland in China, and a staggering 28 per cent in India, is seriously degraded by erosion, water-logging, desertification and other forms of degradation.

It is most likely, therefore, that decreased environmental stability will create more hostile conditions for economic growth and also place new pressures on international cooperation. Two recent reports have documented and drawn global attention to this discussed "possibility," which has started to become a reality. On one hand, the *Millennium Ecosystem Assessment* has meticulously documented the slide in the environmental health of the planet and how we are pushing the limits of many critical resources. The recent rise in oil prices has had the effect of making this connection tangible and recognizable even to ordinary citizens. On the other hand, the recently released *Stern Review* has bluntly suggested that these environmental pressures have now begun impacting global economic processes and that impacts of climate change could create losses of 5–10 per cent of global GDP, and decrease welfare by up to 20 per cent if damages include non-market impacts and are weighted for ethical/distribution effects. This calculation includes estimations of damages caused by flooding, lower crop yields, extreme weather-related damages, and other direct impacts on the environment and human health.

[...]

Proposition #2:

The linked processes of globalization and environmental degradation pose new security threats to an already insecure world. They impact the vulnerability of ecosystems and societies, and the least resilient ecosystems. The livelihoods of the poorest communities are most at risk.

With globalization, when insecurity increases and violence erupts, the ramifications become global in reach. The forces of globalization, when coupled with those of environmental degradation, expand concepts of threat and security, both individually and through their connections. We have already begun recognizing new global threats from non-state groups and individuals, and security is now being defined more broadly to include, among others, wars between and within states; transnational organized crime; internal displacements and migration; nuclear and other weapons; poverty; infectious disease; and environmental degradation.

To take one pressing example, the World Resources Institute (WRI) reports that:

> Water scarcity is already a major problem for the world's poor, and changes in rainfall and temperature associated with climate change will likely make this worse. Even without climate change, the number of people affected by water scarcity is projected to increase from 1.7 billion today to 5 billion by 2025. In addition, crop yields are expected to decline in most tropical and sub-tropical regions as rainfall and temperature patterns change with a changing climate. A recent report by the Food and Agriculture Organization estimates that developing nations may experience an 11 per cent decrease in lands suitable for rain-fed agriculture by 2080 due to climate change. There is also some evidence that disease vectors such as malaria-bearing mosquitoes will spread more widely. At the same time, global warming may bring an increase in severe weather events like cyclones and torrential rains.

All of this imperils human security, which in turn drives societal insecurity and, in many cases, violence. Placed in the context of globalization, violence and insecurity can spill out since now they can travel further, just as people, goods and services can.

Security is about protecting people from critical and pervasive threats. This ranges from the security of nations to that of individuals and of societies. Human security is about creating systems that give individuals and communities the building blocks to live with dignity. Livelihoods are, therefore, an essential element of human security. Acting together, globalization and environmental stress may directly threaten the livelihoods of the poor, i.e., the capabilities, material and social assets and activities required for a means of living, and decrease their ability to cope with, and recover from, environmental stresses and shocks.

For "winners" of the process, globalization becomes an integrating phenomenon – one that brings together markets, ideas, individuals, goods, services and communications. For the "losers" in the process, however, it can be a marginalizing phenomenon. Just as the winners come closer to each other they become more "distant" from the losers. The dependence within society on each other becomes diminished as transboundary dependence increases. To use a basic example, as West African consumers develop a liking for imported rice, their "links" to farmers on other continents who export rice to them increase even as their "links" to farmers in their own country growing cassava decrease. Environmental stress can have a similarly marginalizing impact on the vulnerable and the weak. It is quite clear from the evidence now that even though climate change will eventually impact everyone, it will impact the poorest communities first and hardest. In the case of desertification, we already see the poorest and most vulnerable communities being displaced the most. In essence, the already insecure and vulnerable are pushed to greater depths of insecurity and vulnerability.

