

# **GEPOLITICS OF SUSTAINABLE DEVELOPMENT: FROM RIO TO JOHANNESBURG SUMMITS**

*Dissertation submitted to Jawaharlal Nehru University  
in partial fulfilment of the requirements  
for the award of the Degree of*

**MASTER OF PHILOSOPHY**

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## CERTIFICATE

Certified that the dissertation entitled "**Geopolitics of Sustainable Development: From Rio to Johannesburg Summits**", submitted by me in partial fulfillment of the degree of **Master of Philosophy** has not been previously submitted for any other degree of this or any other university and is my own work.

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## Acknowledgements

I would like to express my gratitude to my supervisor Dr S. S. Deora for tirelessly guiding me through this dissertation and for being a constant source of encouragement and advice. I am deeply indebted to Dr. V. Sahni, who, during the course of his teachings, had introduced me to International Relations theory, which has been used by me frequently as a means of explanation in this dissertation.

I would also like to appreciate the help extended by the staff and personnel of the Jawaharlal Nehru University, the Tata Institute of Energy Research and World Wildlife Fund libraries.

I would like to thank my seniors Arun Tripathy, Poulomi Gupta, and Paramita Rowchowdhury for their assistance, and my friends Debarchana Ghosh and Purba Rudra, for their support and encouragement.

Lastly, I wish to take this opportunity to convey my gratefulness to my parents, to whom I continually turn for support and strength, and without whom this would have been impossible.

*Rajasree Banerjee*  
Rajasree Banerjee

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# Chapter One: Introduction and Overview of Topic.

## 1.1 Introduction.

In the face of a range of problems that are global in the sense that they affect every one and can only be managed on the basis of cooperation between all, and the elevation of environmental issues to high politics through the end of the cold war, the United Nations Conference on Environment and Development (UNCED), was held at Rio de Janeiro in 1992. Ten years later, the United Nations held the World Summit on Sustainable Development (WSSD) in Johannesburg, but much of the support and enthusiasm seem to have evaporated.

The main contention is locating the behaviour of states on the subject of sustainable development in a scheme of geopolitics that treats it (following Agnew and Agnew and Corbridge<sup>1</sup>), both as practices and ideas, as a materialist world order and as a discursive set of understandings and enframing rules, in which one of the clear objectives of states is the pursuit of primacy in the inter-state system. The use of the term sustainable development reflects in particular the prominence at the end of the twentieth century the twin problems of acute global poverty and environmental degradation. For these two problems to be tackled in an integrated way, the challenge of doing so is inevitably political, because the discourse of development promotes and justifies very real interventions and practices, and is inextricably linked to sets of material relationships, to certain kinds of specific activities and to the exercise of power. It is no wonder then that sustainable development has become the site of significant differences between the developed and developing countries.

The North and the South are configured in a profoundly asymmetrical relationship of power. In such a situation, new forces such as globalisation (which can be seen as a process whereby power is located in global social formations and is expressed through global networks rather than through territorially based states), and new actors such as transnational corporations, international banks and international institutions, are being used by the developed countries to maintain the status quo, or worse still to compound

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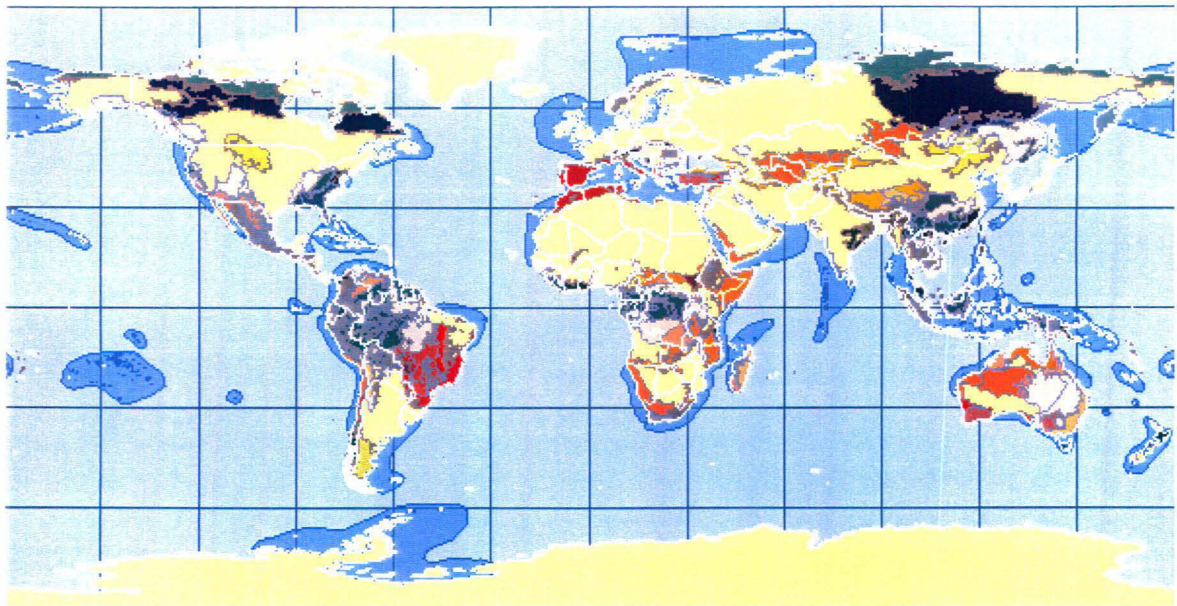
<sup>1</sup>Agnew, J. and Corbridge, S. (1995), *Mastering Space: Hegemony, Territory and International Political Economy*, Routledge, London, and Agnew, J. (1998), *Revisioning World Politics*, Routledge, London.

inequalities already in place. Powerful industrialised countries are setting up the global economic, social and political agenda, carrying the torch of a liberal ideology, which places a premium on the individual choice in the market place. In addition to the accumulation of capital as classically understood, there is the accumulation of power in other forms like knowledge, military capability, and regulatory capacity. Globalisation and its agents have eroded the authority of states differentially, to set the social, economic and political agenda within their respective political space.

The implications of an asymmetrical relationship of power was manifest at Rio, where sustainable development was interpreted as a concern about possible future economic and social implications of changes in global climate and ecology, reflecting primarily the agenda of industrialised Northern countries. If Rio was bad then Johannesburg was worse. Unlike Rio, no new global conventions or protocols were launched at Johannesburg. To make business and trade the driving force of sustainable development, several Type 2 partnerships were announced at Johannesburg, which are loosely defined, self-monitored, and non-binding. Apart from the visible loathing on the part of developed countries to any form of development aid, much meaningful reform was blocked and the Bush administration made determined efforts to destroy two key cornerstones of the Rio summit: the precautionary principle and the principle of 'common but differentiated responsibilities'. While in the 1960s and 1970s the influence of the Western countries, and of their MNCs was contested by the actual (and potential) power of the Soviet Union and China on the one hand and the fairly influential Non-Aligned Movement on the other hand, the end of the millennium has witnessed the imposition of NATO power. Naked political might be in the process of substituting the economic aid that was essential in the days of the domino theory.



**GLOBAL PRIORITY AREAS FOR CONSERVATION: THE MOST ENDANGERED TERRESTRIAL, MARINE AND FRESHWATER NATURAL AREAS ON THE PLANET.**



Source: <<http://nationalgeographic.com/wildworld/global.html>>

Figure: 1

## 1.2 An overview of the topic.

The following section reviews literature pertinent to the topic, which has been useful in formulating the research questions.

### 1.2.1 Evolving definitions of sustainable development.

Sustainable development has many definitions. It was brought in the established political arena of international development through the establishment in December 1983 of the World Commission of Environment and Development at the call of the UN General Assembly. Its report *Our Common Future* was presented to the UN General Assembly in 1987. *Our Common Future's* definition of sustainable development as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'<sup>2</sup> has become, if not the standard definition the point from which other contestations flow. Notwithstanding the rhetorical and vague character of this definition, it has proved to be popular and compelling as it covers concerns about poverty, intra- and intergenerational equity inhuman access to nature and natural resources and preservation of habitats and natural species.

However, according to Redclift, sustainable development seems assured of a place in the litany of development truisms because words about sustainable development whether in academic journals or in or in the words of politicians, very often prove to have no theoretical core.<sup>3</sup> Others such as Adams argue that it is precisely because its ability to host divergent ideas, that, sustainable development has proved to be so useful and has become so popular.<sup>4</sup>

The Brundtland commission had achieved remarkable success as establishing sustainable development as the standard against which the behaviour of governments and international institutions would measure their policies and activities. Moreover it cemented the conceptual and political foundation on which the United Nations Conference

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<sup>2</sup> Brundtland.H. (1987), p.43, *Our Common Future*, Oxford University Press, Oxford.

<sup>3</sup> Redclift, M. (1987), *Sustainable Development: exploring the contradictions*, Methuen, London.

<sup>4</sup> Adams, W. M. (2001), *Green Development. Environment and Sustainability in the Third World*. 2<sup>nd</sup> Edition, Routledge, London.

on Environment and Development (UNCED), the Rio conference was to be erected.<sup>5</sup> A number of common themes emerged in the debate on sustainable development. First, there was a general agreement on the principle of intergenerational equity. Second, proponents of sustainable development focussed on efficiency of resource use.<sup>6</sup> Third, *Our Common Future*'s definition of sustainable development as 'development, which meets the needs of the present, without compromising the ability of future generations to meet their own needs', was based on two concepts. The first is the concept of basic needs and the corollary of the primacy of development action for the poor. The second involves the idea of environmental limits, which however are not those set by the environment itself, but those set by technology and social organisation. This involves a subtle but extremely important transformation of the ecologically based earlier concepts of sustainable development, by leading beyond the concepts of physiological sustainability to the socio-economic contexts of development.<sup>7</sup>

The Rio conference achieved 'mainstream sustainable development' thinking, a very particular ideology that emerged at Rio about global environmental change. In this view the chief issue of sustainable development is seen to be the global environment and particularly problems of biodiversity depletion and climate change, rather than global poverty and North - South inequality. The latter are more political and less amenable to a technical solution. At Rio sustainable development was interpreted as a concern about possible future economic and social implications of changes in global climate and ecology, reflecting primarily the agenda of industrialised Northern countries, thus privileging issues of intergenerational equity to those over intragenerational equity. On UNCED a typical comment is that the North succeeded on inviting the South to help resolve its own difficulties while marginalising problems in the South.<sup>8</sup>

Ten years after Rio, in 2002, the United Nations held the World Summit on Sustainable Development (WSSD) in Johannesburg. The decade between Rio and its sequel saw a greatly changed world in terms of emergence of 'knowledge economies'

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<sup>5</sup> Reed, D. (1996), *Structural Adjustment, the Environment, and Sustainable Development*, Earthscan Publications, London.

<sup>6</sup> Williams, M. (1996), 'International political economy and global environmental change.' pp.41-59 in Vogler J. and Imber M. (Eds.) *The Environment and International Relations*, London, Routledge.

<sup>7</sup> Adams, W. M. (2001), *Op. cit.*

<sup>8</sup> Middleton, N; O'Keefe, P and Moyo, S (1993) *Tears of the Crocodile. From Rio to Reality in the Developing World*, Pluto Press, London.

fuelled by human capital and unprecedented progress in information technology, as well as globalisation itself, which is increasing the tendency of the world to operate as one large economy with its own internal division of labour.<sup>9</sup>

This period also saw a change in the focus of sustainable development from being an 'environment and development' process to a process placing poverty alleviation at the core of the development debate.<sup>10</sup> This shift of emphasis within the development process from 'plants rather than people' to 'people rather than plants'<sup>11</sup> continued through the 1990's, culminating in the human development centric Millennium Development Goals in September 2000.

### 1.2.2 North-South perspectives on the international agenda on sustainable development.

As opposed to Northern concerns in which the physical environment was the primary focus and long term intergenerational issues are of utmost importance, to the developing countries, tackling social concerns, economic issues, and intragenerational equity – the very obvious disparities in wealth and opportunities are keys to sustainable development. North-South differences stem from opposite perceptions of the problem of future amenity, which the North views, from the perspective of environment and the South from development.<sup>12</sup> This is confirmed by the Colombian anthropologist Alvaro Soto, who points out that, 'Air pollution, carbon dioxide emissions and the loss of biological diversity have little meaning to people who see their children die of malnutrition and who lack even the most basic health care'.<sup>13</sup>

The advanced industrial states achieved their current standards of living through a process of industrialisation, which resulted in untold environmental degradation. The adoption of sustainable policies would make development efforts more costly. Unless

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<sup>9</sup> Stiglitz, J. E. (2002) *Globalization and its Discontents*. Penguin, New York.

<sup>10</sup> Tata Institute of Energy Research (2003) 'The message from WSSD: translating resolve into action for a sustainable future' TERI, New Delhi.

<sup>11</sup> Cross, N. (2002) 'Sustainable Development', *Developments* 18(2): 9-14.

<sup>12</sup> Brenton, T. (1994), *The Greening of Machiavelli. The Evolution of International Environmental Politics*, Earthscan, London

<sup>13</sup> Soto, A. (1992) 'The Global Environment. A Southern Perspective', *International Journal* xiv/II, autumn 1992, 679-705.

industrial countries were willing to affect a major transfer of resources, the burden of sacrifices believed to be necessary would also fall unfairly on the developing countries.<sup>14</sup>

A broad consensus prevails that the North presides over the global agenda and its definitions, the Northern states and the Northern NGOs (NNGOs) dominate affairs at the cost of Southern states and Southern NGOS (SNGOS). In this way the North has successively focussed attention on issues that concern it the most, namely marine pollution, ozone depletion, global climate change, biodiversity and deforestation.<sup>15</sup> Vandana Shiva, one of India's leading environmentalists have been particularly active in vehemently arguing that the North has effectively marginalised environmental problems in the South to 'local' problems, while those of the North are seen as 'global'.<sup>16</sup>

### 1.2.3 International political economy and sustainable development.

**Liberal theorists** of international political economy locate the problem of sustainability within the context of global economy of mutually interdependent actors. They regard nature as a commodity, which can be subject to property rights, and believe that market mechanisms create the most efficient use of resources. Sustainable development policies can be pursued through the creation of incentives to retard, stop, or reverse the process of environmental degradation. In this analysis economic growth is not challenged. Economic development is seen as growth oriented and a vital component of sound environmental strategy. It is argued that a symbiotic relationship exists between development and environmental protection, and far from being oppositional they are viewed as being compatible.<sup>17</sup> Economic growth is necessary for poverty reduction, but such growth can also cause environmental degradation. On the other hand poverty too is a significant contributor to environmental damage. In the words of the World Bank: 'rising incomes combined with sustained environmental policies and institutions can form the basis for tackling both environmental and developmental problems. The key to growing

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<sup>14</sup> Williams, M. (1996), *Op. cit.*

<sup>15</sup> Hurrell, A. and Kingsbury, B. (Eds) (1992) *The International Politics Of The Environment. Actors, Interests and Institutions*, Clarendon Press, Oxford.

<sup>16</sup> Shiva, V. (1994) 'Conflicts of Global Ecology: Environmental Activism in a Period of Global Reach', *Alternatives* 19: 195-207.

<sup>17</sup> Williams, M. (1996), *Op. cit.*

sustainably is not to produce less, but to produce differently'<sup>18</sup> i.e., through the more efficient use of resources and through technological innovation that ensures environmental protection.

**Radical approaches** to sustainability locate environmental degradation in the dynamics of capitalist industrialisation and development. The quest for sustainable development has to confront the values, interests and power behind the capitalist international division of labour. Unsustainable development in the South is a direct consequence of the incorporating of developing countries into an asymmetrical international division of labour system. Southern dependence and unsustainable agricultural and industrial policies are maintained through the prevalent patterns of trade, finance and investment, and unless these structures are overturned, sustainable development will remain an aspiration rather than a practical goal.<sup>19</sup>

According to liberal theorists there is no inherent conflict between **trade liberalisation and sustainable development**. Increased protectionism according to this perspective will only lead to a reduction in welfare. The fundamental purpose of trade liberalisation is to allow price signals to guide production systems for exportables and to use the same for to discourage importables. This is believed to bring the resource allocation system closer to comparative advantage. It has a strong positive effect on economic growth in terms of implications of accelerated accumulation of physical capital, technological transmissions and macroeconomic policy improvement.<sup>20</sup>

The liberal case for free trade is rejected by some writers, who argue that international trade is a major mechanism in the creation and maintenance of environmental degradation. First, it is alleged that trade liberalisation reinforces inequality. Openness by itself is not a reliable mechanism to generate sustained economic growth; it tends to widen income and wealth disparities within countries and more importantly, leaves them

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<sup>18</sup> World Bank (1992), *World Development Report 1992: development and the environment*, Oxford University Press, Oxford.

<sup>19</sup> Peng, K. K. (1992), 'The third world environment crisis: a third world perspective', pp. 15-30 in Bahuguna, S., Shiva, V and Buch, M.N. (Eds.) *Environment Crisis and Sustainable Development*, Third World Network, Natraj Publishers, Dehradun.

<sup>20</sup> Rao, P.K. (2000), *The World Trade Organisation and the Environment*, Macmillans Press Limited, London.

vulnerable to external shocks.<sup>21</sup> Second, specialisation through trade in primary products it is argued can lead to reduced incomes and environmental degradation for developing countries. Trade liberalisation and existing patterns of North-South specialisation maintain the South's impoverished position. Falling terms of trade for primary products lead to declining export receipts and to patterns of land use, which exacerbate environmental degradation.<sup>22</sup> Third, some writers claim that liberal trade regime encourages transnational corporations to implant pollution intensive from industrialised countries where pollution control are strict to developing countries where pollution controls are weak.<sup>23</sup>

#### 1.2.4 International relations theory and sustainable development.

By and large **neo-liberal approaches** have monopolised the research agenda, which has been conceptualised mainly as the management of interdependence in a system of sovereign states lacking central authorities assumed to be necessary to provide order and regulation within domestic societies.

In the face of a range of environmental problems that are global in the sense that they affect everyone and can only be effectively managed on the basis of co-operation between all, scholars call for common action.<sup>24</sup> Typically the overall situation is characterised as a gridlock of complex interdependence in which it appears that no single can individually control the direction or alter the distribution of effluents, but neither is any one state insulated from the effluents of others.<sup>25</sup>

The problem definition consists of the absence of any central authority and the inevitably remote prospect for extensive supranationalism and world government that constitute the starting point for designing the prospects for global environmental management.<sup>26</sup> The problem is that political and institutional frameworks within which the

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<sup>21</sup> Rodrik, D. (1999), *The New Global Economy and Developing Countries – Making Openness Work*, The Overseas Development Council, Washington, DC.

<sup>22</sup> South Commission (1990), *The Challenge to the South*, Oxford University Press, Oxford.

<sup>23</sup> Neumayer, E. (2001), *Greening Trade and Environment – Environmental Protection without Protectionism*. Earthscan Publications Limited.

<sup>24</sup> Hurrell, A. and Kingsbury, B. (1992) *Op. cit.*

<sup>25</sup> Choucri, N. (ed) (1993) *Global Accord. Environmental Challenges and International Responses*, MIT Press, Cambridge, MA.

<sup>26</sup> Hurrell, A. and Kingsbury, B. (1992) *Op. cit.*

environmental problems must be addressed remain hopelessly fragmented.<sup>27</sup> Given ecological interdependence, sovereign states, the absence of central authority, necessity for international co-operation and the prospect of 'world government seem(ing)s far away'<sup>28</sup>, it is here that **institution building and regime formation** become important in studies concerning global environmental change and international relations. Regimes are distinct from 'institutions', 'governance systems' and 'organisations'. A regime is a specific governance system 'intended to deal with a more limited set of issues and a single issue area'.<sup>29</sup> Since it is difficult to identify norms and rules in the global environmental area that are not defined by a specific agreement, regimes are a system of norms and rules that are specified by multilateral legal instruments among states to regulate national action on an environmental issue. The main form of multilateral global legal instruments is the convention.<sup>30</sup> a broad understanding of a regime would be as 'an international social institution with agreed upon principles, norms, procedures and programmes that govern the activities and shape the expectations of actors in a specific issue area'.<sup>31</sup>

### 1.2.5 A new force in the arena of sustainable development.

The world economy has experienced a progressive international economic integration since 1950. However there has been a marked acceleration in this process of **globalisation** during the last quarter of the twentieth century. There are three manifestations of this phenomenon- international trade, international investment and international finance. It also refers to the expansion of transactions and the organisation of economic activities across the political boundaries of nation states. It also extends to flow of services, technology and information, and ideas across national boundaries. But the cross border movement of people is highly regulated and closely restricted. Economic

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<sup>27</sup> Vogler, J. (1996) 'Introduction. The Environment in International Relations. Legacies and Contentions', in J. Vogler and M.F.Imber (eds) *The Environment and International Relations*, pp.1-12.

