

ABDL & LEAD's International Workshop for the RIO+5 Gathering

Globalization and a Sustainable Europe

As a major sociopolitical process of our times, globalization is a central condition for sustainable development. This workshop attempts to define how this condition can be understood and integrated into a leadership programme. Highlighting some manifestations of globalization in the European context, I try to show how some aspects of this condition can be integrated into sustainable development proposals. My attempted synthesis will proceed in two steps, first by indicating different manifestations of this condition, and second, summarizing how this condition is used in one sustainable development proposal.

Globalization is a booming field of research. After the decline of dependency theory and the mixed reception of other world systems theories, the argumentation grinds deeper, opposing "McDonald's against Jihad" and explodes the once delineated methods of political science. But is there really a tension between opposing forces, leaving only a choice between two negatives? One always ought to attempt a definition first, globalization is manifest through the diffusion of ideas, scientific information, goods, financial resources, clothing patterns, cultural objects, etc.. Obviously this infinity of objects leaves no chance to define globalization via this route. Throughout this paper, globalization is a systemic process, defined by the possibility to isolate structures shaping the diffusion of these objects. Often it helps to ask oneself, what does mark this object as local in origin (in "nature") or what does mark it as global. If two objects are recognized by the same quality attached to it, these two objects' diffusion can be part of one structural process. Following that route, the recognition of the local or global quality becomes part of the analysis of global systemic processes. This definition, often used in social sciences, has not been employed in sustainable development proposals because it is not congruent with the identification of processes in the biosphere.

What does globalization do in Europe ?

To describe the perception of globalization in Europe, two separate argumentations do appear unrelated.

On the one hand, there is the argument that the Maastricht treaty (the advancing integration of the European Union)¹ is the best and almost only defense against globalization, and it can be heard over the whole political spectrum, from the left to the right. Globalization is perceived as a threat to societies' achievements in different ways. Improving the European integration is necessary to shield Europe from the aggressive attack of historic changes in the world system.

On the other hand, globalization is also seen as a chance: the end to the war in former

¹ The Maastricht treaty, signed by all member states of the EU, renews the various treaties which first created the European Economic Community (EEC) and then expanded it to the European Union (EU). The Maastricht treaty defines the functions of all EU institutions, the parliament, the Commission, the courts, and so on, and defines their roles with respect to the national governments. The "Greening of Maastricht II" is currently a major environmental campaign pursued by all environmental organizations.

Yugoslavia, the UN conferences in Kopenhagen and the Earth Summit, the Brent Spar conflict (dumping of an oil platform), action against BSE, preventing another Chernobyl; all these events are perceived as global action, in the interest of the common good. Even though these events are unrelated, they appear as a new class of phenomena which indicates rising interdependencies and new opportunities for action.

A first approach would see the negative side of globalization in its economic dimension and the positive side as the sociopolitical dimension of globalization. But a number of circumstances render that implausible. The economic processes underlying globalization started en force in the last century and the major vehicle were both the rise and the decline of colonialism, first globalization by force and then by comparative advantages in the relative prices of factors of production. Whereas globalization appears in politics after the end of the Cold War. Why should the positive manifestations appear after such a long period when only the negative ones were at work ?

Why should the economic dimension only restrain choices and the sociopolitical dimension open new opportunities ? What is lacking is the capacity to grasp how these dimensions are related.

For the moment, there is a positive and a negative side to globalization, as it is perceptible in public opinion. Now there are three possibilities, they are so intrinsically related that one can not support positive aspects to the detriment of negative aspects, or, it is only the current level of comprehension in the wider public that fails to separate them (the media that feeds the public), or, it is still a task for adequate research to find out how to separate them.

And what can be done about it ?

Having sketched a picture of lay opinion, of components of public discourse, where is the pendant in scientific arguments?

Conceptual efforts towards sustainability almost invariably turn to globalization as a threat to social sustainability in Europe. Job security, income distribution, pension systems, health insurance, unemployment benefits, all the elements of the rather social-democratic economic policies are endangered and have to be abandoned to withstand the onslaught of globalization = global competition. Therefore, sustainability requires seeking less global competition, less globalization.

On the other hand, increasing global interdependence is the claim of legitimacy for many ecological arguments. Dematerialization at the order of a Factor 10 follows from the comparison of industrial material flows with those in the biosphere combined with global population growth, and x tons CO₂ per capita has to be used as a policy goal because of the global emission trends. These two examples from the Wuppertal Institute's research are particularly influential ones². It appears as if a sustainable Europe is caught in the environmental ambivalence of globalization, any ecological argument grounds itself in globalization and this grounding does procure normative legitimacy, on the other hand, globalization is destroying social sustainability in Europe.

Ignoring this ambivalence by declaring the one side the hard science dimension which is to be mastered, and the other less important public opinion noise is difficult. No Weberian scientist

² Wuppertal Institute, 1995, Towards Sustainable Europe, Friends of the Earth Brussels

would consider that possibility (Max Weber's turn-of-the-century figure of the scientist as citizen with a research vocation). It is necessary to integrate the public reaction into the analysis. If, on the one hand forceful integration of global conditions (scientific results) is nurtured and on the other hand escaping other global conditions is sought, then there is a contradiction in the positioning of the local (or the European Union, or a smaller region) within the global systems.