The combined effects of globalization-related marginalization and environment-related marginalization can wreak havoc on whatever resilience poor communities might otherwise have possessed. An illustrative example is the case of small fishers in the Caribbean. On one hand, globalization forces of advanced extraction technologies, reduced transportation costs, increased ability to keep fish-stock fresh over

long distances and increasing global demands from far-away markets combine to drive the small fisher out of the market. On the other, the very same forces dramatically decrease the amount of fish in the ocean, thereby further reducing the resilience of the small fisher. As globalization changes the patterns of environmental dependence, it may marginalize parts of Caribbean society and disintegrate local security networks.

In many ways, climate change is the ultimate threat to global security because it can existentially threaten security at every level from the individual to the planetary. [...]

International experience with the linkage between natural resources and conflict calls for resolute action as natural resources can fuel and motivate violent conflict (e.g., conflict diamonds funding rebel groups in Angola and Sierra Leone; conflicts over distribution of resource profits from timber and natural gas in Indonesia; oil as key factor in Iraqi invasion of Kuwait). Environmental stress unleashed by potential climate change could trigger international migration and, possibly, civil wars. In fragile circumstances, environmental stress could act as an additional destabilizing factor exacerbating conflict as it combines with other political and social factors. [...]

Conflict sets back the prospects for sustainable development, often by decades, by setting in motion a negative spiral – environmental degradation leads to more competition for scarce resources, leading the powerful to secure the resources for their use, leading to conflict, which leads to worsened social relations, smash-and-grab resource use, greater resentment, etc. Security – from national to human – is, therefore, a prerequisite for realizing the benefits of sustainable development as well as those of globalization.

Proposition #3:

The newly prosperous and the established wealthy will have to come to terms with the limitations of the ecological space in which both must operate, and also with the needs and rights of those who have not been as lucky.

[...]

- "By one calculation, there are now more than 1.7 billion members of 'the consumer class' – nearly half of them in the developing world. A lifestyle and culture that became common in Europe, North America, Japan and a few other pockets of the world in the twentieth century is going global in the twenty-first." [...]

The rapid rise of this set of erstwhile developing countries should also trigger reflection within established industrialized economies on the questions of growth and consumption. It is not viable – nor was it ever – to urge consumption restraint on the newly prosperous while continuing on paths of high consumption oneself. [...] the newly prosperous as well as those who have been affluent for much longer will now have to come to terms with the limitations of the ecological space in which both must operate and also with the needs and rights of those who have not been as lucky.

The interaction of globalization and environment are writ large in the new realities unleashed by the focus of global possibilities in terms of both processes moving

southwards. For example, it is popular to say that "China is the workshop to the world"; but it is also worth asking "who is the customer of this workshop's products?" and "who are the suppliers to the workshop?" [...] To consider the "workshop" metaphor seriously requires placing the "workshop" within a supply chain that is (a) truly global in nature, and (b) not just an economic supply chain, but an environmental one.

[...]

The question is whether these emerging economies of the South will have the foresight to embrace the opportunity and to chart a development path that is different from that which had been followed by those who came before them, and whether the "old" affluent economies of the North will demonstrate a shared commitment to assist the developing world in charting such a path and by demonstrably taking the lead in curtailing their own unsustainable patterns.

Proposition #4:

Consumption – in both North and South – will define the future of globalization as well as the global environment.

To put this proposition most bluntly, the central challenge to the future of environment and globalization is consumption, not growth. Fueled by the aspirational "norms" of consumption that also become globalized through, in part, the global media and advertising, consumption changes magnify the footprints of growth. For example, while global population doubled between 1950 and 2004, global wood use more than doubled, global water use roughly tripled, and consumption of coal, oil, and natural gas increased nearly five times.

A focus on consumption immediately draws our attention to the challenge of inequity. That challenge cannot be brushed aside. A simple but powerful illustration suggests that on average, in 2000, one American consumed as much energy as 2.1 Germans, 12.1 Colombians, 28.9 Indians, 127 Haitians or 395 Ethiopians. [...] national averages hide massive consumption inequity within nearly all societies. The very affluent within developing countries over-consume just as the poor within affluent countries under-consume.