<sup>28</sup> Haas, P. M.; Keohane, R.O. and Levy, M..A. (eds) (1993) *Institutions for the Earth. Source of Effective International Environmental Protection*. MIT Press, Cambridge MA and London UK.

<sup>29</sup> Young, O. R. (1994) *International Governance. Protecting the Environment in Stateless Society*, p-26, Cornell University Press, Ithaca and London.

<sup>30</sup> Porter, G., Brown, J. W., and Chasek, P. S. (2000), *Global Environmental Politics*, 3<sup>rd</sup> Edition, Westview Press, Colorado.

<sup>31</sup> Greene, O. (1996) 'Environmental Regimes. Effectiveness and Implementation Review', in J. Vogler and M.F.Imber (eds) *The Environment and International Relations*, pp.196-214.



interdependence is asymmetrical. There is a high degree of interdependence among countries in the industrialised world. There is considerable dependence of developing countries on the developed countries. There is much less interdependence among the countries of the developing world. Interdependence implies a situation where the benefits of linking up and the costs of delinking are about the same for both partners. Where such benefits and costs are unequal among partners it implies a situation of dependence.<sup>32</sup>

The asymmetry and the structurally different bases between the North and the South help to explain why despite two centuries of post-colonialism in Latin America, half a century in Asia, and somewhat less in Africa, a structural breakthrough towards a diversified and balanced (industrial) society has not occurred. The present monetarist and free trade policies basically introduced as an answer to state finances and economic integration in the OECD countries in the late 1970s has been made to apply with a vengeance to developing countries. Its acceptance by numerous Third World governments came with the imposition of the Structural Adjustment Policy package.<sup>33</sup>

According to Richard Falk, 'territorial sovereignty is being eroded on a spectrum of issues in such a serious manner as to subvert the capacity of states to control and protect the internal life of society, and non-state actors hold an increasing proportion of power and influence in shaping the world order'. The consequence of such a transformation has been the emergence of a globalised world order which is questioning the modern world order based on the primacy of the nation state, secular political cultures, territorialized sovereignties and a belief that the west would prevail over the non-western world.<sup>34</sup>

Globalisation is however not new.<sup>35</sup> There was a similar phase of globalisation that began earlier, between 1870 and 1914. However, the late nineteenth century was the age of the empire. The rules of the game were set by the military strength of a few imperial powers. And the risks associated with trade, investment, and finance were underwritten by

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<sup>32</sup> Nayyar, D. (2002), 'Towards global governance', in Nayyar Deepak (ed) *Governing globalisation. Issues and Institutions*. Oxford University Press, New Delhi.

<sup>33</sup> Lieten, K. (2001), 'Multinationals and development: revisiting the debate', in Schuurman.F.J. (ed) *Globalisation and the Development Studies. Challenges for the 21<sup>st</sup> Century*, Vistaar Publications, New Delhi.

<sup>34</sup> Falk, R. (1997), 'State of siege: will globalisation win out?' *International Affairs*, 73: 123-36.

<sup>35</sup> Hirst, P. and Grahame, T. (1996), *Globalization in Question. The International Economy and the Possibilities of Governance*, Polity Press, Cambridge; and Nayyar, D. (2002), 'Towards global governance', in Nayyar Deepak (ed) *Governing globalisation. Issues and Institutions*. Oxford University Press, New Delhi.

imperial nation states. Globalisation both then and now has been associated with an exclusion of countries and peoples from its world of economic opportunities. Markets exclude people as consumers and buyers of goods and services if they do not have any incomes or sufficient incomes, which can be translated to purchasing power. Markets exclude such people as producers or sellers if they have neither assets nor capabilities. Even those without assets can enter the market as sellers, using their labour if they have the capabilities. Such capabilities are acquired through education, training, or experience, are different from natural abilities, which are endowed. Hence people without capabilities- the poor, who cannot find employment- are excluded. Even people with capabilities are excluded if there is no demand for their capabilities in the labour market.<sup>36</sup>

Participation in the world economy it was thought would lead to unprecedented economic development, unlike long periods of stagnation under inward orientation, import substitution and state activity in industry. Privatisation and liberalisation have become the core elements of the new policy. They should help channel investments by individual entrepreneurs and, in the framework of the globalising world by the MNCs. The export led development would follow in the wake of FDI, and, on the other hand, would accelerate further FDI.<sup>37</sup>

However in this period of globalisation MNCs have been unable to deliver the goods. It has led to only a modestly thickening network of exchanges within the core, a significant redistribution of trade participations within the core, the graduation of a small number of peripheral nations with a comparatively small population base to 'core' status, but above all a declining economic interaction between core and periphery.<sup>38</sup>

Since FDI is an important conduit for the transfer of new technologies, and as international trade is becoming increasingly knowledge intensive, access to these technologies become important for future competitiveness. The difficulties faced by the poorest countries in attracting FDI exclude them from a major source of technical innovation exacerbating their technological weakness in the process.<sup>39</sup> The countries that

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<sup>36</sup> Nayyar, D. (2002), *Op. cit.*

<sup>37</sup> Lieten, K. (2001), *Op. cit.*

<sup>38</sup> Hoogevelt, A. (1997), *Globalization and the Postcolonial World. The New Political Economy of Development*, Macmillan, Houndmills, London.

<sup>39</sup> Watkins, K. (1997), *Globalisation and Liberalisation: Implications for Poverty Distribution and Inequality*, UNDP, Occasional Paper 32.

seem to be doing well happen to be countries that combine a high degree of economic stability and financial stability, and, as such, offer an attractive environment for private investment flows. Ironically the countries concerned achieved stability on the basis of continuing strong position of the state in the economic regulation of the economy and on the basis of creation of an internal market.<sup>40</sup>

Moreover countries that attract FDI may expect remittances on account of profit repatriation. It is not unusual for developing countries to have a negative flow of resources, except in the years when FDI has increased substantially. It is precisely in the poorest group of countries that profit remittances as a ratio to FDI have been the higher than in the richer developing countries. So FDI is evidently not a mechanism for equalising physical capital among countries.<sup>41</sup>

Some other views on globalisation are as follows. (1) There are major transformations going on society, polity and economy and that these transformations that are taking place on a global scale do not form part of modernity, late-modernity or post-modernity; they indicate the coming of a new era: globality.<sup>42</sup>

(2) For another group of authors globalisation is primarily cultural in nature. Space and culture are delinked, non-traditional identities are strengthened in the face of increasing homogenisation because of the onslaught of globally diffused information. Traditional identities are under threat, indigenous people are alienated from their cultural heritage through the global movement of consumer capitalism. The globe is the political arena for a conglomerate of new social movements, indigenous movements, environmentalist movements in increasingly global coalitions.<sup>43</sup>

(3) Some authors interpret globalisation as a dialectical process where the 'global' meets the 'local'. This results in an increasingly hybrid praxis. Authenticity of culture, an anchor point in the previous view, is rejected. Culture is becoming increasingly hybrid, and probably always was.<sup>44</sup>

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<sup>40</sup> Lieten, K. (2001), *Op. cit.*

<sup>41</sup> *Ibid.*

<sup>42</sup> Albrow, M. (1996), *The Global Age. State and Society Beyond Modernity*, Polity Press, Cambridge; Chatterjee, P. (1997), 'Beyond the nation? Or within?' , *Economic and Political Weekly*, January 4-11, pp 30-34.

<sup>43</sup> Kothari, R. (1997), 'Globalization: a world adrift', *Alternatives*, 22, pp 227-267.

<sup>44</sup> Appadurai, A. (1996), *Modernity at Large: Cultural Dimensions of Globalization*, University of Minnesota Press, Minneapolis.

(4) Globalisation has also been defined as the global spread of capitalism and modernity. It is in answer to the often seemingly paradoxical characteristics of globalisation like homogeneity and heterogeneity, globalisation and localisation, universalisms and particularisms, individualism and new localism. All these characteristics of globalisation are only seemingly new paradoxes, they represent however globally projected contradictions that have always been present in capitalism and modernity, but increasingly so because of disjunctive spatial developments of capitalism and modernity.<sup>45</sup>

(5) In the past decade, there has been a profound change in the political situation, as communism has collapsed and capitalism has emerged triumphant. The world of competing political ideologies has given way to a world with a single dominant ideology. According to some scholars, globalisation is capitalism gone global. These are the times of the purest forms of capitalist logic no longer contained by the existence of non-capitalist modes.<sup>46</sup>

#### 1.2.6 Actors in the arena of sustainable development: old and new.

The privileging of the state in the analysis of global environmental politics consists of '**Statism**', defined as a position that environmental problems can best be addressed by existing nation-states under the rubric of the contemporary state system. Notwithstanding a respectable record of co-operation on international environmental issues, a sizeable number of scholars express their disappointment with the ability of states to address successfully environmental dangers. While a diverse group, there are essentially two schools of thought promoting a radical restructuring of the state system: '**supra-statism**' and '**sub-statism**'. The former maintains that the mismatch between the unitary character of environmental issues and the fragmentary structure of the state system will always lead to insufficient environmental protection as states undertake inadequate domestic measures, negotiate weak accords, or capriciously comply with international mandates when this best

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<sup>45</sup> Schuurman, F. J. (2001), 'The nation state, emancipatory spaces and development studies in the global era', in Schuurman, F.J. (ed) *Globalisation and the Development Studies. Challenges for the 21<sup>st</sup> Century*, Vistaar Publications, New Delhi.

<sup>46</sup> Tandon, Y and Ananthakrishnan, S. (1997), 'Rio minus five. UNGASS: a return realism', *Economic and Political Weekly*, September 13, pp 2322-2325; and Meiksins Wood, E. (1997), 'Labour, the state and class struggle', *Monthly Review*, 49(3), pp 1-18.

serves their interests. A world government according to 'supra-statists' would transcend the narrow aspirations of independent states and protect the entire earth by enacting comprehensive and consistent environmental measures world-wide. Sub-statists on the other hand, also feel the state system at the core of environmental degradation but argue for a different remedy. For sub-statists, environmental dilemmas arise because of the increasing scale of human organisation and practices throughout the world. Large scale enterprises necessitating concentration of power, involves using technologies and pursuing forms of economic activity that are insensitive to local and regional dimensions of environmental issues. What is needed according to sub-statism is to decentralise and fashion governing units that correspond and are responsive to on the ground practices that damage the environment.<sup>47</sup>

**State** actors are the final determinant of outcomes on global environmental issues. States negotiate the international legal instruments creating global environmental regimes as well as adopting international trade and financial policies that directly or indirectly affect the environment. States also decide issues which are considered by the global community both directly (by directly arguing for international action on an issue) and indirectly (through membership in the governing councils of international organisations). Donor states influence environmental policies through their bilateral aid programmes and donations to multilateral banks.<sup>48</sup> 'If there is one key variable accounting for policy change, it is the degree of domestic environmentalist pressure in major industrialized democracies, not in the decision making rules of the relevant international institutions'. Non state actors are taken into account only as far as they might deliver pressure groups input.<sup>49</sup>

**International organisations** may influence the outcomes of global environmental issues in the following four ways: it may set the agenda for global action, determining which issues the international community will deal with; it may convene and influence negotiations on global environmental regimes; it may develop normative codes of conduct on various environmental issues; and it may influence state policies on issues that are not

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<sup>47</sup> Wapner, P. (1996) *Environmental Activism and World Politics*, State University of New York Press, Albany, New York.

<sup>48</sup> Porter, G., Brown, J. W. and Chasek, P. S. (2000), *Op. cit.*

<sup>49</sup> Haas, P. M.; Keohane, R.O. and Levy, M.A. (1993), *Op.cit.*

under international negotiation.<sup>50</sup> Three positive effects international institutions have on the environment are: creating high levels of governmental concern; functioning as hospitable contractual environments in which agreements can be made and kept; they can build sufficient administrative capacity in national governments.<sup>51</sup>

The emergence of the global environment as a major issue in world politics has coincided with the rise of **non governmental organisations** (NGOs) as a major force in the politics of the environment. Although business organisations are included in the United Nations definition of an NGO, they can be taken to mean a private, non-profit organisation that is not beholden either to a government or to profit making organisation. According to them NGOs may influence international regimes by: defining new issue areas or redefining old ones; lobbying or pressuring their own or other governments to accept a more advanced position on an issue, by advancing new proposals, by carrying out consumer boycotts and educational campaigns or by bringing lawsuits; propose entire draft texts of conventions in advance of conferences; lobby and participate in international negotiations; monitor the implementation of conventions and report to the secretariat and/or to the parties.<sup>52</sup>

However despite elaborate provisions for consultation and observer rights, the NGOs are not a party to binding international conventions. 'The fact that indigenous peoples, national minorities, women and youth are cited in Agenda 21 is a backhanded compliment only, one which recognises and institutionalises their marginalisation'.<sup>53</sup>

The processes of privatisation, liberalisation and globalisation have placed new players in the centre stage of the world economy. There are two main sets of economic players: **transnational corporations**, which dominate investment, production and trade in the world economy, and **international banks** or financial intermediaries which control the world of finance. This has introduced a strategic withdrawal of the nation state in some important spheres. **They are the main political players but no longer the main economic players.** Since globalisation is a market driven process and the market defines capabilities, therein lies the problem. In a national context the state may introduce

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<sup>50</sup> Porter, G., Brown, J. W. and Chasek, P. S. (2000), *Op. cit.*

<sup>51</sup> Haas, P. M.; Keohane, R.O. and Levy, M..A. (1993), *Op. cit.*

<sup>52</sup> Porter, G., Brown, J. W. and Chasek, P. S. (2000), *Op. cit.*

<sup>53</sup> Imber, M.F. (1996) 'The Environment and the United Nations', in J. Vogler and M.F.Imber (eds) *The Environment and International Relations*, pp.139-151.

corrective measures to pre-empt exclusion or marginalisation. However markets are not accountable to the general public like governments.<sup>54</sup>

The resurfacing of the capital- labour conflict in several industrially advanced nations after the Keynesian theory of demand management in a framework of co-operative capitalism generated new problems after a sustained period of success in dealing with problems of unemployment. After three decades of continuous full employment, the welfare states and sustained growth had created in the advanced capitalist countries a wider middle class with rentier interests. The reduced economic role of the state became widely acceptable politically, as fears of a demand for higher wages and of inflation triggered off by it eroding the value of accumulated savings of the middle class, justified the need for maintaining a 'reserve army of labour' under capitalism. Also, since the stimulation of private investment is an alternative route to managing demand under the Keynesian framework, measures used to achieve this, such as reduced taxes on corporate profits or restraint on wages, constituting a politically conservative view, where the economic role of the state becomes directed towards strengthening the role of private business, became justified.

Although the quantitative importance of foreign direct investment in terms of its share in fixed capital formation, or as a share of GDP is not very high, MNCs are still very influential, because the cost of non-compliance by the nation state to the requirements of multinationals is magnified by the nexus of international trade and finance on the one hand and international creditworthiness on the other hand. The state thus feels circumscribed because of too much of informal co-ordination among MNCs, banks, and Bretton Woods institutions.

The phenomenal growth in international financial flows in the contemporary period has compelled the nation state to the day to day sentiments of international financial markets. There is fear on the part of national governments that fiscal or monetary policy aimed at expanding demand may result in higher imports and current accounts deficit. This might destabilise the financial market triggering off massive speculative capital flights. National governments have little autonomy in raising the rates of corporate tax to raise

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<sup>54</sup> Nayyar, D. (2002), *Op. cit.*

additional revenue, fearing again that it would induce disproportionately large capital flights.<sup>55</sup>

The pattern of industrialisation in the ex-colonial countries has led to a lopsided development. Islands of large scale and modern investments thrived on and co-exist with traditional interests. The power of the state in developing countries is therefore further emasculated by the multistructurality of the economy and the polity.<sup>56</sup>

### 1.2.7 The geopolitics of sustainable development.

In order to locate the international politics of sustainable development into a schema of geopolitics, two strands of recent political geographic research has been looked into: the neutral scholarship of new geopolitics and the critical scholarship of critical geopolitics.

The body of Anglo-Saxon political geographers were eager to reclaim geopolitics from the state and military, and did so by pulling it back into academia. Political geography regained some popularity at the end of the 1970s and the beginning of the 1980s, a fact that was institutionalised with the creation of a new journal, *Political Geography Quarterly*, in 1982. Geopolitics was only one of the themes of the new research agenda and it was conceived as the political geography of international relations. The term 'geopolitics' was either avoided or used carefully to distinguish between practical and applied geopolitics of the politicians and diplomats and formal geopolitics as an academic body of knowledge. They also distinguished between old geopolitics (serving the foreign policy of a particular state) and new geopolitics (as the geographical perspectives on the relations between states).<sup>57</sup> Two books by John Agnew: *Geopolitics: Revisioning World Politics*, in 1998 and an earlier volume, *Mastering Space*, written in collaboration with Stuart Corbridge in 1995 are particularly relevant to this dissertation. The later book is broader in scope, discussing international political economy and the hegemony of the

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<sup>55</sup> Bhaduri, A. (2002), 'Nationalism and Economic Policy in the Era of Globalization', in Nayyar Deepak (ed) *Governing globalisation. Issues and Institutions*. Oxford University Press, New Delhi.

<sup>56</sup> Lieten, K. (2001), *Op. cit.*

<sup>57</sup> Mamadouh, V. (2000), 'Reclaiming geopolitics: geographers strike back' in Kliot, N. and Newman, D. (eds) *Geopolitics At the End of the Twentieth Century: the Changing World Political Map*, Frank Cass, London.



USA. The first part of *Mastering Space* deals with geopolitics, assessing the existence of three geopolitical orders and their corresponding geopolitical discourses. Civilisational geopolitics fits the British geopolitical order of Concert of Europe (1815-1875); naturalised geopolitics fits the order of inter-imperial rivalry (1875-1945); whereas ideological geopolitics deals with the cold-war geopolitical order. The closing chapter discusses the 'territorial trap' a term coined by Agnew to reveal the specific character of the modern state and our tendency to be blind to other spatial forms. The second part of the book examines the present American hegemony and its perceived decline.<sup>58</sup> In *Geopolitics: Revisioning World Politics*, Agnew specifically addresses geopolitics and, more precisely what he calls the modern geopolitical imagination. In his first chapter he discusses the visualisation of global space (a necessary condition for speaking of world politics). The second chapter is devoted to a second element of geopolitical imagination, namely turning time into space. The third chapter deals with the territorial trap. The fourth chapter tries to trace the social origins of great powers and their pursuit for primacy. Three ages of geopolitics is discussed in this chapter.<sup>59</sup>

Agnew claims that modern geopolitical imagination 'still remains prevalent in framing the conduct of world politics'. Agnew on his own and together with Corbridge has sought to give the concept some rigour and specificity, offering one of the most comprehensive historical and materialist theory of geopolitics in recent years. They provide a general theory of geopolitics that treats it both as practices and ideas, as a materialist world order and a discursive set of understandings and enframing rules. Agnew and Corbridge make a crucial distinction between geopolitical order and geopolitical discourse, the first an international political economy of spatial practices, while the second is a hardened hegemonic organisation of representations of space.

The current post cold- war epoch is described as a hegemony without a dominant state hegemon, a geopolitical order dominated powerful countries like USA, Japan, and Germany, integrated by world-wide markets and regulated by transnational institutions and organisations like the EU the International Monetary Fund and the World Bank. The hegemonic ideology of this epoch is transnational liberalism, the belief that universal

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<sup>58</sup> Agnew, J. and Corbridge, S. (1995), *Mastering Space: Hegemony, Territory and International Political Economy*, Routledge, London.