European environmental policy can claim a rather positive track record³. National obstacles can be removed on the EU level, especially subsidies for example the coal mining (Germany) and energy in general as well as agriculture, but also negligence in for example water treatment practices (UK). This continues with many environmental institutions using the Maastricht treaty's implementation and its renewal, to push for long-term interest against short-term economic concerns. Internationally, the European policy level has also allowed considerable contributions such as the transboundary pollution protocols in Oslo and Stockholm, to the CFC protocol in Montreal and lately the EU proposal for the FCCC.

The multilateral record is in stark contrast with bilateral efforts in Europe, often abandoning the most pressing problems because of their political charge. Telling examples are the Slovak Republic taking Hungary to court in The Hague on the Danube's management, the Canton of Geneva suing the French administration over nuclear power, or the failure to address the energy questions in the "Black Triangle" between the Czech Republic, Germany and Poland. Even when such issues are addressed by the EU itself, as in the Phare Cross-Border Cooperation programme, the track record is rather poor⁴.

What is it then that SO₂ emissions can be negotiated successfully, leading to large resources devoted to meeting the agreed targets amongst many European countries, but can not be addressed on a bilateral level? Certainly the system parameters of SO₂ pollution do play a major role, but that does not constitute the only explanation.

At first sight, European policy making is part of a moderate globalization as opposed to an aggressive and destructive larger scale globalization. The European policy level, created by intellectuals and inspired politicians from DeGaulle and Adenauer to Mitterrand, Kohl and Delors, being environmentally led by Scandinavian ecologists? That seems to be a too superficial account. Irrespective of the reasons behind it, this account leads to the hypothesis that environmental policy potential is specific to the continental level. Expanding environmental policy from Europe as a region requires understanding the geopolitical differences in political feasibility. A more systemic approach to environmental policy making could reveal that it is less the action of independent and influential political actors, but that the agency, the driving force, is rather a structural parameter of the region Europe within global systemic processes.

If this is the geopolitical complexity of sustainable development, then it should be reflected in policy proposals. Using again the Wuppertal Institute's Sustainable Europe study as an indicator, there is some reflection of this. In that study, energy and non-renewables are seen as global

³ During the last decade, emissions of sulphur dioxide have been dramatically reduced, and forest decline and water quality deterioration have been halted.

⁴ The Phare Programme of the European Union aims to help the countries of central Europe rejoin the mainstream of European development through future membership of the European Union. In its six years of operation, Phare has made more than 6 bn US\$ available to 11 partner countries, making Phare the largest assistance programme of its kind. Within Phare the Cross-border programme has an annual budget of 200 mn US\$, of which about 50 % is used for environmental projects.

commodities, wood and agricultural products are regarded as continental resources (because each continent should have a balanced trade of these commodities) and water is considered a regional / local resource, on a catchment area basis. Qualitative categories like biodiversity or industrial risk, are introduced based on plausibility, not on deduction.

These methodological considerations are meant to support the identification of policy targets. Using these planning variables, economic restructuring according to ecological principals is made more effective. It seems correct to qualify that approach as production oriented since its central policy parameter is production efficiency not actual consumption levels. Through this orientation, the extension of markets bring the global economic processes better into the analysis. Such a production orientation should be seen as an alternative to the more biosphere oriented ones using for example the ecological footprint methodology.

While the production orientation does have merit in itself, I would like to point to another reason for that production orientation, which, it seems to me, is specific to Europe's position within the global economy. If this is correct, the production orientation should be further strengthened.

60 % - 80 % of Europeans see a reduction in income differentials as a key task for government. As a source of extreme differentials, unemployment is at present perceived as the central social problem⁵. Therefore, when there are for example European engineering companies employing more professionals in India than in Europe, there is a fundamental political challenge. If the current productivity differences between Europe and India do not permit to maintain the low income differentials within Europe as compared to those in India, then global ecological conditions can appear as a non-attainable for the European economy. It becomes imperative to address a latent trade-off between global equity and equity within Europe. Furthermore, there is empirical evidence that low inequality levels correlate with high increases in labour productivity, thus generating competitiveness in global markets. Rising unemployment could very well by itself create even more unemployment (and contrary to the wage mechanism according to classical economics). This leads to the crucial importance for a sustainable Europe to shift the tax burden from labour to resources. Not because prices do not reflect the ecological truth, but to maintain relative wage levels within Europe. A revenue neutral tax reform will anyway restructure international trade. This has to be linked to the competition impact in order to have the sought income distribution impact. The tax reform must be enhanced by the changes in the organization of labour. Informal and formal sectors of the economy can be approached and their remuneration and other employment conditions ought to become more alike. To return to the definition of globalization, it is obvious but not sufficiently integrated that trade does have distributional impact with structural causes. The distribution impact could become a negotiable variable in trade agreements as part of sustainable development proposals.

⁵ Environmental groups such as Greenpeace, as well as several industry bodies have recently funded studies into the environment / employment links, and the economic analysis has been excessively politicized.