[...] Humanity's ecological footprint – the demand people place upon the natural world – has increased to the point where the Earth is unable to keep up in the struggle to regenerate. The key to resolving this challenge is to de-link consumption from growth, and growth from development: to provide the poor with the opportunity to increase their use of resources even as the affluent reduce their share so that a sustainable level and global equity can be achieved.

Technology is one key element in meeting this challenge. The policy decisions we now take that will influence future trajectories of technology development and deployment – and of consumption choices – will shape the interaction between globalization and the global environment. The good news is that these trajectories *can* be shaped by policy. Technology has been one of the great drivers of modern globalization. It has also become one of the principal drivers of environmental

processes. Transport technologies, for example, have not only made the world a smaller and more "global" planet, they have also resulted in new environmental stress, especially through increased atmospheric carbon concentrations. Technology has sped up prosperity for many, but it has also allowed extraction of resources – fish, timber, metals, minerals, etc. – at unprecedented rates, thereby placing new and massive pressures on stocks.

At the same time, technological advances have allowed, in some areas, reduced environmental stress. Evidence suggests, for example, that China's economic growth has come with a relatively lesser increase in emissions than what had happened earlier in Europe and North America because China has been able to "leapfrog" to technologies that are much cleaner than Europe and North America were using at similar stages in their development. Although its emission rates per GDP are still high, they are decreasing and have been halved in the last decade. For example, their fuel economy standards are higher than those of the United States.

Technological solutions will inevitably determine the future of globalization as well as the global environment. But they will do so within the context of global consumption demands. Technology cannot change the demands or help us satisfy all of them but it can, through globalization, help meet these demands in a more planet-friendly way.

[...]

Ultimately, the trajectories of the future – as well as the technologies available – will be shaped by our aspirations of what a "good life" really is. The moral and spiritual dimension of planetary aspirations may not seem like an appropriate subject for policy discussions, but it lies at the very heart of the type of global society that we want to live in and the type of global society that we are constructing. Not only are policy discussions impacted by aspirational decisions of society, they can in fact shape these aspirations. The Brundtland Report released 20 years ago was very much an attempt to shape global aspirations on environment as well as what we now call globalization. Agenda 21, which emerged from the Rio Earth Summit 15 years ago, was another such attempt. Since then, an array of other influential ideas have come from governments, civil society and business. For example, concepts of "natural capitalism," industrial ecology, eco-efficiency, "Factor Ten" efficiency improvements, and "Global Transitions" have been proposed and some have gained currency in civic discourse, business strategy and government policy.

[...]

The purpose of this proposition, therefore, is not simply to say that consumption is the key to understanding globalization and the environment. It is to propose that de-linking consumption from growth, and growth from development is possible. That the promise of sustainable development is – or can be – an honest promise; honestly kept. It is also to suggest that policy interventions are necessary to make this transition and to offer the hope that slowly – albeit too slowly – this realization is coming to be accepted by decision-makers. The challenge, of course, is whether this slow realization will be able to trigger the much larger change in global consumption trajectories before it is too late.

Proposition #5:

Concerns about the global market and global environment will become even more intertwined and each will become increasingly dependent on the other.

Although still unrecognized by many, it is nonetheless a fact that a large proportion of existing global environmental policy is, in fact, based on creating, regulating and managing markets. The most obvious examples are direct trade-related instruments like the Convention on International Trade in Endangered Species of wild fauna and flora (CITES) or the Basel Convention on Trade in Hazardous Waste. But even less obvious instruments such as the Climate Convention (especially through its emission trading provisions) or the Biodiversity Convention (through, for example, the Cartagena Protocol on living modified organisms) operate within created or existing marketplaces and markets are a central element of their design and implementation.