<sup>59</sup> Agnew, J. (1998), *Revisioning World Politics*, Routledge, London.

progress lies in the expansion and extension of capitalist markets across the globe.<sup>60</sup> Although Agnew and Corbridge are not explicit about it, the dominant representation of space in the contemporary period could be termed enlargement geopolitics which is the strategy of enlarging the community of so called 'market democracies'.<sup>61</sup>

Agnew isolates four characteristics of the modern geopolitical imagination. The first is a 'global visualisation' without which world politics would not have been possible. The development of philosophy and cartographic techniques from sixteenth century onwards in Europe made modern geopolitics possible which enabled the visualisation of the world as a unitary whole. The second characteristic is time turned into space, which tends to organise the geography of the world ethnocentrically into a hierarchy of spaces defined in terms of modernity, progress and development vis-a vis the modernity of the hegemon. The third characteristic is the state centred representation of global space which Agnew calls the 'territorial trap'. The fourth characteristic is the pursuit of primacy by dominant states in the interstate system.<sup>62</sup>

The term critical geopolitics was coined in the late 1980s and inspired by the pioneering work of two political geographers, Simon Dalby (1990) and Gearoid O Tuathail (1986). It was immediately apparent that critical geopolitics was grounded in a corpus of work found in the discipline of International Relations and bolstered by post structuralism and political economy.<sup>63</sup> O Tuathail and Dalby are also the editor of a collection of essays titled *Rethinking Geopolitics*. They sum up the difference between this approach and a more conventional approach in five points. It is a much broader cultural phenomenon than that which practitioners of statecraft have in mind. It is about the construction of the boundary between the inside and the outside (rather than the outside of a state only). It refers to a plurality of representational practices (they distinguish a practical geopolitics of diplomats and politicians, and a formal geopolitics of the strategic community and a popular geopolitics). It seeks to disturb objectivism by underlining that geopolitics is

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<sup>60</sup> Agnew, J. and Corbridge, S. (1995), *Op. cit.*

<sup>61</sup> O Tuathail, G. (1998), 'Postmodern geopolitics? The modern geopolitical imagination and beyond', in O Tuathail, G. and Dalby, S. (eds) (1998), *Rethinking Geopolitics*, Routledge, London.

<sup>62</sup> Agnew, J. (1998), *Op. cit.*

<sup>63</sup> Dodds, K. (2001), 'Political geography III: critical geopolitics after ten years', *Progress in Human Geography*, 25(3), pp: 469-484.

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situated knowledge and cannot be politically neutral. Lastly it seeks to theorise the development and use of geopolitics.<sup>64</sup>

To provide the political geographic theoretical base of this dissertation, John Agnews' general theory of geopolitics that treats it both as practices and ideas, as a materialist world order and a discursive set of understandings and enframing rules is more useful. In particular one (of the four) characteristic of modern geopolitical imagination, isolated by him, has been found particularly luminous in analysing the international politics of sustainable development and to make it a part of the corpus of political geographic literature. That characteristic is the fourth component of modern geopolitical imagination, i.e., the pursuit of primacy of dominant states in the inter-state system. Although nominally equal sovereign entities, states in the modern interstate-system are in reality radically different from each other in geographic location, territorial extent, natural resource endowment, social organisation, political leadership and power potential. These differences has long been classified and conceptualised by geopoliticians within the contexts of relative struggles for power between states. Although the geopolitical assumptions that, first, 'power flows from advantages of geographical location, size of population and natural resources' and, second 'that power is entirely an attribute of territorial states that attempt to monopolise it in competition with other states' are no longer plausible, yet Agnews' claims that modern geopolitical imagination 'still remains prevalent in framing the conduct of world politics' seems to be borne out by the practices of the developed countries (dominant states) in the arena of sustainable development.<sup>65</sup>

In UNCED, WSSD and in many North- South arenas, parties were configured in a profoundly **asymmetrical relationship of power**. An **inherent flaw of the UN conference method** probably exacerbated it. Multilateral diplomacy proceeding by consensus rather than votes to an overall package deal (where interests and priorities are traded off against each other and no party takes the risk of making concessions on one item of the agenda without making gains elsewhere) tend to reward intransigence in negotiation. In a vote the minority of one is an exposed loser. When assembling a package by consensus, however, the minority of one can expect to attract disproportionate concessions

<sup>64</sup> O Tuathail, G. and Dalby, S. (1998), 'Introduction: rethinking geopolitics. Towards a critical geopolitics', in O Tuathail, G. and Dalby, S. (eds) (1998), *Rethinking Geopolitics*, Routledge, London.

<sup>65</sup> Agnew, J. (1998), *Op. cit.*

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from the other parties to achieve a final deal.<sup>66</sup> However intrinsic flaws in the UN conference system are insufficient excuses in explaining the conduct of industrialised countries in UNCED, WSSD and many other North- South arenas. Coming back to sustainable development, three conditions separated UNCED from WSSD.

The **first** is the **end of the cold war**.<sup>67</sup> The end of the containment policy has deprived many Third World countries of Western aid and trade concessions. While in the 1960s and 1970s the influence of the Western countries, and of their MNCs was contested by the actual (and potential) power of the Soviet Union and China on the one hand and the fairly influential Non-Aligned Movement on the other hand, the end of the millennium has witnessed the imposition of NATO power. Naked political might be in the process of substituting the economic aid that was essential in the days of the domino theory.<sup>68</sup>

The **second** is the process of **globalisation**. Globalisation can thus be seen as a process whereby power is located in global social formations and is expressed through global networks rather than through territorially based states. Globalisation, interpreted most importantly but not solely as the latest stage of capitalism, is compounding inequalities already in place and developing new ones. The process is supported by liberal ideology, which places a premium on the individual choice in the market place.

In addition to the accumulation of capital as classically understood, there is the accumulation of power in other forms which has often been ignored, e.g. knowledge, military capability, regulatory capacity. Global accumulation in all its aspects undermines the value of local diversity and legitimises the dominant liberal agenda. **Globalisation erodes the authority of states differentially**, to set the social, economic and political agenda within their respective political space.<sup>69</sup> The tendency towards globalisation is undermining the independent policy making capacity of the state, but it is not affecting the

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<sup>66</sup> Imber, M.F. (1996), *Op. cit.*

<sup>67</sup> Tandon, Y and Ananthakrishnan, S. (1997), 'Rio minus five. UNGASS: a return realism', *Economic and Political Weekly*, September 13, pp 2322-2325.

<sup>68</sup> Lietai, K. (2001), *Op. cit.*

<sup>69</sup> Thomas, C. (1997), 'Globalisation and the South', in Thomas, C. and Wilkin, P. (eds) *Globalisation and the South*, St. Martins Press, New York.

policy-making capacity of all states to the same extent. Thus it is to be expected that the impact of globalisation is to be greater on developing countries than on developed ones.<sup>70</sup>

The **third** change since Rio 1992 is the **emergence of the World Trade Organisation (WTO)** as a primary instrument for globalisation. In theory the decisions are taken by consensus, in reality the US, Canada, EU and Japan take all the critical decisions in closed meetings, and then pass them down to the rest of the world. The WTO promotes the interests of western MNCs and is not a forum for democratic decision making.<sup>71</sup>

### **1.3 Research questions for the following study.**

1. To collate, using current political geographic imagination, a possible geopolitics of sustainable development, by looking at both the academic discourse as well as the practices of states in the arena of sustainable development.
2. To examine if the World Summit on Sustainable Development held in Johannesburg in 2002 mark a return to realism after the halcyon days of neoliberal institutionalism whose culmination was the United Nations Conference on Environment and Development held at Rio de Janeiro in 1992.
3. To examine the role of new forces that have emerged post-Rio, such as globalisation and the emergence of the World Trade Organisation in conditioning the geopolitics of sustainable development.
4. To look at other factors that might influence the same, such as the end of the cold war and the inherent flaws of the UN conference system.

An exploration into the above mentioned research questions constitutes the contents for the following chapters.

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<sup>70</sup> Grugel, J. and Hout, W. (1999), 'Regions, regionalism and the South', in Grugel, J. and Hout, W. (eds) *Regionalism Across the North-South Divide. State Strategies and Globalisation*, Routledge, London and New York.

<sup>71</sup> Tandon, Y and Ananthakrishnan, S. (1997), *Op. cit.*

## Chapter Two: The Rise of Mainstream Sustainable Development and The Rio Summit

### 2.1 Introduction

Poverty, hunger, disease and debt have been familiar words within the lexicon of development ever since formal development planning began following the Second World War. In the 1980's another phrase joined these words, *sustainability*. Sustainable Development was codified for the first time in the *World Conservation Strategy* (WCS), a document prepared for a period of several years in the later 1970's by the International Union for the Conservation of Nature (IUCN) with finance provided by the United Nations Environment Programme (UNEP) and the World Wildlife Fund. The concept began to be widely adopted following the 1972 United Nations Conference on Human Environment in Stockholm. It was further developed through the report of the World Commission on Environment and Development seven years later. It was an agenda that now began to command attention in the core of the development universe: in a major shift of culture and policy, the President of the World Bank in May 1988 spoke of the links between ecology and sound economics in a major statement of the Bank's policy on the environment. Such 'greening' of developmental thinking was a characteristic feature of the 1980's.<sup>1</sup> Sustainable development became the driving force behind the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992 and its sequel ten years later, the World Summit on Sustainable Development held in Johannesburg in 2002.

### 2.2 The exclusionist paradigm.

The social paradigm that has dominated public understanding of environmental management during the period of rapid global economic growth has been essentially a system of beliefs about economics. It has been referred to as the **exclusionist paradigm** because it excludes human beings from the laws of nature. It has also been called *frontier economics* because it suggests a sense of unlimited resources that characterises a society with an open frontier.

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<sup>1</sup> Adams, W. M. (2001), *Green Development. Environment and Sustainability in the Third World*. 2<sup>nd</sup> Edition, Routledge, London.

In capitalist societies this dominant social paradigm has been based primarily on the assumptions of neo classical economics: first, that the free market will always maximise social welfare, and second, that there is an infinite supply of not only natural resources but also of 'sinks' for disposing of the wastes from exploiting those resources-provided that the market is always operating. Humans will not deplete any resources according to this world-view, as long as technology is allowed to progress freely and prices are allowed to fluctuate enough to stimulate the search for new substitutes, so that absolute scarcity is postponed to an indefinite future. Waste disposal is viewed as a problem to be taken care of afterwards but not at the cost of interference with market decisions. Because conventional economic theory is concerned only with the allocation of scarce resources, and nature is not a restraining factor, this paradigm considered environment to be irrelevant to economics.<sup>2</sup>

Even Marxists have not questioned the underlying idea that industrial development will free society from the constraints of nature, and thus ultimately liberate people altogether. The main obstacle that prevented this process from happening was not to be found in the development process itself, but rather in the political power structures, which were perpetuating inequities and oppression. Marxists, therefore, remain caught in the development paradigm.<sup>3</sup>

Rachel Carson's (1962) contribution, *Silent Spring* is generally credited with laying the foundation of a modern era of environmental awareness and social concern in the developed countries. Her book was mainly about the significant risks posed by some categories of pesticides especially dichlorodiphenyltrichloroethane (DDT), and brought to light the need for environmental alertness to safeguard human health. She examined life in every form on the planet and sought accommodation between humans and nature.<sup>4</sup>

Another influential contribution was the biologist Garrett Hardin's (1968) paper warning about imminent dangers of excessive exploitation and mismanagement of resources especially those with a free access. In the medieval 'commons'- defined as open pastures accessible to all, on which individual herders to maximise their use of the

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<sup>2</sup> Porter, G., Brown, J. W. and Chasek, P. S. (2000), *Global Environmental Politics*, 3<sup>rd</sup> Edition, Westview Press, Colorado.

<sup>3</sup> Chatterjee, P. and Finger, M. (1994), *The Earth Brokers. Power, Politics and World Development*, Routledge, London and New York.

commons introduced as many cattle as possible, leading ultimately to overgrazing of the commons and starvation of the cattle. Thus, though individual herders had temporary benefits, the ultimate loss of resources and costs were borne by society as a whole. To quote Hardin (1968) 'ruin is the destination towards which all men rush, pursuing their own best interests in a society that believes in a freedom of the commons. Freedom in the commons brings ruin to all.'<sup>5</sup>

### 2.3 The Stockholm conference.

The United Nations Conference on the Human Environment held in Stockholm in 1972 reflected the mounting public distress in Northern societies about the negative impacts of industrialisation. In no uncertain terms citizens in developed countries drove the Stockholm conference, who were increasingly worried by cumulative impacts of stationary and mobile pollution. The preparatory process of the Stockholm conference was the dress rehearsal for the subsequent struggles between the industrialised North and the developing South, which continue even till today. As a result of a 1967 Swedish initiative supported by the United States, the first world-wide environmental conference in history, the United Nations Conference on the Human Environment, was convened in Stockholm in 1972. The Stockholm Conference was attended by 114 states (not including the Soviet bloc states), approved of a declaration containing 26 broad principles of management of the global environment and an action plan, with 109 recommendations for international co-operation on the environment. On the recommendations of the conference, the UN General Assembly in December 1972 created the United Nations Environment Programme (UNEP) to provide a focal point for environmental action and co-ordination of environmentally related activities within the UN system.

A tenuous compromise between the two sides was forged, and in the Stockholm declaration (and in the preceding Founex Report) was an acceptance of the developing countries' perspective that pollution caused by industrialisation in the North imposed tangible constraints on their own development and industrialisation options. A second important concession to the South was an acceptance of the South's view that poverty not

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<sup>4</sup> Rao, P.K. (2000), *Sustainable Development*, Blackwell, Massachusetts.

<sup>5</sup> Hardin, G. (1968), 'The tragedy of the commons', *Science*, 162, 1243-8.



industrialisation was the overriding cause of environmental pollution in the South for which economic growth would have to provide the principle answer. Moreover their insistence on placing national sovereignty at the centre of this compromise underscored developing countries' resistance to using future international environmental agreements , to alter their own development paths, reduce development assistance , or condition financial transfers from the North.<sup>6</sup>

#### **2.4 The rise of an 'alternative' social paradigm.**

The rapid rise of environmental consciousness and pressure groups in the 1960's and early 1970's was not yet accompanied by an alternative set of assumptions about both physical and social reality that could become a competing world-view. The essential assumptions of classical economics remained largely intact. During the 1970's however an alternative paradigm challenging the assumptions of frontier economics began to take shape. Two of the intellectual forerunners of the paradigm were the were the *Limits to Growth* study by the Club of Rome, published in 1972, and the *Global 2000 Report to the President* released by the U.S. Council of Environmental Quality and the Department of State in 1980. Both studies applied global-systems computer modelling to the projected interactions among future trends in population, economic growth and natural resources. They forecast the depletion of natural resources and the degradation of ecosystems. The studies were generally referred to as limits-to-growth perspective because they suggested that economic and population growth were on a path that would eventually strain the earth's 'carrying capacity.'

These studies were widely criticised by the defenders of the dominant paradigm like Herman Kahn and Julian Simon for projecting the depletion of non-renewable resources without taking into account technological changes and market responses. These critics argued that overpopulation would not become a problem because people are the worlds 'ultimate resource,' and they characterised authors of these models based on global-systems models as 'no-growth elitists' who would freeze the underdeveloped countries out of the benefits of economic growth. However the knowledge of ecological principles and

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<sup>6</sup> Brenton, T (1994). *The Greening of Machiavelli. The Evolution of International Environmental Politics*. Earthscan, London.

their relationship to development issues were spreading across the globe and a global community of scholars and practitioners was emerging, allied by the belief that policies based on the dominant paradigm had to be replaced by ecologically sound policies. By early to mid 1980's, sustainable development was emerging as the catchword of the alternative paradigm.<sup>7</sup>

#### 2.4.1 The World Conservation Strategy.

As stated earlier sustainable development found its first mention in the *World Conservation Strategy* (WCS). In 1977 UNEP commissioned IUCN to draft a document to provide a global perspective to the numerous conservation problems besetting the earth and to identify effective solution to priority problems. In the preliminary drafts of the document the focus was on the conservation of species and special areas rather than the integration of conservation and development. Subsequently the focus was changed substantially to include questions of population, resources and development. In this process it was influenced by the ideas of 'ecodevelopment'.<sup>8</sup> The concept of ecodevelopment implies an awareness of the intrinsic complexity and dynamic properties of the ecosystems and the ways they respond to human intervention, and the need to assure the environmental soundness of developmental projects.<sup>9</sup> The challenge was to improve the economic wellbeing of the people without damaging the ecological systems on which they must depend for the foreseeable future.<sup>10</sup> The WCS identified three objectives for conservation:

1. To maintain essential ecological processes and life support systems (such as soil regeneration and protection, the recycling of nutrients and the cleansing of waters) on which human survival and development depend;
2. To preserve genetic diversity, on which depend the functioning of many of the above processes and life support systems, the breeding programmes necessary, for the protection and improvement of cultivated plants, domestic animals and micro-

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<sup>7</sup> *Ibid.*

<sup>8</sup> Adams, W. M. (2001), *op. cit.*

<sup>9</sup> *Ambio* (1979), 'Review of environmental development', *Ambio* 8: 114 -115.

<sup>10</sup> Dasmann, R. F. (1980), 'Ecodevelopment: an ecological perspective', pp. 1331- 5 in J.I.Furtado (Ed) *Tropical Ecology and Development*, International Society for Tropical Ecology, Kualalumpur.

organisms, as well as much scientific and medical advance, technological innovation, and the security of the many industries that use living resources.

3. To ensure the sustainable utilisation of species and ecosystems (notably fish and other wildlife, forests and grazing lands), which support millions of rural communities as well as major industries.<sup>11</sup>

Thus in several ways WCS is a child of 1970's environmentalism. First, it is neo-Malthusian in approach, arguing every country should have a conscious population policy to achieve a balance between the population and the carrying capacity of ecosystems. It identifies ecological and environmental limits for human action and applies ideas drawn from wildlife management directly to people without discussion of political, social, cultural or economic dimensions of resource use. Second, it tries to identify a global agenda for environmental action. Third, it welded together scientific utilitarianism and romantic 'holist' thinking into a form of 'bioethics'. Wild species were to be conserved for two reasons: first, they had a use for human society and economy, and second, because it was morally right to conserve them. Thus WCS can be seen as conservationist environmentalism refocused for a new decade, and attempting to engage with issues of development.<sup>12</sup>

#### 2.4.2 The Brundtland Report

Sustainable development was brought in the established political arena of international development through the establishment in December 1983 of the World Commission of Environment and Development at the call of the UN General Assembly. Its report *Our Common Future* was presented to the UN General Assembly in 1987. Unlike the *World Conservation Strategy*, it had a guaranteed audience.

It had as its target the promotion of multilateralism and the interdependence of nations: 'the challenge of finding sustainable development paths ought to provide the impetus – indeed the imperative – for renewed search for multilateral solutions and a

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<sup>11</sup> IUCN (1980), *The World Conservation Strategy*, International Union for the Conservation of Nature and Natural Resources, United Nations Environment Programme, World Wildlife Fund, Geneva.

<sup>12</sup> Adams, W. M. (2001), *op. cit.*

structured international economic system of co-operation'.<sup>13</sup> The Brundtland Report reflected a 'same boat ideology', proposing that global crisis could be staved off by dialogue between enlightened individuals, global environmental awareness and planetary stewardship.<sup>14</sup> It placed elements of sustainable development debate within the economic and political contexts of international development. *Our Common Future* was not presented in general terms of linkage between sustainable use of ecosystems and human health and welfare, nor was it prominently neo-Malthusian. Instead the essentially reciprocal links between environment and development was drawn more explicitly. *Our Common Future* recognised that development could erode the environmental resources on which they are based, and hence that environmental degradation could undermine economic development. Furthermore links between poverty and the environment were recognised, poverty being seen as the major cause and effect for global environmental problems.<sup>15</sup>

*Our Common Future's* definition of sustainable development as 'development, which meets the needs of the present, without compromising the ability of future generations to meet their own needs,'<sup>16</sup> is based on two concepts. The first is the concept of basic needs and the corollary of the primacy of development action for the poor. The second involves the idea of environmental limits, which however are not those set by the environment itself, but those set by technology and social organisation. This involves a subtle but extremely important transformation of the ecologically based concepts of sustainable development, by leading beyond the concepts of physiological sustainability to the socio-economic contexts of development. Above all, the Brundtland Report's vision of sustainable development was predicated on the need to revitalise and maintain the world economy. This means 'more rapid economic growth in both industrial and developing countries, freer market access to the products of developing countries, lower interest rates, greater technology transfer, and significantly larger capital flows, both concessional and commercial.'<sup>17</sup>

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<sup>13</sup> Brundtland.H. (1987), p.x, *Our Common Future*, Oxford University Press, Oxford.

<sup>14</sup> Chatterjee, P. and Finger, M. (1994), *op. cit.*

<sup>15</sup> Brundtland.H. (1987), *op. cit.*

<sup>16</sup> *Ibid.* p. 43.