Harnessing globalization via production and consumption

It still is an open question whether the environmental ambivalence of globalization can be sufficiently addressed via the interlinkage between determinants for competitiveness and for social sustainability. This ambivalence follows from the perceived impact of globalization. The physical limits on material flows must be defined in relation to all distributional questions in order to avoid economic policies oriented towards global competition. This is further confirmed by the observation that those countries with more equitable income distribution have a high profile in environmental affairs, possibly not because more equitable societies are normatively more sensible but because of their position in global processes.

Changes in consumption have to work in parallel to changes in the organizational characteristics of labour. Whereas policy guidelines on the tax side and the labour side are increasingly studied and debated, the consumption part is still a wide open field. Sustainable lifestyle ought to be identified and that challenge must be addressed through the definition of producer / consumer positions in the global economic processes. One of the most important aspects of globalization which a sustainable Europe has to master is the role of consumption. The sophisticated consumer has the entire world on the breakfast table: kiwis from New Zealand, cheese from Italy, tomatoes from the Netherlands, butter from Ireland, orange juice from Brazil, flowers from Columbia, and far more⁶.

Spatial structures of social reality have already shown to be inaccessible for environmental policy. For example, most public transport initiatives in Europe have only led to an increase in transport, hardly ever to a reduction in individual transport⁷. If the globalization of consumption is not addressed, it is doubtful whether the increased scrutiny of the production will have a net benefit. I.e. even if the coffee beans imported from Latin America are organically grown and come from small-scale producers, the net impact of ever growing volumes of long distance trade can remain the dominating overall impact.

Precisely what it means to consume a product from far away is by no means clear. When the first shops on the streets of Eastern Germany opened after the fall of the Berlin Wall, bananas and pineapples were the most sought goods. Tropical fruits were the emblematic manifestation of modernity and freedom. The opposite type of consumption, local authenticity through production and consumption on the smallest scale, can be observed at the same time. Recent research on consumption isolates exo-sociological circulation from endo-sociological circulation of goods, and their consumption manifests opposing forms of identity formation⁸. This opposition is too complex to delineate here, but it is necessary to integrate the identification of modes of consumption into conceptualizing sustainability. Exo-sociological circulation of goods for consumption is much

⁶ Wuppertal Institute, op.cit., p.197

⁷ Wuppertal Institute, op.cit., p. The high speed trains have often created 50 % of journeys, and only the other 50 % would have happened anyway.

⁸ "Utility theories of demand have tended to tautology: people buy what they want, and since producers by and large produce what is demanded, consumption is an asymptotic function of production. The origin of demand - an account of what it is that people want and how such needs and/or desires are constituted - lies beyond the realm of economics", Jonathan Friedman, 1994, Cultural Identity & Global Process, SAGE Publications, p. 147. Also see Colin Campbell or Michael Featherstone.

more accessible to arguments about the global environmental impact than its opposite. Such efforts to change the spatial structure of European societies are yet to be undertaken.

European environmental institutions and convergence

Increasing scales of environmental policy (from national to European) does not lead to homogenization in public perception, neither scientific publications nor political actions for example concerning BSE (mad cow disease) or genetic maize does result in a convergence of the risk estimates. Whereas beef consumption in the UK did not decline markedly, beef consumption in Germany declined 10 % in 1996, even though there was not a single case of BSE resembling Creutzfeld-Jacob disease in Germany, but over 160 in the UK. The ban on British beef costing farmers some 5.7 bn US\$ of lost revenues. The Brent Spar case has already shown the quite different political context in which environmental issues appear in different European countries. And the different perception of nuclear power risks cannot be more striking than looking at EDF's TV advertisements for nuclear power and at the recent decision by the Swedish government to force industry to accommodate the shut-down of the first nuclear plant in Sweden.

Nor is there a trend of convergence regarding the operation of Green NGOs and it appears that these rest closely related to national political structures⁹. Green institutions in the UK and the Netherlands seem to be primarily focused towards success, whereas those in Spain or in Germany follow general principles and concrete projects much closer. Their record of establishing a presence with the EU in Brussels is quite dissimilar.

In the UK on the other hand, Green institutions have only one possibility to be effective, become part of policy communities working outside of public politics. Whereas the political system of the Netherlands has opposite configurations, a strong parliament with many parties and an open political culture. Therefore there is only a very limited potential for joint environmental campaigns. Indeed, the Green institutions form short-lived alliances around specific issues, because the incompatibility of their political environment is easily perceptible to them.

That evidence questions whether it is the institutionalization of environmental policy which does foster such agreements as the Transboundary Pollution Protocols. Furthermore there is also failure of a European CO₂ tax (not to speak of the common currency) which puts doubt on institutional factors. During the last residential training session for LEAD-Europe Associates, three questions came up repeatedly: How does political will come about? Who is we? What can West Europe say to East Europe on cooperation within East Europe? These questions show that far from addressing policy cycles, LEAD-Europe must first help its Associates to grasp the complexity of processes in the global arena.

⁹ Christian Hey, Uwe Brendle, 1992, Umweltverbände und die EG, Westdeutscher Verlag