For their part, the managers of market interactions – most prominently in the area of international trade, but also in investment, subsidies, etc. – have also belatedly come to the conclusion that they cannot divorce market policies from environmental policy for long. To take international trade as an example, we see that a significant part of international trade is in environment-related goods – ranging from trade in resources such as timber or fish to flowers and species, and much more. Moreover, trade in just about all goods has environmental relevance in the manufacture, transport, disposal and use of those goods. The Preamble to the Marrakech Agreements establishing the World Trade Organization (WTO) recognizes this clearly. And following its lead, the Doha Round of WTO negotiations has also acknowledged this intrinsic connection by placing environment squarely on the trade negotiation agenda. Although those negotiations are currently stalled, the principle of the inclusion of environmental concerns on the trade agenda is no longer in question and is not in doubt.

Importantly, there is a synergy in the stated goals of the trade and the environment system. Both claim to work in the context of, and for the attainment of, sustainable development. Given that international trade is a principal motor of globalization, one can argue that sustainable development should be considered an ultimate goal of globalization, just as it is the stated end-goal of the international trading system.

[...]

Looking at the larger picture, one does begin to see the emerging recognition of the need for better integration among the key players. On the trade side, for example, the Doha Declaration and its reaffirmation of sustainable development as the meta-goal of global trade policy was a manifestation of this recognition. Soon afterwards, the World Summit on Sustainable Development (WSSD) of 2002 also reaffirmed the centrality of the trade and environment connections in its Declaration and all its deliberations. However, the move from the declaratory to the regulatory remains mired in institutional challenges since our systems of global governance have been designed to keep the two issues apart rather than to inspire collaboration for the achievement of common goals.

The central point of this proposition, then, is that even though the reality of the global marketplace and the global environment are intrinsically intertwined and becoming ever more so – through the mechanisms of international trade; manifestations of environmental stress; the changes in peoples' livelihoods; and the actions of business and civil society – the processes of decision-making in these two areas are still far apart and only occasionally interact. The good news is that recent developments have nudged policy-makers in the two areas to talk to each other just a little bit more. To be meaningful, however, this nudge must soon convert into a real push and the stated common goal of sustainable development should become a central driver of coordinated policies.

Avenues for Action: What Can We Do?

Better global governance is the key to managing both globalization and the global environment. More importantly, it is also the key to managing the relationship between the two. The processes of environment and globalization are sweepingly broad, sometimes overwhelming, but they are not immune to policy influence. Indeed, the processes as we know them have been shaped by the policies that we have – or have not – put in place in the past. Equally, the direction that globalization, the global environment and the interaction of the two will take in the years to come will be shaped by the policy decisions of the future. Governance, therefore, is the key avenue for action by decision-makers today.

However, it is also quite clear that both globalization and environment challenge the current architecture of the international system as it now exists. Both dynamics limit a state's ability to decide on and control key issues affecting it. Globalization does it largely by design as states commit to liberalize trade and embrace new technologies. The environment challenges the system by default as ecosystem boundaries rarely overlap with national boundaries and ecological systems are nearly always supra-state. The role of the state in the management of the international system has to evolve to respond to the evolution of the challenges facing it.

This evolution is already happening, but often in painful, even contorted, ways. Having outgrown its old structure, the international system is designing a new, more inclusive one. Many problems have been identified in the current system of global governance: it is too large; it is chronically short of money and yet also wasteful of the resources it has; it has expanded in an ad hoc fashion; it lacks coordination and a sense of direction; it is often duplicative and sometimes different organizations within the system work at crosspurposes to each other, etc. In terms of environment and globalization, we see three important goals for the global governance system as it exists today.

Managing institutional fragmentation: Although there already exist organs within the system to address most problems thrown up by environment and globalization, the efforts of these institutions are fragmented and lack coordination or coherence. The efforts and the instruments for making the "system" work as a whole either do not exist or are under-utilized. [...] There is a pressing need, therefore, for meaningful global governance reform that creates viable and workable

mechanisms for making existing institutions work together more efficiently and effectively than they have so far.