<sup>17</sup> Adams, W. M (2001), *op. cit.*

The approach taken by *Our Common Future* to the world economy had many critics. It argued that protectionist trade policies of industrialised countries are the root cause of global economic problems and, in particular persistent slow growth in the South. Tariff barriers and quotas stifled Southern economies and caused stagnation in the Northern economies as the Southern markets shrank. The solution was to open up the world economy, to pump capital and technical aid into the South to encourage trade, and to accept economic restructuring in the North. However this analysis failed to demonstrate adequately the Northern dependence on Southern markets. Development cannot be achieved by tinkering with world trade, but only by altering the relations of production within the third world countries and globally. Further it was already clear in the 1980's that on the scale of individual countries; the effect of trade liberalisation was hard to anticipate and could even be detrimental.<sup>18</sup> It also adopted a caricature of development in the south and the constraints upon it. It assumed that actions on the international scale would actually reach and benefit the poor, thus ignoring the problem of economic and political structures within the Third World countries. Similarly it assumed that economic and political interests are uniform among the Northern countries. Its highly ambiguous proposals sent the message to the governments and development agencies alike that 'growth as usual policies' would be the linchpin for promoting sustainable development. The potentially radical propositions of *Our Common Future* which called for changing the quality of growth and recognised need to redistribute wealth in order to alleviate poverty were diluted by its overall message that transition to a sustainable world would not require fundamental changes in the current distribution of wealth, consumption patterns, standard of living or the pattern of growth in the North and the South.<sup>19</sup>

However where the *World Conservation Strategy* had failed, the Brundtland commission had achieved remarkable success as establishing sustainable development as the standard against which the behaviour of governments and international institutions would measure their policies and activities. Moreover it cemented the conceptual and political foundation on which the United Nations Conference on Environment and Development (UNCED), the Rio conference was to be erected.

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<sup>18</sup> *Ibid.*

<sup>19</sup> Reed, D (1996), *Structural Adjustment, the Environment, and Sustainable Development*, Earthscan Publications, London.

### 2.4.3 The Rio Conference.

The most important indication of a world wide paradigm shift was the United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro in July 1992, which was preceded by two years of discussion (Preparatory Commission meetings or 'PrepComs') on domestic environmental and poverty problems and global environmental issues, especially questions on North-South equities and responsibility. Expectations were immense, but the auspices were not so good. The PrepComs revealed **bitter conflicts of interest between industrialised and non-industrialised countries.**

As opposed to Northern concerns in which the physical environment was the primary focus and long term intergenerational issues are key, a critical message from the South was that social concerns, economic issues, and intragenerational equity – the very obvious 'here and now' disparities in wealth and opportunities were keys to resolving the environment/development crises. To developing countries, impoverishment and environmental crises were interrelated, which in their view constituted a single social-ecological crises, the result of past colonial rule, importations of inappropriate models from the North, and a fundamentally inequitable world order. North-South relations are based on gross overexploitation of, and underpayment for, southern resources and labour.<sup>20</sup>

Political colonial rule accompanied by the imposition of new economic systems, new crops, patterns of world trade, changed the social and economic structure of Third World societies. Even after the attainment of political independence, the dependency of the erstwhile colonies of Asia, Africa and Latin America on western products, capital and technologies not only continued but also expanded. In addition throughout this period, multilateral financial, technical and aid agencies have promoted the replacement of local production practices in the South with technologies that are often environmentally damaging. To pay for the import of modern technology and inputs, these Third World countries were forced to export even more goods, mainly the natural resources like timber, oil and other minerals and export crops which took up a larger portion of the total land

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<sup>20</sup> South Commission (1990), *The Challenge to the South*, Oxford University Press, Oxford.

area. Third World countries were sucked deeper and deeper into what proved to be a whirlpool of world economic system. In the process the Third World has lost or is in the process of losing its indigenous products resources and skills, their self reliant capacities and in many cases the very resource base on which their survival depend.<sup>21</sup> Faced with urgent short-term problems of poverty, hunger and disease longer term environmental problems associated with industrialisation seemed not only remote, but also a means by which industrialised countries could ignore the responsibility of supporting a rapid drive for development. It was also felt that the idea of global resource management was designed to wrest from developing countries the national control of resources.<sup>22</sup>

The advanced industrial states achieved their current standards of living through a process of industrialisation, which resulted in untold environmental degradation. The adoption of sustainable policies would make development efforts more costly. Unless industrial countries were willing to affect a major transfer of resources, the burden of sacrifices believed to be necessary would also fall unfairly on the developing countries.<sup>23</sup>

UNCED was designed to act as catalyst and focus for injecting the concept of sustainable development into international institutions and national governments around the world. Its outcome was two general documents, one new institution and two new environmental conventions.

**The Rio Declaration** was a non-legally-binding statement of twenty-seven principles for guiding action on environment and development. It seems unlikely to have had much direct impact on the behaviour of nations, but its adoption of the sustainable development concept, the **precautionary principle** and the **'polluter pays' principle** provided valuable underpinning for the further evolution of international environmental law.

In contrast, another outcome of Rio, **Agenda 21**, was an immense document of forty chapters outlining an action plan for sustainable development, covering a wide range

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<sup>21</sup> Peng, K. K. (1992), 'The third world environment crisis: a third world perspective', pp. 15-30 in.

<sup>22</sup> Adams, W. M. (2001), *op. cit.*

<sup>23</sup> Williams, M. (1996), 'International political economy and global environmental change.' pp.41-59 in Bahuguna, S., Shiva, V and Buch, M.N. (Eds.) *Environment Crisis and Sustainable Development*, Third World Network, Natraj Publishers, Dehradun.

Vogler J. and Imber M. (Eds.) *The Environment and International Relations*, London, Routledge.

of specific natural resources and the role of different groups, as well as issues of social and economic development and implementation.<sup>24</sup>

The tensions between Northern and Southern governments are clear in the texts of UNCED documents themselves. The twenty-seven principles of the **Rio Declaration** comprise a bland declaration that provides some thing for everybody. Many of the Principles were uncontentious (e.g. 4, the need to integrate conservation and development, or 5, on the eradication of poverty). Others were more closely fought over at Rio, particularly those that addressed the central issue of the conference: international action and international responsibility. Thus Principle 2 denotes the sovereign right of countries to develop, while Principle 7 establishes the notion of common but differentiated responsibilities. Hidden behind a bland comment that 'states shall co-operate in a spirit of global partnership to conserve, protect and restore the health and integrity of the world's ecosystem', responsibility here basically forces the burden of greatest action on developed countries. Even the text of the Rio Declaration is self-contradictory, and the US delegation released an 'interpretative statement' that effectively dissociated themselves from a number of principles agreed. These included the notion of a right to develop in Principle 3 (they argued that 'development is not a right.... on the contrary development is a goal we all hold') and also rejecting any interpretation of Principle 7 that suggested any forms of international liability.<sup>25</sup>

The **main output** of the conference, although the least read, was **Agenda 21**. This is a vast document, containing 40 separate chapters and amounting to a volume of more than 600 pages. It was drafted and argued minutely over by government officials and lawyers, and is a hard-won agreement that claims to reflect a global consensus and political commitment at the highest level on development and environmental co-operation.<sup>26</sup>

The scope of Agenda 21 is enormous, covering issues from water quality and biodiversity to the role of women children and organised labour in delivering sustainable development. The chapters are divided into four sections; first, 'Social and Economic

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<sup>24</sup> Brack, D. (2002), 'We have to do better', *The World Today*, August-September 2002: 5-7.

<sup>25</sup> Holmberg, J., Thompson, K. and Timberlake, L. (1993), *Facing the Future: Beyond the Earth Summit*, Earthscan /International Institute for Environment and Development, London.

<sup>26</sup> *Ibid.*



Dimensions'; second, 'Conservation and Management of Resources for Development'; third, 'Strengthening the Role of Major Groups'; and fourth, 'Means of Implementation'. Each chapter seeks to set out the basis for action, the objectives of an action, a set of activities and the means to be used to implement them. In this sense each part of Agenda 21 is a microcosm of the whole, with a particular emphasis on the means of implementation.<sup>27</sup>

A series of **key themes of Agenda 21** can be identified. The first is 'the revitalisation of growth with sustainability'. The second theme is 'sustainable living', under which come poverty, health and population growth. The third theme addresses the problem of urbanisation (water supplies, wastes, pollution and health). The fourth theme is 'efficient resource use' under which heading is included everything from deforestation and desertification to protection of biodiversity. The fifth theme concerns global and regional resources (atmosphere and oceans), the sixth the management of chemicals and wastes. The seventh and the final theme is 'peoples participation and responsibility'.<sup>28</sup>

Some **important attributes of Agenda 21** are the centrality given to growth. Chatterjee and Finger comment, 'in the name of environmental protection...Agenda 21 extends economic rationality to the most remote corners of the earth'.<sup>29</sup>

Second, Agenda 21 shows a dominance in volume and position of issues of environmental management. In the second section of Agenda 21 all familiar issues from the World Conservation Strategy appear, developed but unmistakable.

Third, Agenda 21 is technocentrist. The first six themes will make this quite clear: growth will power and technology will direct the evolution of policy towards a more efficient use of the environment and hence a more sustainable world economy.

Fourth, Agenda 21 has inherited the multilateralism of the Brundtland Report. The dominant mechanism for making any of its provisions happen is the common interest of industrialised and non-industrialised countries, of present generations in both caring about the future. International flows of financial resources and technologies will reflect this

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<sup>27</sup> Adams, W. M. (2001), *op. cit.*

<sup>28</sup> United Nations (1993), *The Global Partnership for Environment and Development: a guide to Agenda 21*, Post Rio Edition, United Nations, New York.

<sup>29</sup> Chatterjee, P. and Finger, M. (1994), *op. cit.*

mutual interest, international agencies will direct and promote these flows and their effectiveness, and international legal instruments will structure and regulate their product.

Fifth, Agenda 21 calls for sustainable development through participation.<sup>30</sup>

One of the main outcomes of Rio was the creation of a new institution, the **Commission on Sustainable Development**. Its key functions included: reviewing the progress made in Agenda 21 and the other instruments adopted at UNCED; developing policy recommendations; promoting dialogue; and building partnerships with governments, the international community and other groups identified in the document.

There was much opposition to the idea of the commission from both Southern and Northern countries. The Southern states resented the policing role of an international agency and feared that it might be another biased and intrusive system like the Human Rights Commission. The earlier proposals sought to establish a powerful commission reporting directly to the UN General Assembly. After much negotiation, however, it was decided that a much weaker commission would report to the general assembly through the Economic and Social Council (ECOSOC). Governments would have to submit periodic reports to the new commission on their efforts to implement Agenda 21, which was a subject of considerable debate. G-77 and some countries like U.K and USA were against national reporting. India was strongly opposed to the supervisory role of an international commission at international, national and local levels but the clause was finally retained.<sup>31</sup>

The huge breadth of its agenda, its low status in the UN hierarchy, its failure to involve policy-makers from areas other than environment and development, and its tendency to repeat discussions that have taken place in other more specialised forums, mean that in practise it has been nothing more than a 'diffuse talking shop with no significant means of seriously advancing Agenda 21'. However the commission has succeeded in promoting broad-based policy dialogues bringing together government and civil society – which in turn has helped to legitimise the role of non governmental bodies in some countries – and reports prepared by the governments on their environmental performance have generated useful data.<sup>32</sup>

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<sup>30</sup> Adams, W. M. (2001), *op. cit.*

<sup>31</sup> *Down To Earth* (1992), 'Commission of omissions', *Down To Earth*, July 15, 1992, pp: 7-8.

<sup>32</sup> Brack, D. (2002), *op. cit.*

Of more importance to environmental diplomacy were two conventions signed at Rio, the UN Framework Convention on Climate Change and the Convention on Biological Diversity. Neither was formally a part of the UNCED preparatory process, (they were not negotiated through the PrepCom, but through international negotiating committees) but the Rio date offered a useful target at which negotiations were aimed, and the political impetus provided at the summit helped both treaties enter into force with unusual rapidity.<sup>33</sup> Both reflect fairly closely the relevant chapters of Agenda 21, which considers 'environmentally sound management of biotechnology' and the conservation of biological diversity (chapters 16 and 15), and 'protection of the atmosphere' (chapter 9). The FCCC later gave rise to the Kyoto Protocol, which, when it enters into force – Johannesburg was initially seen as the target date – will mark the first set of globally co-ordinated efforts to combat climate change. The CBD is generally regarded as a fairly cautious first step in addressing a huge and complex task, but it has also led to a more targeted treaty, the 2000 Cartagena Protocol on trade in genetically modified products.

The Convention on Biological Diversity had been in the making for a long time. A draft convention was prepared in the mid 1980s by IUCN in conjunction with other international organisations (including the WWF, UNEP, the World Resources Institute and the World Bank). This initiative was the fruit of a conservation agenda that had inspired the World Conservation Strategy a decade ago. Between 1988 and 1992, all the major international bodies with an interest in the environment and development (the World Resources Institute, IUCN, UNEP, WWF, the World Bank, the FAO and the UNESCO) contributed to a series of meetings and reports that culminated in the Global Biodiversity Strategy in 1992. Completion and adoption of the Convention was the priority requirement of this strategy.<sup>34</sup>

Negotiations on the convention were initiated by UNEP in 1990, reflecting essentially Northern concerns over rainforest loss. However at the second Geneva PrepCom meeting, the G77 countries demanded the inclusion of the issues of bioprospecting and biotechnology, and the sharing of the wealth generated by the exploitation of biodiversity in the South by Northern biotech companies. In this hybrid

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<sup>33</sup> *Ibid.*

<sup>34</sup> Holdgate, M. (1999), *The Green Web: a union for world conservation*, Earthscan, London.

form 156 countries signed on the convention.<sup>35</sup> Though the USA refused to sign at that time, fearing the restriction of economic opportunity if trade in biotechnology were restricted by a benefit-sharing agreement, it did so subsequently.

The aim of the Convention on Biological Diversity is to conserve biological diversity and to promote sustainable use of species and ecosystems, and the equitable sharing of economic benefits of genetic resources. It is this last element that sets this convention apart from all previous international conservation agreements. By 1992 the rapid development in genetic science had opened up a vast area of potential exploitation at the sub-specific and molecular level, including the creation of novel organisms and products derived from wild species. It was perceived that this technology had the potential to generate vast wealth; however, the biotechnological capacity was entirely held by industrialised countries and moreover increasingly by private corporations within those countries and not by states themselves. Third World countries feared stripping their resources by bioprospectors and the loss of access to economic benefits derived by First World corporations.<sup>36</sup> The US on the other hand, worried about its billion-dollar biotechnology industry, refused to sign the biodiversity convention and it also rejected the Southern demand for a legally binding code of conduct to regulate the safety of biotechnology industry world-wide. Finally the US agreed to a watered down and non-legally binding version the biodiversity convention in Agenda 21. While the biodiversity convention incorporates some steps to make Northern access to the Third Worlds genetic resources dependent on royalties and transfer of technologies, Agenda 21 mostly concerns issues of conservation of biodiversity. The toughest negotiations were over will pay for damages that arise out of biotechnology. Developing countries wanted an international regime of liability and compensation. But this was not accepted.<sup>37</sup>

Debate about the **Framework Convention on Climate Change** (FCCC) reflected the reactions to the Intergovernmental Panel on Climate Change (IPCC) reports of 1990. The IPCC consensus view of the importance of fossil fuel consumption and carbon dioxide output to global climate change cut directly at the heart of the interests of Northern

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<sup>35</sup> Chatterjee, P. and Finger, M. (1994), *op. cit.*

<sup>36</sup> Shiva, V. (1997), *Biopiracy: the plunder of nature and knowledge*. South End Press, Boston, MA.

<sup>37</sup> *Down To Earth* (1992), 'A watered-down capitulation', *Down To Earth*, July 15, 1992, pg: 13.

<sup>38</sup> Adams, W. M. (2001), *op. cit.*

industrialised countries, while also having significant implications for rapidly industrialising countries of the South like India and China. The International Negotiating Committee on Climate Change began work in 1990, with the aim of creating a convention for signature at Rio in 1992.

It rapidly fell foul of fundamental differences between different parties. There was a broad divergence of interests between industrialised and non-industrialised countries, with the North urging the priority of environmental protection and that any measures agreed should be cost-effective, while the South pushing the need for development and industrialisation and the principle of historical responsibility. Industrialised countries were unwilling to effect significant reductions of CO<sub>2</sub> output. Oil producing states were also opposed to this while small island states vulnerable to sea level rise wanted urgent action on precisely this. The EU favoured agreement on targets and timetable for implementation, the USA was reluctant (the latter even refusing, in the run-up to Rio, to agree to cut back emissions in the year 2000 to 1990 levels). In April 1992, at the last Intergovernmental Negotiating Committee meeting, the compromise was agreed on an attempt to return to 1990 emission of CO<sub>2</sub> and other green house gases not controlled by the Montreal Protocol.<sup>38</sup>

The convention was a delicate balance between divergent political and economic interests, and somewhat full of rather pious intentions. It laid stress on the significance of the protection of the climate system for both the present and future generations, and stressed that there must be equity between industrialised countries and non-industrialised countries in taking action. This equity must reflect historical responsibility, state of development and the capacity to respond.<sup>39</sup> The diversity of interests was such that the text was ambiguous, left open to subsequent interpretations at the Conference of the Parties (COP). The framework convention was weak in that it contained no legally binding commitments for stabilisation, let alone reduction of CO<sub>2</sub> emissions which were left for later.<sup>40</sup> The FCCC was signed by over 150 signatories and the European Community (now the European Union) at Rio, and came into force on March 1994.

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<sup>39</sup> Holmberg, J., Thompson, K. and Timberlake, L. (1993), *op. cit.*

<sup>40</sup> Chatterjee, P. and Finger, M. (1994), *op. cit.*

<sup>41</sup> Brack, D. (2002), *op. cit.*

The Rio Conference **did not see a convention on forests signed**. Instead the outcome was a non-binding set of **Forest Principles**. Northern concern over deforestation failed to make headway against developing countries' determination to protect their sovereignty – seeing forests as national resource.<sup>41</sup> Pressure for specific action on forests came from Northern environmental organisations concerned at the rate of clearance of tropical moist forests. It followed a series of international initiatives during the 1980s such as the Tropical Forests Action Plan (TFAP under the UNDP, FAO, World Bank, and World Resources Institute) and the International Tropical Timber Organisation (under UNCTAD). The idea of a legally-binding global forest convention was made in a review of the TFAP in 1990, and the proposal at the meeting of the G-7 group of industrialised countries later that year. The idea immediately received hostile reception from the South. Malaysia supported by India and several other developing countries took up cudgels at the first PrepCom at Nairobi in August 1990. Later in the FAO for a they had the idea rejected again. In the second PrepCom in March 1991, western countries and NGO's stepped up the pressure, with the USA insisting on immediate decision. Finally after hectic efforts India and Malaysia were able to build up a consensus within the G-77 to jointly oppose the convention.<sup>42</sup> The Southern countries argument was that industrialised countries had cleared their own forests during their own industrialisation and that non-industrialised countries had a sovereign right to do the same. Moreover if tropical forests served a global benefit, whether as CO<sub>2</sub> sinks or through their biodiversity, the Southern countries argued the cost of maintaining them uncleared should be borne globally. If there was a global forest convention, it should have a mechanism for compensating Southern countries for revenue forgone in setting aside their forest reserves.<sup>43</sup>

By the fourth PrepCom it was clear that a legally binding convention on forests was impossible to achieve at Rio. Energies were then focussed instead on capturing the high ground and trying to establish some kind of global consensus on forest management. The resulting Forest Principles were not operational tools but a political document.<sup>44</sup> The principles closely reflect chapter 11 of Agenda 21, on 'Combating deforestation', and

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<sup>42</sup> Agarwal, A. and Narain, S. (1992) 'Forests of global contention', *Down To Earth*, July 15, 1992.

<sup>43</sup> Holmberg, J., Thompson, K. and Timberlake, L. (1993). *op. cit.*

<sup>44</sup> *Ibid.*

explicitly addressed all forests, i.e. temperate, boreal and tropical forests. They avoided specific commitments. They mentioned the need for international cooperation and the needs for funds from industrialised countries to meet management needs and broadly support free trade (as opposed to environmentally defined trade bans in the North) in timber and forest products. They called for scientific assessment and management of environmental impacts of forestry, and they discussed the need for local participation in forestry management decisions. Most critically the Forest Principles emphasised **national sovereignty for forests within national borders**. They did not provide a basis for Northern intervention in Southern forest management on environmental grounds.<sup>45</sup>

Probably the **chief failure** of Rio conference is that it did not simulate the scale of **financial support** necessary for Agenda 21. At the conference it was estimated that the cost of implementation would approximately be \$600 billion of which \$ 125 per year would have to be in form of concessional loans and gifts.<sup>46</sup> Of the \$125 billion needed only \$2.5 billion was pledged. The G-77 and China wanted clear assurances that industrialised countries would reach the accepted UN target of giving 0.7% of GNP as aid by 2000. The donor countries led by the USA remained extremely reluctant. The compromise finally reached at Rio catered to all tastes. It said in part, that developed countries would reaffirm their commitments to reach the accepted UN target. This catered to all the industrialised countries except the US, which has never affirmed the target. For countries who had refused to accept any timebound commitments like Germany, Canada, and the UK, it said that countries would agree to augment their aid programmes so that they may reach the target as soon as possible. France had agreed to reach the target by the year 2000 while Netherlands, Norway, Denmark and Sweden who had already reached the target were also kept in mind in the agreement.<sup>47</sup>

The financing mechanism chosen was the Global Environment Facility (GEF). The GEF was already in existence, being set up in 1990 by the World Bank, UNDP and UNEP. Its activities were confined to tackling specific problems: ozone depletion, climate change, biodiversity loss and international water pollution. Being donor dominated and managed, both issues wise as well as financially; it became the natural home for the financing

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<sup>45</sup> Adams, W. M. (2001), *op. cit.*

<sup>46</sup> Brack, D. (2002), *op. cit.*

<sup>47</sup> *Down To Earth*, (1992), 'Shortchanging the South', *Down To Earth*, July 15, 1992, pp: 8-9.

instruments of Agenda 21. In any case it is widely held to be small to affect any significant flow of resources for development from then North to the South.

As the IDA, the soft loan window of the World Bank, is replenished periodically, the G77 wanted IDA-10 to be replenished at IDA-9 levels in **real** terms. In addition there should be a substantial 'Earth Increment', meaning instead of replenishing IDA in absolute terms at US \$15.5 billion, it should increase it in real terms roughly around US \$18 billion. The 'Earth Increment' talked about roughly equalled \$5 billion, of which \$1.5 billion would come from the World Bank's interest income and the rest from donor countries. The final agreement dropped any specific mention of 'Earth Increment'.<sup>48</sup>

If there was any movement forward on the issue of **technology transfer**, it was in the agreement that Northern governments may purchase private patents and licences at commercial terms and the transfer to the South on concessional terms. The European Community (now European Union) was in favour of this but Japan and the US in opposition. The finances for such purchases would come from would come from the financial commitments of the donor countries not in addition to them. However a comma gave rise to an argument whether technology transfer should take place according to terms agreed upon at Rio or terms mutually agreed upon later. However the US changed its mind and refused to accept the agreement even with the comma, which meant that terms would be mutually agreed upon in the future which was ultimately conceded by the developing countries.<sup>49</sup>

Another piece of unfinished Rio business was a Convention on Desertification. This was supposed to be a part of the Rio process, but negotiations fell behind in the run-up to the conference. In the event a formal commitment was made to negotiate the convention after the conference was over. This was duly done and the Convention to Combat Desertification was open for signature by June 1994, coming into force in December 1996.<sup>50</sup>

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<sup>48</sup> *Ibid.*

<sup>49</sup> *Down To Earth*, (1992), 'Politics of punctuation.' *Down To Earth*, July 15, 1992, pg: 9.

<sup>50</sup> Adams, W. M. (2001), *op. cit.*

<sup>51</sup> Porter, G., Brown, J. W. and Chasek, P. S. (2000), *op. cit.*



## 2.5 Conclusion.

Thus the concept of sustainable development points to the failure of markets to encourage the sustainable use of natural resources. Prices should reveal to society the true costs of producing and consuming a given resource, but conventional free-market economic policies systematically under price or ignore natural resources.<sup>51</sup> The Rio conference achieved 'mainstream sustainable development' thinking, a very particular ideology that emerged at Rio about global environmental change. In this view the chief issue of sustainable development is seen to be the global environment and particularly problems of biodiversity depletion and climate change, rather than global poverty and North - South inequality. The latter are more political and less amenable to a technical solution. At Rio sustainable development was interpreted as a concern about possible future economic and social implications of changes in global climate and ecology, reflecting primarily the agenda of industrialised Northern countries, thus privileging issues of intergenerational equity to those over intragenerational equity. Although the issues of climate change and biodiversity that dominated the Rio conference are vitally important to some developing countries (especially those vulnerable to sea level rise), they are not the principal environmental problems faced by most countries of the south.<sup>52</sup> Although scholars such as Porter, Brown and Chasek (2000) call the contents of sustainable development thinking that have emerged after the Rio Conference as an 'alternate social paradigm'<sup>53</sup> yet it does not challenge the dominant capitalist industrialising model, only demanding debate about methods and priorities. Also by adopting a primarily liberal perspective on international political economy it fails to deal adequately with power and power relations- specifically it fails to represent structural forms of power. On UNCED a typical comment is that the North succeeded on inviting the South to help resolve its own difficulties while marginalising problems in the South.<sup>54</sup>

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<sup>52</sup> Adams, W. M, (2001), *op. cit.*

<sup>53</sup> Porter, G., Brown, J. W. and Chasek, P. S. (2000), p.22, *op. cit*

<sup>54</sup> Middleton, N; O'Keefe, P and Moyo, S (1993) *Tears of the Crocodile. From Rio to Reality in the Developing World*, Pluto Press, London.

## Chapter Three: New Forces and Actors and the Johannesburg Summit

### 3.1 Introduction.

Ten years after Rio, in 2002, the United Nations held the World Summit on Sustainable Development (WSSD) in Johannesburg. The decade between Rio and its sequel saw a greatly changed world in terms of emergence of 'knowledge economies' fuelled by human capital and unprecedented progress in information technology, as well as globalisation itself, which is increasing the tendency of the world to operate as one large economy with its own internal division of labour.<sup>1</sup>

This period also saw a change in the focus of sustainable development from being an 'environment and development' process to a process placing poverty alleviation at the score of the development debate.<sup>2</sup> This shift of emphasis within the development process from 'plants rather than people' to 'people rather than plants'<sup>3</sup> continued through the 1990's, culminating in the human development centric Millennium Development Goals in September 2000. In 1995 the **World Summit on Social Development** indicated an international commitment to eradicate absolute poverty. It retained the consciousness economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development, recognised that this paradigm was the framework for efforts to achieve a higher quality of life for all people.<sup>4</sup> The **United Nations Millennium Summit** was held in September 2000. In early 2000, an assessment by the World Bank and the Food and Agriculture Organisation revealed the following.

- More than 840 million people in the world were malnourished- 799 million of them from the developing world and more than 153 million of them under the age of 5.

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<sup>1</sup> Stiglitz, J. E. (2002) *Globalization and its Discontents*. Penguin, New York.

<sup>2</sup> Tata Institute of Energy Research (2003) 'The message from WSSD: translating resolve into action for a sustainable future' TERI, New Delhi.

<sup>3</sup> Cross, N. (2002) 'Sustainable Development', *Developments* 18(2): 9-14.

<sup>4</sup> Tata Institute of Energy Research (2003), *Op. cit.*

- During 1992-2000, six million children under the age of five died every year due to hunger.
- Of the six billion total population of the earth, 1.2 billion lived on less than \$ 1 per day.
- The richest five percent of the world population have incomes 114 times that of the poorest five percent.<sup>5</sup>

The Millennium Development Goals identified eight identifiable and precisely monitorable goals together with 18 quantified targets and 48 indicators of progress. The Millennium Development Goals achieved by 2015 are:

1. Halve extreme poverty and hunger.
2. Achieve universal primary education.
3. Empower women and promote equality between men and women.
4. Reduce less than five mortality to two-thirds.
5. Reduce maternal mortality by three-quarters.
6. Reverse the spread of diseases especially HIV/AIDS and malaria.
7. Ensure environmental sustainability.
8. Create a global partnership for development with targets for aid, trade and debt relief.<sup>6</sup>

This chapter examines the new forces, actors and paradigms that have arisen in the Rio-Johannesburg decade, which, are now a reality that must be factored into any strategy to attain development goals. It also evaluates the Johannesburg Summit, as it has come to be called, in how far it has been able to reinvigorate the sustainability agenda and create a commitment towards greater attainment of tangible results.

### **3.2 The Rio-Johannesburg decade: new forces and actors.**

The world economy has experienced a progressive international economic integration since 1950. However there has been a marked acceleration in this process of **globalisation** during the last quarter of the twentieth century. There are three manifestations of this phenomenon- international trade, international investment and international finance. But there is much more to globalisation. It refers to the expansion of transactions and the organisation of economic activities across the political boundaries of

<sup>5</sup> World Hunger Statistics. (2000), <<http://www.bread.org/hungerbasics/domestic.html>>

<sup>6</sup> MDG. 2002, *Millennium Development Goals*, <[www.developmentgoals.org](http://www.developmentgoals.org)>

nation states. More precisely it can be defined as a process associated with increasing economic openness, growing economic interdependence, and deepening economic integration between countries in the world economy.

Economic openness is not simply confined to trade flows, investment flows, and financial flows. It also extends to flow of services, technology and information, and ideas across national boundaries. But the cross border movement of people is highly regulated and closely restricted. Economic interdependence is asymmetrical. There is a high degree of interdependence among countries in the industrialised world. There is considerable dependence of developing countries on the developed countries. There is much less interdependence among the countries of the developing world. Interdependence implies a situation where the benefits of linking up and the costs of delinking are about the same for both partners. Where such benefits and costs are unequal among partners it implies a situation of dependence. Economic integration straddles boundaries as liberalisation has diluted the importance of borders in economic transactions. It is, in part, integration of markets (for goods, services, technology, financial assets and even money) on the demand side and, in part, an integration of production on the supply side.<sup>7</sup>

In the past decade, there has been a profound change in the political situation, as communism has collapsed and capitalism has emerged triumphant. The world of competing political ideologies has given way to a world with a single dominant ideology. According to some scholars, globalisation is capitalism gone global. These are the times of the purest forms of capitalist logic no longer contained by the existence of non-capitalist modes.<sup>8</sup>

For one group of scholars (termed 'the true globalists' by F. J. Schuurman (2001)), there are major transformations going on society, polity and economy and that these transformations that are taking place on a global scale do not form part of modernity, late-modernity or post-modernity; they indicate the coming of a new era: globality.<sup>9</sup>

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<sup>7</sup> Nayyar, D. (2002), 'Towards global governance', in Nayyar Deepak (ed) *Governing globalisation. Issues and Institutions*. Oxford University Press, New Delhi.

<sup>8</sup> Tandon, Y and Ananthakrishnan, S. (1997), 'Rio minus five. UNGASS: a return realism', *Economic and Political Weekly*, September 13, pp 2322-2325; and Meiksins Wood, E. (1997), 'Labour, the state and class struggle', *Monthly Review*, 49(3), pp 1-18.

<sup>9</sup> Albrow, M. (1996), *The Global Age. State and Society Beyond Modernity*, Polity Press, Cambridge; Chatterjee, P. (1997), 'Beyond the nation? Or within?' , *Economic and Political Weekly*, January 4-11, pp 30-34.

For another group of authors globalisation is primarily cultural in nature. Space and culture are delinked, non-traditional identities are strengthened in the face of increasing homogenisation because of the onslaught of globally diffused information. Traditional identities are under threat, indigenous people are alienated from their cultural heritage through the global movement of consumer capitalism. The globe is the political arena for a conglomerate of new social movements, indigenous movements, environmentalist movements in increasingly global coalitions.<sup>10</sup>

Some authors interpret globalisation as a dialectical process where the 'global' meets the 'local'. This results in an increasingly hybrid praxis. Authenticity of culture, an anchor point in the previous view, is rejected. Culture is becoming increasingly hybrid, and probably always was.<sup>11</sup>

Globalisation has also been defined as the global spread of capitalism and modernity. It is in answer to the often seemingly paradoxical characteristics of globalisation like homogeneity and heterogeneity, globalisation and localisation, universalisms and particularisms, individualism and new localism, which are only seemingly new paradoxes, they represent however globally projected contradictions that have always been present in capitalism and modernity, but increasingly so because of disjunctive spatial developments of capitalism and modernity. In other words the global spread of capitalism and modernity is not a homologous process but disjunctive in terms of space and time. In the modern age Giddens' four dimensions of modernity (militarism, industrialism, capitalism and the nation state) were spatially concentrated in the centre (first in the empires then in the advanced capitalist countries). When these dimensions took on a global character, they did not do it in an organised way, and according to stipulated time and space co-ordinates. What resulted was an increasingly chronological and spatial disjunction of the emergent scapes of the four dimensions of modernity, ushering in a typical characteristic of globality: the strange amalgamations of homogenisation and fragmentation.<sup>12</sup>

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<sup>10</sup> Kothari, R. (1997), 'Globalization: a world adrift', *Alternatives*, 22, pp 227-267.

<sup>11</sup> Appadurai, A. (1996), *Modernity at Large: Cultural Dimensions of Globalization*, University of Minnesota Press, Minneapolis.

<sup>12</sup> Schuurman, F. J. (2001), 'The nation state, emancipatory spaces and development studies in the global era', in Schuurman.F.J. (ed) *Globalisation and the Development Studies. Challenges for the 21<sup>st</sup> Century*, Vistaar Publications, New Delhi.

The processes of privatisation, liberalisation and globalisation have placed new players in the centre stage of the world economy. There are two main sets of economic players: **transnational corporations**, which dominate investment, production and trade in the world economy, and **international banks** or financial intermediaries which control the world of finance. This has introduced a strategic withdrawal of the nation state in some important spheres. They are the main political players but no longer the main economic players. Since globalisation is a market driven process and the market defines capabilities, therein lies the problem. In a national context the state may introduce corrective measures to pre-empt exclusion or marginalisation. However markets are not accountable to the general public like governments.<sup>13</sup>

According to Richard Falk, 'territorial sovereignty is being eroded on a spectrum of issues in such a serious manner as to subvert the capacity of states to control and protect the internal life of society, and non-state actors hold an increasing proportion of power and influence in shaping the world order'. The consequence of such a transformation has been the emergence of a globalised world order which is questioning the modern world order based on the primacy of the nation state, secular political cultures, territorialized sovereignties and a belief that the west would prevail over the non-western world.<sup>14</sup>

In order to decide whether the role of the state and the status and position of the nation-state as such have definitely changed and moved into a different era called global, it is necessary to first take a closer look at globalisation from a historical perspective. The importance of this point of view is to ask whether these globalisation waves are a part of systemic and / or agency driven logic within capitalism and modernity to globalise.<sup>15</sup> According to neo-Marxist writers on globalisation, it is the result of inner logic of capitalism.<sup>16</sup> According to Deepak Nayyar, there is a common presumption that globalisation is something new and a fundamental departure from the past and that it is seldom recognised that there was a similar phase of globalisation between 1870 and 1914.<sup>17</sup> According to Charles Oman too, the first globalisation wave took place between 1870

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<sup>13</sup> Nayyar, D. (2002), *Op. cit.*

<sup>14</sup> Falk, R. (1997), 'State of siege: will globalisation win out?' *International Affairs*, 73: 123-36.

<sup>15</sup> Schuurman, F. J. (2001), *Op. cit.*

<sup>16</sup> Meiksins Wood, E. (1997), 'Labour, the state and class struggle', *Monthly Review*, 49(3), pp 1-18.

<sup>17</sup> Nayyar, D. (2002), *Op. cit.*

and 1914. During that time many countries used the gold standard and the UK was the hegemonic economic power, there was a powerful surge in colonialism and there was major technological advance in industry and transport. There was also the emergence of giant financial trusts and the separation of ownership and management hailed the ownership of corporate capitalism. The second globalisation wave took place after the World War II (1950s- 1960s); a period characterised by the US as a hegemonic, economic and political power. During that time the dollar replaced the gold standard, and there was a strong growth of international trade, multinationals and foreign direct investments, and the spread of Taylorism outside the US.<sup>18</sup>

Nayyar goes on to prove that in relative as well as absolute terms there are many similarities between the present globalisation wave and the first one in terms of international trade, international investment and international finance. Nayyar points out that at the end of the 19<sup>th</sup> century there was a significant integration of international financial markets. Cross-national ownership of securities reached very high levels at that time. Nayyar finds further similarity in a *laissez faire* attitude, a technological revolution in transport and communications, which brought about enormous reductions in transport cost and time, and new forms of industrial organisation which made globalisation possible at both periods. In the first globalisation period it was the advent of mass production, which through huge cost reductions led to accumulation, and concentration of capital, reinforcing the process of globalisation. In the second phase it was flexible production.

To Nayyar the most fundamental differences, however, is that in the present globalisation phase there are many restrictions to the flow of labour. In the late twentieth century the missing dimension was the almost unrestricted movement of people across national borders, which was massive then, given the present regime of restrictive immigration laws and consular practices. He concludes that the players and the rules are different. Then, the game was dominated by imperial nation states, now there are MNCs and international banks. In governance there is a fundamental difference between the two phases of globalisation. The late nineteenth century was the age of the empire. The rules of

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<sup>18</sup> Oman, C. (1996), *The Policy Challenges of Regionalisation and Globalisation*, Policy brief no. 11, OECD Development Centre, Paris, quoted in Schuurman, F. J. (2001), 'The nation state, emancipatory spaces and development studies in the global era', in Schuurman, F.J. (ed) *Globalisation and the Development Studies. Challenges for the 21<sup>st</sup> Century*, Vistaar Publications, New Delhi.

the game were set by the military strength of a few imperial powers. And the risks associated with trade, investment, and finance were underwritten by imperial nation states. In the late nineteenth century the missing dimension was international transactions in foreign exchange, which are massive now, given the past regime of fixed exchange rates under the gold standard.

**Nation states are no longer the main economic players but they are important political players.** However he does not exclude nation states as important participants in the process of globalisation. This is because nation states are still important in political and strategic terms. If it was the military might of the imperial powers that was influential, in the present day it is the political clout of the nation states which backs up the rules of the MNCs, international banks, etc.

Globalisation both then and now has been associated with an exclusion of countries and peoples from its world of economic opportunities. Markets exclude people as consumers and buyers of goods and services if they do not have any incomes or sufficient incomes, which can be translated to purchasing power. This exclusion is attributable to a lack of entitlements. Markets exclude such people as producers or sellers if they have neither assets nor capabilities. Even those without assets can enter the market as sellers, using their labour if they have the capabilities. Such capabilities are acquired through education, training, or experience, are different from natural abilities, which are endowed. Hence people without capabilities- the poor, who cannot find employment- are excluded. Even people with capabilities are excluded if there is no demand for their capabilities in the labour market.<sup>19</sup>

Amit Bhaduri analyses the implications and consequences of globalisation for the nation state especially in terms of economic policy. The resurfacing of the capital- labour conflict in several industrially advanced nations after the Keynesian theory of demand management in a framework of co-operative capitalism generated new problems after a sustained period of success in dealing with problems of unemployment. Several studies of the 1960s and 1970s indicated that long periods of sustained full employment would create new problems of worker 'indiscipline', as fear of job loss as a means of enforcement in the labour market would erode. The problem of a power balance between the two classes

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<sup>19</sup> Nayyar, D. (2002), *Op. cit.*



would arise despite the fact that high employment and capacity utilisation would benefit both classes, and in the event governments supported by the capitalist class would occasionally retreat from demand management in the name of sound public finance and balancing the budget. This according to Bhaduri is an astute variation on the classical Marxian theme of the maintenance of 'reserve army of the labour' as an integral feature of capitalist development. Statistical analysis showing wages tend to rise faster at lower levels of unemployment, leading to the 'unemployment- inflation trade-off' in policy debates. The terms of policy debate changed dramatically when 'monetarist', economists denied the very possibility of any trade-off in the long run between rates of inflation and unemployment. Economic models were constructed to show that economic policies of the state would in the long run be ineffectual in reducing the rate of inflation below its 'natural rate'. Bhaduri states that after three decades of continuous full employment, the welfare states and sustained growth had created in the advanced capitalist countries a wider middle class with rentier interests. The reduced economic role of the state became widely acceptable politically, as fears of a demand for higher wages of the capitalists, and of inflation triggered off by it, eroding the value of accumulated savings of the middle class, justified the need for maintaining a 'reserve army of labour' under capitalism. Also, since the stimulation of private investment is an alternative route to managing demand under the Keynesian framework, measures used to achieve this such as reduced taxes on corporate profits or restraint on wages constituting a politically conservative view became justified, where the economic role of the state becomes directed towards strengthening the role of private business.