Broadening the base of our state-centric system: Despite some headway over the last two decades, the essential architecture of the international governance system remains state-centric, even though neither the problems nor the solutions are any longer so. [...] Whether it is companies creating new global norms and standards through their procurement and supply chains, or NGOs establishing voluntary standards in areas such as forestry or organic products, we see that policy in practice is no longer the sole domain of the inter-state system. It should be acknowledged that both civil society and business are beginning to be integrated into global governance mechanisms – for example, through their presence and participation in global negotiations and summits and through closer interactions with environmentally progressive businesses. This process needs to be deepened and accelerated, and meaningful ways need to be found to incorporate them as real partners in the global governance enterprise.

Establishing sustainable development as a common goal: The post-World War II international organizational architecture was originally designed to avoid another Great War. In terms of what the system does and in terms of the types of goals that it has set for itself (e.g., the Millennium Development Goals; stabilization of atmospheric concentrations of CO_2; eradication of diseases such as Malaria; control of HIV/AIDS; etc.), the system has evolved to a broader understanding of what we mean by "security" as well as of what its own role is. Yet, it is not always clear that the entire system of global governance is moving towards a common goal. This creates undue friction between the organizations that make up the system and results in disjointed policies. [...]

- The last few years have seen a number of different initiatives on *international institutional reform,* and the next few will invariably see more. Many of these have been focused on organizational reform relating to management, operations, financing, etc. Some have been focused more precisely on strengthening key institutions in specific issue areas (e.g., UNEP for global environmental governance). The success of such initiatives is important in making the system efficient and these processes should be supported and strengthened. [...]
- The challenge, however, is larger than efficiency alone. It is also about making the various components of the system work together and towards a shared vision. As an initial step, one could envisage choosing just one area with which to begin and establishing modalities for *deep and permanent links between institutions that are dealing with clearly related issues.* [...]
- Effectively responding to the challenges of environment and globalization requires a concerted effort to find *new and meaningful ways to engage non-state actors from business and civil society.* [...]
- The existing instruments that do relate to environment and globalization tend to come either from the direction of environmental policy (e.g., the climate convention) or from the direction of economic policy (e.g., WTO rules). [...] However, we will soon also need to start *creating new instruments that emerge not*

from one of the two dynamics – environment or globalization – but from the interaction of the two. [...] One option might be to promote systems of payment for ecological services (domestically, internationally and possibly globally). Or, at a minimum, to account for the value of such services in national accounts so that more reasoned and reasonable decision-analysis can be done for and by policy-makers. Another option, at a more extreme end of the spectrum of possibilities, may be to consider new legal instruments: a possible "Global Compact on Poverty Reduction" or a "Global Treaty on Consumption." [...]

- Another area of global governance that needs attention in terms of environment and globalization is that of *security – and insecurity.* [...] There is a need to even more explicitly broaden the mandate of global security organizations to include non-traditional security mandates, including those related to environmental security.
- Although discussions of environment and globalization may take place at the global level, the implications of these dynamics are invariably national and local. It is evident that the ability to manage these processes, to benefit from the potential of globalization and to minimize the threats of environmental degradation are all functions of *preparedness, information and capacity.* Investments in these areas – and particularly in developing countries – can have immediate as well as long-term benefits vis-à-vis sustainable development. As has been suggested, globalization has great potential to bring economic prosperity to the poor. But this potential cannot be realized without the capacity to do so and a readiness within those communities and societies to actualize these benefits. The role of international assistance in creating such readiness and enhancing such capacities is critical. Addressing domestic capacity constraints – including, for example, in early warning; technology choice and innovation; decision analysis; long-term investment analysis; etc. – should, therefore, be a key area of international cooperation.
- Finally, we do need *better assessments* of the full potential as well as the full costs of environment and globalization interactions. [...] What are the economic costs of various environmental stresses? What are the long-term impacts of alternative technology decisions? What is the potential for de-materialization and de-linking growth from consumption? A first step, therefore, would be to conduct a large-scale global assessment of the state of knowledge on environment and globalization. [...]