He explains the rise and consolidation of MNCs in developing countries. Although the quantitative importance of foreign direct investment in terms of its share in fixed capital formation, or as a share of GDP is not very high, they are still very influential, because the cost of non-compliance by the nation state to the requirements of multinationals is magnified by the nexus of international trade and finance on the one hand and international creditworthiness on the other hand. It is often easier for a domestic firm in a developing country to raise commercial loans internationally through joint ventures, and to obtain a better, internationally approved credit rating, if it is linked to a well-known multinational. Even the credit rating as well the Bretton Woods institutions usually tend to

use the attitudes of the multinationals to the host country as an index of its economic health and market friendliness. In making their investment decision in a developing country multinationals are involved in a guessing game about the investment climate by watching the behaviour of other multinationals. Like in so many situations of market uncertainty and incomplete information, this tends to generate behaviour governed by the herd instinct, and looking for safety in a crowd. As a result this can set off a chain reaction. The state thus feels circumscribed because of too much of in formal co-ordination among MNCs, banks, and Bretton Woods institutions.

The phenomenal growth in international financial flows in the contemporary period has compelled the nation state to the day to day sentiments of international financial markets. There is fear on the part of national governments that fiscal or monetary policy aimed at expanding demand may result in higher imports and current accounts deficit. This might destabilise the financial market triggering off massive speculative capital flights. National governments have little autonomy in raising the rates of corporate tax to raise additional revenue, fearing again that it would induce disproportionately large capital flights.<sup>20</sup>

The pattern of industrialisation in the ex-colonial countries has lead to a lopsided development. Islands of large scale and modern investments thrived on and co-exist with traditional interests. The power of the state in developing countries is therefore further emasculated by the multistructurality of the economy and the polity.<sup>21</sup>

### **3.3 Expectations and the agenda of the Johannesburg Summit.**

The Preparatory Committee Meetings for the WSSD process admitted the failure of implementing many provisions of Agenda 21 and other specific targets agreed at Rio. Rio+10 was envisaged to add new life to the implementation of Agenda 21 and other outcomes of the Rio summit.<sup>22</sup> A number of key issues emerged as priorities:

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<sup>20</sup> Bhaduri, A. (2002), 'Nationalism and Economic Policy in the Era of Globalization', in Nayyar Deepak (ed) *Governing globalisation. Issues and Institutions*. Oxford University Press, New Delhi.

<sup>21</sup> Lieten, K. (2001), 'Multinationals and development: revisiting the debate', in Schuurman.F.J. (ed) *Globalisation and the Development Studies. Challenges for the 21<sup>st</sup> Century*, Vistaar Publications, New Delhi.

<sup>22</sup> Tata Institute of Energy Research (2003), *Op. cit.*

- Implementing sustainable development- as opposed to negotiating new commitments- with a new stress on poverty alleviation rather than environmental protection, which was the perceived focus of UNCED.
- Balancing globalisation and sustainable development- not directly addressing issues agreed at Doha, but seeking to focus on the actions the international community can take to help ensure that developing countries are in a position to benefit from world trade.
- Sectoral issues- in order to ensure that real progress is made the UN Secretary General Kofi Annan proposed that the summits energies should be focussed on five issues; water, energy, health, agriculture and biodiversity.
- Tackling poverty- a strong emphasis during the WSSD preparatory process, though the top-down, sectoral approach contrasted sharply with the country led approach championed by the international donor institutions like the World Bank.
- Engaging other actors in implementing sustainable development, with a recognition that a summit focussed on this would have to address the fact that many of the actions believed necessary for sustainable development would have to be taken up by corporations and non-governmental organisations.<sup>23</sup>

### **3.4 Outcomes of the Johannesburg Summit.**

The summit attended by over 180 nations had three main outcomes: the Johannesburg Declaration on Sustainable Development, the Plan of Implementation (together called the Type 1 outcomes) and the non- binding (Type 2) partnerships between governments, NGOs and corporations.

The **Johannesburg Declaration on Sustainable Development** highlighted the interdependency of three pillars of sustainable development, namely economic wellbeing, social equity and environmental protection. It recognised the importance of multilateralism calling for 'enhanced accountable multilateral and international institutions'. It recognised the new dimension of challenges posed by globalisation which has caused skewed distribution of costs and benefits among countries, with developing countries in particular

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<sup>23</sup> Brack, D. (2002), 'We have to do better', *The World Today*, August-September 2002: 5-7.

facing the difficulties. It was almost rejected at the last minute when the US wanted to include terrorism as a threat to sustainable development. The Palestinian government on the other hand, wanted foreign occupation listed as an obstacle to sustainable development. Consensus was reached only after separate paragraphs on the two issues were added. The final Johannesburg Declaration has been criticised as 'highly rhetorical'<sup>24</sup> and 'mild'<sup>25</sup> and multilateralism is though one of emphasised issues in the declaration, nothing it was precisely that which was threatened at the Johannesburg summit.

There was no set agreement or convention to be signed at the World Summit for Sustainable Development, but some vague commitments under the **Type 1 outcome (Plan of Action)** and several plans under **Type 2 partnership initiatives**. In the five areas of focus (water and sanitation, energy, health, agriculture, and biodiversity and ecosystem management) suggested by the UN Secretary General, Kofi Annan, the following were the major outcomes.

In water and sanitation the Type 1 outcome was a commitment to halve the number of people without access to sanitation and safe drinking water by 2015. Type 2 initiatives announced included the US agreeing to invest \$970 million in water and sanitation projects over the next three years. The European Union announced a 'Water for Life' project initiative to meet the summit goal in Asia and Africa. The Asian Development Bank provided a \$5 million grant to the UN habitat initiative and \$500 million in fast track credit to water projects under the Asian Cities Programme. The UN has received 21 other water and sanitation initiatives with a commitment of over \$20 million.

In energy the Type 1 was to increase access to modern energy services, improve energy efficiency and increase the use of renewable energy. However with the US refusing to commit itself to ensuring that renewable energy constitutes at least 15 percent of its total energy consumption by 2015, the text is vague on energy. The Type 2 outcomes include nine major electricity companies signing a range of agreements with the UN to facilitate technical co-operation for sustainable energy projects in developing countries. The EU announced a \$700 million partnership initiative on energy, and the US announced that it would invest up to \$43 million by 2003. The UN has received 32 partnership submissions

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<sup>24</sup> Krishnakumar, A.(2002), 'The battles of Johannesburg', *Frontline*, September 27, 2002: 128- 131.

<sup>25</sup> Sharma, A; Mahapatra, R. and Polycarp, C. (2002), 'Dialogue of the deaf', *Down to Earth*, September 30, 2002: 25-33.

for energy projects in over \$26 billion in resources.<sup>26</sup> There was no commitment to increasing energy supply to people world-wide who do not have access to modern energy services. About 1.64 billion or about 27% of the world's population does not have access to electricity supply. Among them 99% lives in developing countries and four out of five of them in rural areas.<sup>27</sup> No definite targets for renewable energy were agreed at the summit. It was only agreed to phase out harmful energy subsidies 'where appropriate'. Although the target to increase the share of renewable energy by at least 15% of the total primary energy supply by 2010 was supported by Europe, it was opposed by the US and some members of the G 77. The US stand owed much to the US President George W. Bush's connections with the oil companies.<sup>28</sup> In fact the text on renewable energy target was replaced with, "with the sense of urgency, substantially increase the global share of renewable energy sources, with the objective of increasing contributions to total energy supply, recognising the role of national and voluntary regional targets as well as initiatives where they exist". The G77 was heavily divided on the issue. Countries belonging to the Organisation of the Petroleum Exporting Companies (OPEC) opposed any such targets. But the small island states within the G77, which stands to lose a lot from climate change, and Brazil was strongly in favour of renewable energy targets.<sup>29</sup>

In health a Type 1 commitment was made that by 2020, chemicals should be used and produced in ways that do not harm human health and environment. The section on health also aims at developing programmes to reduce by two-thirds infant and child mortality rates by 2015, and prioritise the impact of air pollution on women and children for developing countries. Governments committed to the reduction of the prevalence of HIV in men and women aged between 15 and 24 by 25% in affected countries by 2005 and globally by 2010. A Type 2 outcome was the US committing to spend \$2.3 billion by 2003 on health, some of which were earlier earmarked for the Global Fund.<sup>30</sup>

In biodiversity and ecosystem management, Type 1 outcomes included a deadline to 'maintain or restore' fish stocks to a maximum sustainable yield with the aim of

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<sup>26</sup> Krishnakumar, A. (2002), *Op. cit.*

<sup>27</sup> Michaelowa, A. and Lehmkuhl, D. (2002), 'Rio +10: much talk, little action', *Intereconomics*, 37(5): pp 270-275

<sup>28</sup> Sharma, A; Mahapatra, R. and Polycarp, C. (2002), *Op. cit.*

<sup>29</sup> Michaelowa, A. and Lehmkuhl, D. (2002) *Op. cit.*

<sup>30</sup> Krishnakumar, A. (2002), *Op. cit.*

achieving these goals for depleted stocks on an urgent basis and where possible not later than 2015. This was touted as a major success since getting the US to agree to any deadline had been so difficult. The earlier text called for countries to achieve a significant loss in biodiversity reduction by 2010. The final agreement does not include the 2010 deadline. Countries agreed to achieve a 'significant reduction in the current rate of biodiversity loss', provided new financial and technical resources were provided. After considerable difficulty the US allowed a roundabout reference to the Kyoto Protocol.<sup>31</sup> Other outcomes were agreeing to improve developing countries access to environmentally sound chemicals by 2010 and an to undertake initiatives by 2004 to implement the Global Programme of Action for the Protection of the Marine Environment from Land Based Sources. Importantly the summit recognised the knowledge and wisdom of indigenous people, and agreed to use the benefits of using biodiversity with the local community. Among the Type 2 initiatives included receiving by the UN of 32 partnership initiatives with over \$100 million in resources. The US announced a \$53 million for forests in 2002- 2005. There is an agreement to replenish the GEF by \$2.9 billion.<sup>32</sup>

The text on promoting sustainable consumption and production is weak, and puts very little pressure on developed countries to change their environmentally harmful lifestyles, the EU had proposed a 10-year work programme for all countries to accelerate the shift towards sustainable consumption and production. Opposition to the proposal by US, Canada, Australia and New Zealand diluted this proposal and now countries merely have to 'encourage and promote the development' of 10-year framework of programmes towards sustainable consumption and production. Among other things this section of the plan calls to encourage cleaner production and energy efficiency, promote the internalisation of environmental costs, enhance corporate social and environmental responsibility; and aim to have a global system of classification and labelling of chemicals by 2008.

As far as poverty eradication is concerned, before they gathered at Johannesburg governments had already agreed to halve the number of the worlds poor whose income is less than \$ 1 a day by year 2015. There was little clarity how this would come about, but a

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<sup>31</sup> Gray, K.R. (2003), 'WSSD: accomplishments and new directions?' *International and Comparative Law Quarterly*, 52(1): 256-68.

<sup>32</sup> *Ibid.*

G77 proposal to set up a World Solidarity Fund was agreed. The UN General Assembly would later on decide the modalities. However the text makes it very clear that contributions to this fund would be voluntary. In addition to governments, individuals and the private sector are welcome to contribute.<sup>33</sup>

Unfortunately the fund was a prime example of the lack of preparedness and foresight by the G77. It proposed the fund without a well-thought out proposal on how exactly it would be used to fight poverty. The proposal was received with some amount of scepticism- the EU, for instance, said that the objective poverty eradication was too vague, and they need to meet their existing ODA commitments before setting up new funds. So although the fund has been agreed to it is unlikely to have any contributions, and it is likely to become nothing more than another forum for the poor nations to go begging in years to come. To fight poverty eradication governments also agreed to improve the access of indigenous peoples to economic activities, and recognise their dependence on renewable resources and ecosystems, including sustainable harvesting- a decision that is likely to have repercussions on the International Whaling Commission, where sustainable harvesting of whale by communities is a controversial issue.<sup>34</sup>

In agriculture it was agreed that the Global Environment Facility (GEF) would include Convention to Combat Desertification as a focal area for funding (Type 1 initiative). Among the Type 2 initiatives included the US investing \$90 million in 2003 for sustainable agricultural programmes. The UN has received 17 partnership submissions with over \$2 million additional resources.<sup>35</sup> Developing countries had hoped that at the WSSD, industrialised countries would commit to phasing out trade distorting subsidies in their countries, and also to provide exports from poor countries better market access. These two measures would go a long way in ensuring would have a level playing field in international trade and become self reliant. It has been constantly been pointed out that if Northern countries simply stop subsidising their farmers (these subsidies go up to as much as \$1 billion a day), and allow fair competition to agricultural produce from developing countries in world markets, the total benefit to poor countries would be much more than

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<sup>33</sup> Sadat, A. (2002), 'Rich nations fail to human concerns at the centre', *Mainstream*, 40(42), pp:30-32.

<sup>34</sup> Sharma, A; Mahapatra, R. and Polycarp, C. (2002), *Op. cit.*

<sup>35</sup> Krishnakumar, A.(2002), *Op. cit.*

the flow of official development assistance from the North. However the WSSD turned out to be a huge disappointment in this respect, as the EU (mostly France) and the US resisted any commitment to reduce their agricultural subsidies and open their markets to goods from developing countries. The best that the developed countries could agree was to reiterate the vague promise they made in Doha in November 2001. The section on agriculture from the Ministerial Declaration from Doha, agreed that countries would commit themselves to comprehensive negotiations aimed at: substantial improvement in market access: reduction with a view to phasing out of all forms of subsidies; and substantial reductions in trade distorting domestic support. On the issue of providing market access to non-agricultural products from the developing countries, the Doha statement agreed, to negotiations which shall aim, by modalities to be agreed, to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, as well as non-tariff barriers, in particular on products of export interest from the developing countries.<sup>36</sup>

No additional funds were committed at WSSD. The only consolation that developing countries got was that the UN's Economic and Social Council (ECOSOC) would follow up both the WSSD and the Monterrey conference on Finance for Sustainable Development. The text on finance also attempts to shift attention from aid to foreign direct investment (FDI), and contains promises to facilitate greater flows to developing countries. However to get this FDI countries will have to create the necessary domestic and international conditions.<sup>37</sup>

The most important victory of WSSD was getting Russia, China and Canada to agree to ratify the Kyoto Protocol, in order to make it implementable (at least 55 countries should ratify the Kyoto protocol for it to be implemented). This isolates the US, and Australia as the only two major countries now refusing to ratify it. Now the Protocol could become operational even without the two countries agreeing to ratify it.<sup>38</sup>

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<sup>36</sup> Michaelowa, A. and Lehmkuhl, D. (2002), *Op. cit.*

<sup>37</sup> Sadat, A. (2002), *Op. cit.*

<sup>38</sup> Krishnakumar, A.(2002), *Op. cit.*



### **3.5 Conclusion: critical analysis of the outcomes of the Johannesburg Summit.**

Unlike Rio, no new global conventions or protocols were launched at Johannesburg. In their place, there was a 'Plan of Implementation' setting out how governments will implement the principal outlined in Agenda 21. However much meaningful reform was blocked. On climate change, the US, particularly blocked proposals to increase the share of renewable energy sources to at least 5 percent of total national primary energy supply by 2010; to adopt timetables for progressively phasing out energy subsidies which inhibit sustainable development and to ensure the entry into force of the Kyoto protocol. Reforms on sustainable agriculture, a statement calling for governments to promote the creation of domestic and international markets for organic produce; a statement to reduce and eliminate environmentally harmful subsidies; a statement calling on governments to make trade and environment mutually supportive, and a statement asking to increase the level of resources within funds established within the multilateral environmental agreements were similarly obstructed.

Proposals supported by the developing countries to reform the IMF, World Bank, and WTO, were opposed by the industrialised countries, with the US leading the charge. Hence calls for measures to mitigate the volatility of short-term capital inflows and for phasing out all forms of export subsidies as well as a proposal to establish an international mechanism to stabilise commodity prices were blocked. Similarly blocked were calls to strengthen and make operational all special and differential treatment provisions (code for allowing developing countries to strengthen and protect their domestic industries); to reduce the unsustainable debt burden of developing countries with speedy action on debt relief and debt cancellation; and to provide for full and effective participation of developing countries in international economic decision making.<sup>39</sup>

In many ways the Johannesburg summit was a retrograde step. The absence of meaningful action – as extraordinary this is in a time of worsening social and environmental crisis – was not the only problem facing the Johannesburg summit. Real damage to sustainability may have been caused by the Bush administration's determined efforts to destroy two key cornerstones of the Rio summit: the precautionary principle and the principle of 'common but differentiated responsibilities'.

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<sup>39</sup> Retallack, S. (2002), 'US hijacks Johannesburg', *The Ecologist*, Vol. 32(7), pp 20-23.

The precautionary principle guides governments to take precautionary preventive action when a practice or a product raises potentially significant threats of harm to human health or the environment, even if scientific uncertainty remains. It forms the basis of the Rio summits Convention on biological Diversity, and the subsequent Cartagena Protocol on Biosafety, which gives countries the right to regulate or refuse the import of genetically modified organisms (GMOs). It clashes however with the rules of the WTO, which calls for countries to give categorical scientific proof of harm before taking measures that restrict trade. The US particularly wanted the WTO rules to supersede so that its biotechnology industry does not face restrictions on its GMO exports. The US saw preventing the international community from re-endorsing the principle in Johannesburg, as a key step to achieving that goal as it would undermine the principle's legitimacy. Ultimately the precautionary principle was restated as the 'precautionary approach', a restatement of legal status quo and a retreat from the spirit of the principle.<sup>40</sup> The principle of 'common but differentiated responsibilities'- which developing countries attach huge importance to as it places a duty on those that contribute the most to causing environmental problems to take the lead in addressing them. It forms the basis of another product of Rio, the Framework Convention on Climate Change.<sup>41</sup> In the fight against global warming it is vital that the principle be acted upon: unless industrialised countries take the lead in cutting down gas emission (the US being the leader of the table), developing countries would refuse to do so themselves.<sup>42</sup> Russia, China and Canada have to agreed to ratify the Kyoto Protocol in WSSD, isolating the US, and Australia as the only two major countries now refusing to ratify it. The Bush administration wanted to de-legitimise the principle so that the US fossil fuel industries can pursue business as usual and the onus could be transferred to countries such as India and China.<sup>43</sup>

Although the 'partnerships' were mentioned in the draft of the Plan of Action, it assumed importance only after the third preparatory committee meeting, with the US giving it a big push. This, accord to NGOs was done primarily so that governments could disown responsibility, and to show some results of the summit, which would otherwise

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<sup>40</sup> Gray, K.R. (2003), 'WSSD: accomplishments and new directions?' *International and Comparative Law Quarterly*, 52(1): 256-68.

<sup>41</sup> Brack, D. (2002), 'We have to do better', *The World Today*, August-September 2002: 5-7.

<sup>42</sup> Retallack, S. (2002), *Op. cit.*

<sup>43</sup> Sadat, A. (2002), 'Fairness in a fragile world: excerpts from a Jo'berg memo', *Mainstream*, 40(52):21-27.

turned out to be a damp squib.<sup>44</sup> To make business and trade the driving force of sustainable development several Type 2 partnerships were announced at Johannesburg. The summit produced more than 220 partnerships representing 230 million dollars in resources.<sup>45</sup>

The supporters of this feature believe that a multi-stakeholder co-operation involving governments, intergovernmental organisations, civil society groups and businesses can have and can produce successful partnerships at local, national, regional and global levels. They cite examples of the UN AIDS Drug Initiative, the Global Alliance on Vaccines, the Consultative Group on International Agricultural Research and the Global Water Partnership. According to them implementation needs a huge range of specific actions to be taken by many different organisations and individuals. These vary between countries and localities. Partnerships can therefore play a key role in identifying and implementing these actions at global, regional and national levels, and can foster necessary commitment. Also, implementation badly needs resources. By developing a robust analysis of what is needed to deliver sustainable development, multi-stakeholder partnerships have a key role to play in making the case for additional donor funding. They can help to attract new private sector investment, through creating strong partnership between public and private bodies, and can also bring in the know-how of the public sector. In addition they can ensure that the additional resources are used efficiently. Politics need to change too, according to them, in order to break the stalemate between the North and the South over the failure to implement Agenda 21 and other commitments. Focussing on partnerships could move them on to a new era of co-operation and innovation.<sup>46</sup>

These partnerships would of course have to meet a standard criteria developed through a process of informal consultation. First, the partnerships should be focussed on delivering commitments made in WSSD Plan of Implementation. Second, they should be strongly linked to and led by country-led sustainable development plans such as poverty reduction strategies. Third, they ought to take an integrated approach by addressing, social, environmental and economic issues in tandem, and be genuinely participatory with all

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<sup>44</sup> Retallack, S. (2002), *Op. cit.*

<sup>45</sup> Tata Institute of Energy Research (2003), *Op. cit.*

<sup>46</sup> Calder, F. (2002), 'Strange new alliances', *The World Today*, August – September: 8-9.

partners – developing country governments, civil society groups and others- controlling the process and its outcome. In addition decision making should be clear and transparent with clear targets and measurable results. Funding agreements should be arranged before they are announced. Partnership should deliver new action rather than dress up old ideas as fresh initiatives. And finally, they should be international in scope – global, regional or at the very least sub-regional.<sup>47</sup>

Despite such pious intentions developing countries have been very vocal in opposition to these partnerships, which they feel is a distraction from the serious business of negotiating formal agreements. They have a point because the partnership initiatives are loosely defined, self-monitored, and non-binding. They fall outside the binding commitment of the UN, and dilute the process of multilateral conference, which were central to the Rio Conference.<sup>48</sup> By allowing the private sector to take over and, to a ‘shocking’ extent, design solutions, governments are effectively abdicating their responsibility to act. Not only will these enable corporations to gloss over their own bad environmental records, it will allow corporations to make problems worse by insisting, for example, on the use of biotechnology in agricultural partnerships or on privatisation in partnerships on water, energy and health. Instead of helping in the battle against environmental degradation and poverty, the Johannesburg Summit could have the opposite effect.<sup>49</sup>

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<sup>47</sup> Gray, K.R. (2003), *Op. cit.*

<sup>48</sup> Krishnakumar, A.(2002), *Op. cit.*

<sup>49</sup> Finger, M. (2002), ‘Rio Earth Summit. Have we learnt anything ? *The Ecologist*, Vol. 32(7), p. 23.

## Chapter Four: The Geopolitics of Sustainable Development.

### 4.1 Introduction.

At first glance the end of the Cold War, the deepening of the impacts of economic globalisation and the de-territorialising consequences of new information technologies seem to have undermined the very basis of geopolitics. In the search for a new paradigm for world politics a number of strategists and politicians have proclaimed the end of geopolitics altogether, its eclipse and succession by geoeconomics, speed or ecopolitics. In many analyses geopolitics has been left for the dead.<sup>1</sup> It is believed that states are now competing more for the means to create wealth within their territory than for power over more territory.<sup>2</sup> Fukuyama has remarked that 'what we may be witnessing is the end of history as such: that is the end point of mans ideological evolution and the universalisation of western liberal democracy as the final form of human government.'<sup>3</sup> According to the liberals we are moving towards 'a borderless world'<sup>4</sup>; according to the environmentalists we are moving towards a ecologically interdependent and unitary 'world without borders'<sup>5</sup> and according to postmodernists we are moving towards a globally intermediate computer accessed cyberspace where 'chronopolitics takes over the role of geopolitics'<sup>6</sup>. Indeed for many the turn of the epoch can be seen rather as the 'end of geography'<sup>7</sup> rather than the more famous catch phrase, 'the end of history'. The globalisation thesis infers 'the end of the nation state' and 'borderless, deterritorialised world'<sup>8</sup>, both conclusions apparently rendering geopolitics as redundant. In order to understand the relevance of geopolitics

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<sup>1</sup> O Tuathail, G. and Dalby, S. (1998), 'Introduction: rethinking geopolitics. Towards a critical geopolitics', in O Tuathail, G. and Dalby, S. (eds) (1998), *Rethinking Geopolitics*, Routledge, London.

<sup>2</sup> Strange, S. (1992), 'States, firms and diplomacy', *International Affairs*, 68(1): 1-15.

<sup>3</sup> Fukuyama, F. (1992), *The End of History and of Last Man*, Verso, London,

<sup>4</sup> Ohmae, K. (1992), *The Borderless World*, Fontana, New York, quoted in Schuurman, F. J. (2001), 'The nation state, emancipatory spaces and development studies in the global era', in Schuurman, F. J. (ed) *Globalisation and the Development Studies. Challenges for the 21<sup>st</sup> Century*, Vistaar Publications, New Delhi.

<sup>5</sup> Brown, L. (1973), *World Without Borders*, Random House, New York.

<sup>6</sup> Der Derian, J. (1990), 'The (s)pace of international relations: simulations, surveillance and speed', *International Studies Quarterly*, 34(3): 295-310.

<sup>7</sup> O'Brien, R. (1991), *Global Financial Integration: The End of Geography*, Pinter, London.

<sup>8</sup> Kliot, N. and Newman, D. (2000), 'Introduction: globalisation and the changing world political map', in Kliot, N. and Newman, D. (eds) *Geopolitics At the End of the Twentieth Century: the Changing World Political Map*, Frank Cass, London.

in an era of global flows and technological advance it is important to question the extent to which globalisation has brought about an end to the nation state and/or has created a borderless, deterritorialised world.

#### **4.2 The relevance of geopolitics.**

As discussed in earlier chapters, nation states are no longer the main economic players but they are important political players. That does not exclude nation states as important participants in the process of globalisation.<sup>9</sup> Critiques of the globalisation concept, do not accept the notion whereby the nation-state is 'hollowed out'. Globalisation is loaded with political meaning and implies an end point of systemic interdependence of national economies, genuinely footloose transnational capital, decline in the power of labour and the transfer of power from national states to supranational bodies. In their criticism of this view they assert that international firms are still largely confined to their home territory in terms of their overall business activity and remain heavily nationally embedded.<sup>10</sup>

The state is in the forefront of a whole row of corporate actors (like MNCs, international financial and political organisations, organised crime, international media, etc.). The nation-state may be losing functions in the process of globalisation but it is also regaining new ones as the main conduit between capital and the global market. In the global market capital needs the state: 'Behind every transnational corporation is a national base, which depends on its local state to sustain its viability...the nation-state is the main agent of globalisation. US capital in its quest for "competitiveness", demands a state will keep its social costs to a minimum, while keeping in check the social conflict and disorder generated by the absence of social provision'. While it is possible for the state to change its form and give way either to more local or larger political authorities, but the idea of the state as such will continue to be crucial.<sup>11</sup>

A middle position is that the new framework of capitalism is based on a transition from the politico-military model of international management and

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<sup>9</sup> Nayyar, D. (2002), 'Towards global governance', in Nayyar Deepak (ed) *Governing globalisation. Issues and Institutions*. Oxford University Press, New Delhi.

<sup>10</sup> Hirst, P. and Grahame, T. (1996), *Globalization in Question. The International Economy and the Possibilities of Governance*, Polity Press, Cambridge.

<sup>11</sup> Meiksins Wood, E. (1997), 'Labour, the state and class struggle', *Monthly Review*, 49(3), pp 1-18.

domination (the phase of 'imperialism') to a techno-financial system of global (as distinct from international) integration into one overarching world market. This led to the erosion of a state based structure of national and international interactions. It however might not be logical to see the shift of the power base from politico-military to techno-financial as an indication of the weakness of the state. On the contrary it is a more subtle form of control.<sup>12</sup> In other words it becomes necessary to update the definition of the state (where there is always an element of exercising certain amount of legitimate violence).

A slightly different interpretation is that during the Cold War the advanced industrialised countries used the existence of the communist bloc (especially the Soviet Union) as a legitimisation to uphold the military strength of individual countries (especially the USA) and of NATO. Military interventions from both sides into their peripheries were accepted strategies. With the end of the Cold War this legitimisation of the armed forces ended. The search was then on for new legitimisation, which was found in a number of opportunities: Saddam Hussain, drug barons representing moral decay, and 'ethnic cleansing' in Balkans, Africa etc. US military power is still being wielded as the hegemonic global military force. In contrast to the previous period, the legitimating discourse is now the global war against terrorism, defence of human rights, a defence against drugs, and an urge to help countries on the road to democracy and the free market system. The role of the state as a direct and autonomous economic entrepreneur came thus to an end but the same does not hold for the politico-military role of the state. In this sense the state still continues to be an important point of reference for organisations within civil society.<sup>13</sup>

Looking at the military operations of the USA over the last ten years it seems that military power is still important. As a matter of fact military relations still define the relations between states and hence the parameters of the world system of power,

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<sup>12</sup> Kothari, R. (1997), 'Globalization: a world adrift', *Alternatives*, 22, pp 227-267.

<sup>13</sup> Schuurman, F. J. (2001), 'The nation state, emancipatory spaces and development studies in the global era', in Schuurman, F.J. (ed) *Globalisation and the Development Studies. Challenges for the 21<sup>st</sup> Century*, Vistaar Publications, New Delhi.

and the notion of the undermining of nation-states in an era of globalisation has focussed too much on the economic and cultural definitions of nation states.<sup>14</sup>

John O'Loughlin has been observed that concepts and processes of globalisation do not necessarily enter into the sacred halls of American foreign policy. The US geopolitics of the 1990s resembles that of the 1920s. He was able to detect seven competing paradigms or geopolitical codes in the current American foreign policy. None of the seven paradigms embodies the global complexity. The doctrine of 'containment', perhaps the true opposite concept of globalisation, isolationist policies, and mainly 'regionalist' views still characterises American foreign policy.<sup>15</sup>

Three claims are usually put forward to sustain the view of decreasing territoriality. The first is that the value of territory is in decline, the second is that the sovereignty of states has eroded, and the third is that territorial identities have lost their significance because concepts of time have become more important than concepts of space. They imply unfortunate conceptualisations, which may have contributed to the tendency to overemphasise deterritorialisation at the cost of reterritorialisation. In the first case the control of territory is seen more in terms of instrumental value and not in terms of territoriality as such.<sup>16</sup> There are both strategic and economic reasons for the value of territory being undermined. Nuclear weapons and psychological warfare has made the role of territory obsolete for defence purposes.<sup>17</sup> However territory should not merely be seen as an instrument of value for states, because territory is the essence of the state, which is important for its own sake. Because territory forms a part of state identity and a part of identity of many human groups, it is valued independently of its strategic or economic benefits.<sup>18</sup>

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<sup>14</sup> Shaw, M. (1996), *The Global Revolution in the Social Sciences: the Globalisation of State Power as a Defining Issue*, Paper for the Conference on the Direction of Contemporary Capitalism, University of Sussex, quoted in Schuurman, F.J. (ed) *Globalisation and the Development Studies. Challenges for the 21<sup>st</sup> Century*, Vistaar Publications, New Delhi.

<sup>15</sup> O'Loughlin, J. (2000), 'Ordering the "crush zone": geopolitical games in the post-Cold War Eastern Europe', in Kliot, N. and Newman, D. (eds) *Geopolitics At the End of the Twentieth Century: the Changing World Political Map*, Frank Cass, London.

<sup>16</sup> Forsberg, T. (1996), 'Beyond sovereignty, within territoriality. Mapping the space of late-modern (geo)politics', *Co-operation and Conflict*, 31(4): 355-386.

<sup>17</sup> Herz, J. (1959), *International Politics in the Atomic Age*, Columbia University Press, New York, quoted in Forsberg, T. (1996), 'Beyond sovereignty, within territoriality. Mapping the space of late-modern (geo)politics', *Co-operation and Conflict*, 31(4): 355-386.

<sup>18</sup> Forsberg, T. (1996), *Op. cit*



The claim about decreasing sovereignty of the state is heavily contested and is discussed in detail in the next section. Again it is fallacious to equate state sovereignty with territoriality. The withering away of the sovereignty of the state has thus been seen in terms of withering away of territoriality. The strategy to organise power and responsibilities through territories do not belong to states alone, but also belong to entities like regional actors and firms.

When one gives examples of such rising units that are territorial but not sovereign, regionalisation is a case in point. Regions are territorial units par excellence, since their constitutive element is a particular area. They represent the interests of a territorial area and neglect the importance of national coherence based on ethnicity, order or political culture. They see the conflict in territorial terms, claiming that centres suppress peripheries and not in terms of political ideologies and relationships of domination between different social classes and ethnic groups. But they do not aim at any sovereign position. They usually leave many functions to the national state level and concentrate on tasks to which they are better suited.<sup>19</sup> For example adopting new forms of regional networks which bring in other states or which locks in multinational producers may be one of the ways in which semi-peripheral states try to make it to the transition that is globalisation, and thereby participate within the production structures of the global economy. Peripheral states may also try to participate in new regionalist associations as a way of avoiding marginalisation.<sup>20</sup>

It has been claimed that the processes of privatisation, liberalisation and globalisation have placed new players in the centre stage of the world economy: transnational corporations, which dominate investment, production and trade in the world economy, and international banks or financial intermediaries which control the world of finance. This has introduced a strategic withdrawal of the nation state in some important spheres. They are the main political players but no longer the main economic players.<sup>21</sup> However multinational firms and banks can also be seen as actors that cannot work entirely without territorial basis or practice. They are both territorially bounded

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<sup>19</sup> *Ibid.*

<sup>20</sup> Grugel, J. and Hout, W. (1999), 'Regions, regionalism and the South', in Grugel, J. and Hout, W. (eds) *Regionalism Across the North-South Divide. State Strategies and Globalisation*, Routledge, London and New York.

<sup>21</sup> Nayyar, D. (2002), *Op. cit.*

and territorially attached. More over business can overcome state boundaries but it often creates new regions, not only through economic but also through political acts. The command over space may shift to headquarters of financial and industrial corporations.<sup>22</sup>

O Tuathail critiques the thesis of end-of-geography, due to global financial integration by offering the following points. First, despite the erosion of national economic sovereignty, states are still central to the operation and functioning of the world financial system. While many of the smaller states are at the mercy of the world financial markets, the coordinated actions of the G-7 states still set the rules for the world financial system. The deterritorialisation discourse is a part of neoliberal ideology that strives to denaturalise and limit the power of the states while naturalising and bolstering the value of markets. The contemporary world financial system is not the product of natural forces and tendencies but of a new working relationship of states and markets promoted in, in part, by states themselves. The hegemony of the neoliberal ideology in US and Great Britain in the 1980s, helped make the integration of markets seen in that decade possible. Second, the end-of-geography discourse also fails to demonstrate how deterritorialisation is also a reterritorialisation. 'Geography is not so much disappearing as being restructured, rearranged and rewired' and.. 'at the pinnacle of this complex are a series of global financial centres'. Third, the end-of-geography theme fails to acknowledge and engage the construction of new geographies of financial exclusion across the planet. 'Happy neoliberal discourse on the convenience of electronic trading and internet banking elide the world where certain groups cannot gain even access to ordinary credit facilities and regular banking services'.<sup>23</sup>

Although much has changed, most people still live in spaces they want to control, or, to put it otherwise the imagination of territorial spaces has not ceased. At the same time as the role of the state is increasingly questioned, people constantly create new places, new regions new worlds. Indeed it seems that it has become impossible to speak about one single direction of territorial development. There are

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<sup>22</sup> Forsberg, T. (1996), *Op. cit.*

<sup>23</sup> O Tuathail, G. (2000), 'Borderless worlds? Problematising the discourses on deterritorialisation', in Kliot, N. and Newman, D. (eds) *Geopolitics At the End of the Twentieth Century: the Changing World Political Map*, Frank Cass, London.

shifts that can be seen towards deterritorialisation and reterritorialisation at the same time, in the same spaces.<sup>24</sup> The same dynamics that foster globalism can be conceived as also generating new localism. Localism and globalism are not opposite attitudes. In other words the idea that postmodern changing in culture and identities put less emphasis on space and territories is flawed.<sup>25</sup>

#### 4.3 The geopolitics of sustainable development.

To provide the political geographic theoretical base of this dissertation, John Agnew's general theory of geopolitics that treats it both as practices and ideas, as a materialist world order and a discursive set of understandings and enframing rules is more useful. In particular one (of the four) characteristic of modern geopolitical imagination, isolated by him, has been found particularly luminous in analysing the international politics of sustainable development and to make it a part of the corpus of political geographic literature. That characteristic is the fourth component of modern geopolitical imagination, i.e., the pursuit of primacy of dominant states in the inter-state system. Although nominally equal sovereign entities, states in the modern interstate-system are in reality radically different from each other in geographic location, territorial extent, natural resource endowment, social organisation, political leadership and power potential. These differences has long been classified and conceptualised by geopoliticians within the contexts of relative struggles for power between states. Although the geopolitical assumptions that, first, 'power flows from advantages of geographical location, size of population and natural resources' and, second 'that power is entirely an attribute of territorial states that attempt to monopolise it in competition with other states' are no longer plausible, yet Agnew's claims that modern geopolitical imagination 'still remains prevalent in framing the conduct of world politics' seems to be borne out by the practices of the developed countries (dominant states) in the arena of sustainable development.<sup>26</sup>

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<sup>24</sup> O Tuathail, G. and Luke, T. (1994), 'Present at the (dis)integration: deterritorialisation and reterritorialisation in the new world order', *Annals of the Association of American Geographers*, 84(3): 381-398.

<sup>25</sup> Forsberg, T. (1996), *Op. cit.*

<sup>26</sup> Agnew, J. and Corbridge, S. (1995), *Mastering Space: Hegemony, Territory and International Political Economy*, Routledge, London, and Agnew, J. (1998), *Revisioning World Politics*, Routledge, London.

In UNCED, WSSD and in many North- South arenas, parties were configured in a profoundly asymmetrical relationship of power. Despite a significant rhetorical investment in both environment and development, the Northern countries have maintained their control over global financial resources.

At Rio sustainable development was interpreted as a concern about possible future economic and social implications of changes in global climate and ecology, reflecting primarily the agenda of industrialised Northern countries, thus privileging issues of intergenerational equity to those over intragenerational equity. Although the issues of climate change and biodiversity that dominated the Rio conference are vitally important to some developing countries (especially those vulnerable to sea level rise), they are not the principal environmental problems faced by most countries of the south.<sup>27</sup> Although the contents of sustainable development thinking that have emerged after the Rio Conference are called as an ‘alternate social paradigm’ by some scholars<sup>28</sup> yet it does not challenge the dominant capitalist industrialising model, only demanding debate about methods and priorities. Also by adopting a primarily liberal perspective on international political economy it fails to deal adequately with power and power relations- specifically it fails to represent structural forms of power. On UNCED a typical comment is that the North succeeded on inviting the South to help resolve its own difficulties while marginalising problems in the South.<sup>29</sup> In Rio the South’s need for concessionary finance, debt relief, trade liberalisation and technology transfers were considerably more pressing than the North’s need for Southern signatures on measures to limit those global environmental changes which were, anyway, overwhelmingly Northern in their industrial causation. In this situation ‘the South was compelled to recognise not only that half a loaf is better than none but also crumbs (like the Global Environmental facility – GEF) were better than none. The

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<sup>27</sup> Adams, W. M, (2001), *Green Development. Environment and Sustainability in the Third World*. 2<sup>nd</sup> Edition, Routledge, London.

<sup>28</sup> Porter, G., Brown, J. W., and Chasek, P. S. (2000), *Global Environmental Politics*, 3<sup>rd</sup> Edition, Westview Press, Colorado, p.22.

<sup>29</sup> Middleton, N; O’Keefe, P and Moyo, S (1993) *Tears of the Crocodile. From Rio to Reality in the Developing World*, Pluto Press, London.

South maintained its dignity, nonetheless: it left some crumbs on the table when threatened with scapegoating on the issues of forestry and population<sup>30</sup>.

In Johannesburg, much meaningful reform was blocked and corporations were foisted on developing countries as their lifeline to development and wellbeing of their people. The loosely defined, self-monitored, and non-binding Type 2 partnerships, is a distraction from the serious business of negotiating formal agreements. They lie outside the binding commitments of the UN, and dilute the process of multilateral conference, which were central to the Rio Conference.<sup>31</sup> They allow the private sector to take over and, design solutions, enabling corporations to greenwash over their own bad environmental records, and make problems worse by insisting on a hard-sell of their products no matter how environmentally damaging.<sup>32</sup> The absence of meaningful action – as extraordinary this is in a time of worsening social and environmental crisis – was not the only problem facing the Johannesburg summit. Real damage to sustainability may have been caused by the Bush administrations determined efforts to destroy two key cornerstones of the Rio summit: the precautionary principle and the principle of ‘common but differentiated responsibilities’.<sup>33</sup> The US made no friends in the developing world by pulling out of the Kyoto Protocol. It was generally under attack at the summit, (as witnessed by Secretary of State, Colin Powell on the last day of the event, when his speech in defence of the US’ record in protecting the environment and helping the developing world was met with raucous and derisive protests) and was at odds with the EU, with the latter agreeing to abide in binding targets in areas such as energy. Another setback to the US came when Russia, China and Canada agreed to ratify the Kyoto Protocol. Although isolated, along with Australia, it has resisted signing the Climate Convention.<sup>34</sup>

An inherent flaw of the UN conference method probably encouraged it. Multilateral diplomacy proceeding by consensus rather than votes to an overall package deal (where interests and priorities are traded off against each other and no

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<sup>30</sup> Imber, M.F. (1996) ‘The Environment and the United Nations’, in J. Vogler and M.F.Imber (eds) *The Environment and International Relations*, pp.139-151.

<sup>31</sup> Krishnakumar, A.(2002), ‘The battles of Johannesburg’, *Frontline*, September 27, 2002: 128- 131.

<sup>32</sup> Finger, M. (2002), ‘Rio Earth Summit. Have we learnt anything ? *The Ecologist*, Vol. 32(7), p. 23.

<sup>33</sup> Retallack, S. (2002), ‘US hijacks Johannesburg’, *The Ecologist*, Vol. 32(7), pp 20-23.

<sup>34</sup> Krishnakumar, A.(2002), *Op. cit.*

party takes the risk of making concessions on one item of the agenda without making gains elsewhere) tend to reward intransigence in negotiation. In a vote the minority of one is an exposed loser. When assembling a package by consensus, however, the minority of one can expect to attract disproportionate concessions from the other parties to achieve a final deal. 'Since all can behave likewise, it tends to reward the dogmatist, the insomniac, and the plain bloody minded. It is a characteristic of UN life, which punishes the pragmatist, the tired and the gullible'.<sup>35</sup>

However intrinsic flaws in the UN conference system are insufficient excuses in explaining the conduct of industrialised countries in UNCED, WSSD and many other North- South arenas. Coming back to sustainable development, three conditions separated UNCED from WSSD.

The first is the end of the cold war. The end of the cold war had two opposing effects on ODA. On the one hand the reduced need for military expenditures should have freed more resources for development aid. On the other hand the political support for aid diminished by the reduced relevance of security considerations, which in some cases motivated development assistance. During the cold war years the US had found it necessary to enable certain strategic economies (those in the Pacific Rim) to acquire strength to fight against communism. The US thus not only supported these economies with capital and technology on soft terms, but also with their abundant market for the industrialising countries of Japan and then South Korea, Taiwan, Singapore and Hong Kong. With the end of the soviet threat also ended the need to support these countries or any others that might want to emulate the Asian Tigers.<sup>36</sup> The end of the containment policy has deprived many Third World countries of Western aid and trade concessions. While in the 1960s and 1970s the influence of the Western countries, and of their MNCs was contested by the actual (and potential) power of the Soviet Union and China on the one hand and the fairly influential Non-Aligned Movement on the other hand, the end of the millennium has witnessed the imposition of NATO power. Naked political might be in the process of substituting the economic aid that was

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<sup>35</sup> Imber, M.F. (1996), *Op. cit.*

<sup>36</sup> Tandon, Y and Ananthakrishnan, S. (1997), 'Rio minus five. UNGASS: a return realism', *Economic and Political Weekly*, September 13, pp 2322-2325.

essential in the days of the domino theory.<sup>37</sup> 'From now on the US is determined to ask full price for every dollar and every piece of technology it exports to the South. The Trade Related Intellectual Property Rights (TRIPS) is there to ensure that American stranglehold over technology is maintained and the Trade Related Investment Measures (TRIMS) are there to ensure that American (and Western) capital enjoys equal, indeed preferential treatment to national capital.'<sup>38</sup>

The second is the process of globalisation. In the past decade, there has been a profound change in the political situation, as communism has collapsed and capitalism has emerged triumphant. The world of competing political ideologies has given way to a world with a single dominant ideology. According to some scholars, globalisation is capitalism gone global. These are the times of the purest forms of capitalist logic no longer contained by the existence of non-capitalist modes.<sup>39</sup>

Seen in the light of the circumstances stated above, globalisation can be seen as a process of reassertion of western capital over the south unmitigated by earlier conditions to counter the Soviet Union. The attempts to replace ODA by FDI are a product of this globalisation process, and despite the evidence to the contrary (presented by western experts themselves) the FDI will be the favoured route espoused by the west led by the US.<sup>40</sup>

Globalisation can thus be seen as a process whereby power is located in global social formations and is expressed through global networks rather than through territorially based states. Transnational capitalist instruments are deepening up and speeding the realignment of social and class relations within what is already a single world system. They are setting up the global economic, social and political agenda. Globalisation, interpreted most importantly but not solely as the latest stage of capitalism, is compounding inequalities already in place and developing new ones. The process is increasing economic, social and political inequalities by privileging the private over the public sphere and by marginalising the actual, as well as potential

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<sup>37</sup> Lieten, K. (2001), 'Multinationals and development: revisiting the debate', in Schuurman.F.J. (ed) *Globalisation and the Development Studies. Challenges for the 21<sup>st</sup> Century*, Vistaar Publications, New Delhi.

<sup>38</sup> Tandon, Y and Ananthakrishnan, S. (1997), *Op. cit.*

<sup>39</sup> Meiksins Wood, E. (1997), 'Labour, the state and class struggle', *Monthly Review*, 49(3), pp 1-18.

<sup>40</sup> Tandon, Y and Ananthakrishnan, S. (1997), *Op. cit.*

importance of the commons. This is occurring on a global scale, even though it is not a uniform process and does not have homogeneous results. The process is supported by liberal ideology, which places a premium on the individual choice in the market place.

In addition to the accumulation of capital as classically understood, there is the accumulation of power in other forms which has often been ignored, e.g. knowledge, military capability, regulatory capacity. These other accumulations can be identified across a wide spectrum, for example in the universal legitimacy accorded to Western liberal social and political values, and in the human rights discourse. Global accumulation in all its aspects undermines the value of local diversity and legitimises the dominant liberal agenda. Globalisation erodes the authority of states differentially, to set the social, economic and political agenda within their respective political space. It erodes the capacity of states to different degrees to secure the livelihoods of their respective citizens by narrowing the parameters of legitimate state activity. With wide ranging subversion of the regulatory capacities of the state, other actors influence entitlement. These include intergovernmental bodies such as the World Bank, the IMF, the Group of Seven (G7), and non-state actors such as transnational corporations and banks.<sup>41</sup> The tendency towards globalisation is undermining the independent policy making capacity of the state, but it is not affecting the policy-making capacity of all states to the same extent. Thus it is to be expected that the impact of globalisation is to be greater on developing countries than on developed ones.<sup>42</sup>

The asymmetry and the structurally different bases between the North and the South help to explain why despite two centuries of post-colonialism in Latin America, half a century in Asia, and somewhat less in Africa, a structural breakthrough towards a diversified and balanced (industrial) society has not occurred. The present monetarist and free trade policies basically introduced as an answer to state finances and economic integration in the OECD countries in the late 1970s has been made to apply with a vengeance to developing countries. Its acceptance by numerous Third World governments who had previously sworn by a different policy came with the imposition of the Structural Adjustment Policy package. Participation in the world economy, the

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<sup>41</sup> Thomas, C. (1997), 'Globalisation and the South', in Thomas, C. and Wilkin, P. (eds) *Globalisation and the South*, St. Martins Press, New York.

<sup>42</sup> Grugel, J. and Hout, W. (1999), *Op. cit.*



so called outward orientation, would lead to unprecedented economic development, unlike long periods of stagnation under inward orientation, import substitution and state activity in industry. Privatisation and liberalisation have become the core elements of the new policy. They should help channel investments by individual entrepreneurs and, in the framework of the globalising world by the MNCs. The export led development would follow in the wake of FDI, and, on the other hand, would accelerate further FDI.<sup>43</sup>

However in this period of globalisation MNCs have been unable to deliver the goods. In the world system theory of Wallerstein, the capitalist economy is composed of a dominant developed core, a subordinate poor periphery and a political and economic 'buffer', called the semi-periphery.<sup>44</sup> One writer has alluded to a 'modestly thickening network of exchanges within the core, a significant redistribution of trade participations within the core, the graduation of a small number of peripheral nations with a comparatively small population base to "core" status, but above all a declining economic interaction between core and periphery'.<sup>45</sup>

During the 1990s Foreign Direct Investments have been growing faster than the expansion in international trade. Its increase in the first half of the 1990s was twice as much as the world-wide increase in exports. At the same time, foreign investments in developing countries have witnessed a spurt in the 1990s to the extent that, for example in 1996, they attracted as much as 37 per cent of FDI. By the end of the century, however, it appeared to come down again by a quarter of total FDI. One explanation for the increase is the sourcing of production in a cheap labour environment, and, depending on optimal production environment, the production of goods in a number of stages, passing through different countries. FDI was partly associated with the privatisation of public enterprises and with portfolio investment. The countries favoured for FDI (the Chinese coastal provinces, Thailand, Colombia, Malaysia, Taiwan, Turkey, Brazil, Mexico and Indonesia) happen to be countries with established

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<sup>43</sup> Lieten, K. (2001), *Op. cit.*

<sup>44</sup> Grugel, J. and Hout, W. (1999), *Op. cit.*

<sup>45</sup> Hoogevelt, A. (1997), *Globalization and the Postcolonial World. The New Political Economy of Development*, Macmillan, Houndmills, London.

achievements of foreign trade and with a developed internal market. The reasonably sharp flow of FDI obfuscates the fact that many countries were bypassed.<sup>46</sup>

As investment activity becomes more increasingly concentrated in a core group of countries, it becomes increasingly unlikely that benefits will eventually trickle down through the global system. Since FDI is an important conduit for the transfer of new technologies, and as international trade is becoming increasingly knowledge intensive, access to these technologies become important for future competitiveness. The difficulties faced by the poorest countries in attracting FDI exclude them from a major source of technical innovation exacerbating their technological weakness in the process.<sup>47</sup> Cheap and abundant labour supply in the poorest developing countries, it appears, is not a factor that induces MNCs to invest in the countries most in need of external stimuli. The adherence to a structural adjustment policy and an outward orientation of the economy do not seem to help either. The countries that seem to be doing well including the Peoples Republic of China happen to be countries that combine a high degree of economic stability and financial stability, and, as such, offer an attractive environment for private investment flows. Ironically the countries concerned achieved stability on the basis of continuing strong position of the state in the economic regulation of the economy and on the basis of creation of an internal market. It has been suggested that 'MNCs enter when internal industrial development has progressed in such fields and to such a degree that the market was, moreover an expanding market was being secured by indigenous producers.'<sup>48</sup>

Moreover countries that attract FDI may expect remittances on account of profit repatriation. It is not unusual for developing countries to have a negative flow of resources, except in the years when FDI has increased substantially. It is precisely in the poorest group of countries that profit remittances as a ratio to FDI have been the higher than in the richer developing countries. So FDI is evidently not a mechanism for equalising physical capital among countries.<sup>49</sup> Amit Bhaduri explains the rise and consolidation of MNCs in developing countries. Although the quantitative importance

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<sup>46</sup> Lieten, K. (2001), *Op. cit.*

<sup>47</sup> Watkins, K. (1997), *Globalisation and Liberalisation: Implications for Poverty Distribution and Inequality*, UNDP, Occasional Paper 32.

<sup>48</sup> Lieten, K. (2001), *Op. cit.*

<sup>49</sup> *Ibid.*

of foreign direct investment in terms of its share in fixed capital formation, or as a share of GDP is not very high, they are still very influential, because the cost of non-compliance by the nation state to the requirements of multinationals is magnified by the nexus of international trade and finance on the one hand and international creditworthiness on the other hand.<sup>50</sup>

The language of globalism can sometimes be revealed as rhetoric rather than analysis. Mark Imber (1996) gives an example. 'In one sense environmental factors which cause the death of over 12 million third world children every year are parochial. Water-borne diseases, open sewers, and inadequate access to paediatric medicine and family planning do to an extent constitute self-contained disasters. However a structuralist analysis of international relations would locate the responsibility of this new holocaust within the world-system of neocolonialism. In the structuralist view, the plight of these countries have been created by a 400 year process of Western capital accumulation, the expropriation of raw materials, the distortion of primary product markets, and now by 'reverse aid' in which Third World debt servicing massively outstrips Overseas Development Aid (ODA).'<sup>51</sup> It must be remembered, ODA has never been as low as in the 1990s. The OECD cluster of countries has never fulfilled the pious commitment made at the beginning of the first development decade in the 1970s to commit 1% of GNP as ODA. In 1997 the OECD average amounted to 0.27% only.

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<sup>50</sup> Bhaduri, A. (2002), 'Nationalism and Economic Policy in the Era of Globalization', in Nayyar Deepak (ed) *Governing globalisation. Issues and Institutions*. Oxford University Press, New Delhi.

<sup>51</sup> Imber, M.F. (1996), *Op. cit.*

**DEVELOPMENT ASSISTANCE: CONTRIBUTIONS FROM TOP FIFTEEN  
DONORS, COMPARISON BETWEEN 1992 AND 2000.**

COUNTRY	1992		2000	
	Total (million \$ of 2000)	As share of GNP(%)	Total (million \$ of 2000)	As share of GNP(%)
AUSTRALIA	82	0.35	987	0.27
BELGIUM	1014	0.39	820	0.36
CANADA	2930	0.46	1744	0.25
DENMARK	1621	1.02	1664	1.06
FRANCE	9634	0.63	4105	0.32
GERMANY	8834	0.39	5030	0.27
ITALY	4802	0.34	1376	0.13
JAPAN	12990	0.3	13508	0.28
NETHERLANDS	3207	0.86	3135	0.84
NORWAY	1483	1.16	1264	0.8
SPAIN	1769	0.26	1195	0.22
SWEDEN	2865	1.03	1799	0.8
SWITZERLAND	1327	0.46	890	0.34
UK	3778	0.31	4501	0.32
USA	13640	0.2	9955	0.1
ALL COUNTRIES	73055	0.33	53737	0.22

SOURCE: *World Bank. 2002  
World Development Indicators 2001  
Washington, DC: The World Bank*

Table: 1

**DEVELOPMENT ASSISTANCE: CONTRIBUTIONS FROM TOP FIFTEEN DONORS, COMPARISON BETWEEN 1992 AND 2000.**

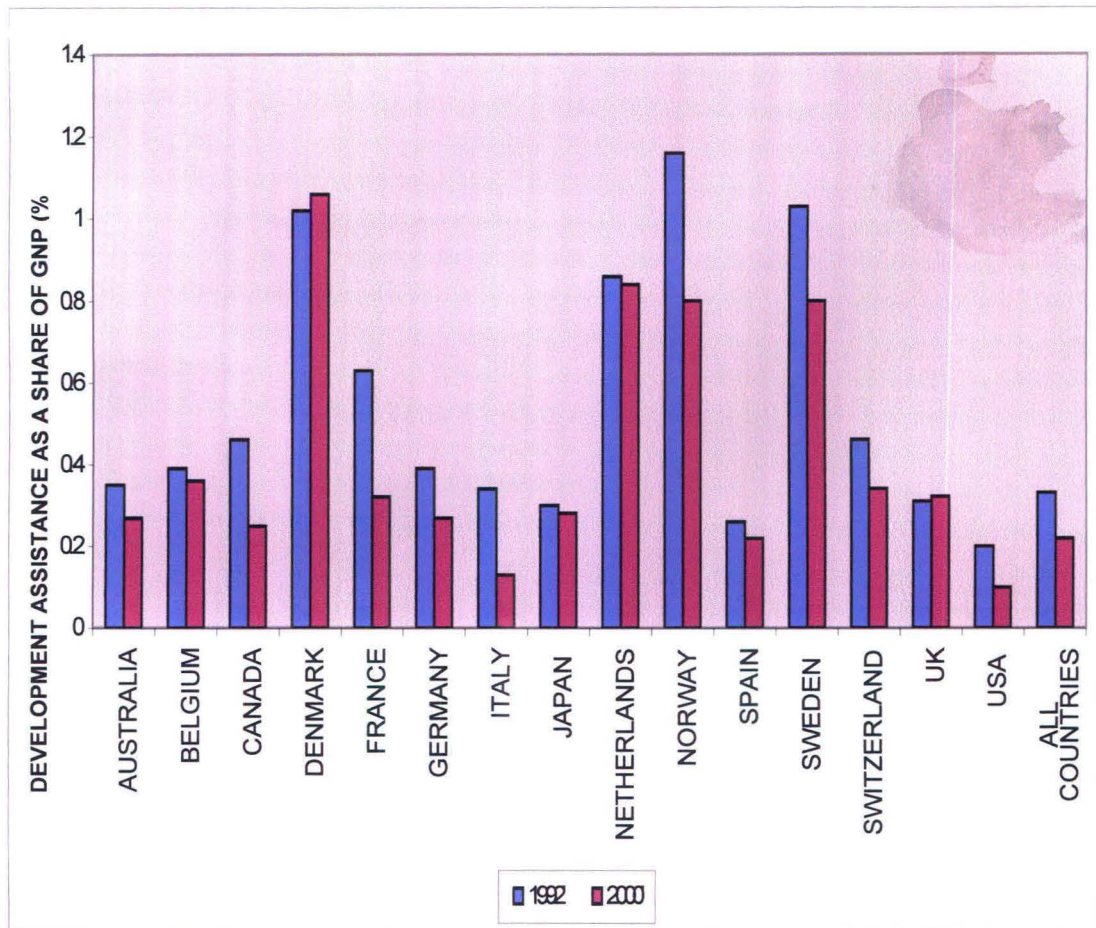


Figure: 2

The third change since Rio 1992 is the emergence of the World Trade Organisation (WTO) as a primary instrument for globalisation. In theory the decisions are taken by consensus, in reality the US, Canada, EU and Japan take all the critical decisions in closed meetings, and then pass them down to the rest of the world. The WTO promotes the interests of western MNCs and is not a forum for democratic decision making.<sup>52</sup>

<sup>52</sup> Tandon, Y and Ananthakrishnan, S. (1997), *Op. cit.*

In the view of developing countries, developed countries benefit much more from trade liberalisation than they do. In particular they believe that the Uruguay Round of trade negotiations including topics in agreements they favour: intellectual property rights, investment services telecommunications, restriction of production and export subsidies, strengthening of anti-dumping measures, increased access to developing countries markets, just to mention a few have been particularly unfair. On paper they are privileged. The WTO agreements of the Uruguay Round guaranteed them 'special and differential treatment'. Developed countries are encouraged to grant developing countries trade preferences and a number of WTO agreements contain special provisions that are supposed to safeguard developing countries interests. For e.g. in the agreement on Technical Barriers to Trade (TBT agreements), the preparation and application of trade regulations and standards are supposed to take into account the special needs of developing countries (Articles 11 and 12). The same applies to measures taken in pursuance of the Agreements on Sanitary and Phyto-Sanitary measures (Articles 9 and 10). Further more, most of the WTO agreements allow the developing countries a transitional period of grace until the provisions have to be implemented. For e.g. in the Agreement on Subsidies and Countervailing Measures, developing countries were given eight years to phase out relevant subsidies, and a number of Least Developed Countries and other poor developing countries with an annual per capita of less than US \$ 1000 were totally exempted from the provision of export subsidies (Article 27). Lastly, a couple of WTO agreements envisaged the provision of trade related technical assistance to developing countries by developed countries either on a bilateral basis or through multilateral institutions.

Developing countries then welcomed the 'special and differential treatment' at the time of conclusion of the WTO agreements, but now they have been disillusioned by their actual effects. They rightly complain that the special provisions that were supposed to safeguard their interests have been largely ineffectual in reality, that the transitional periods were too short for them to adjust to the requirements of WTO

agreements and that the promised technical assistance were too little and too unsystematic to strengthen their capacity to comply with trade obligations.<sup>53</sup>

The core of the development agenda lies in questions of trade, debt and investment, none of which was dealt satisfactorily at WSSD, because institutions like the World Trade Organisation, World Bank, International Monetary Fund and other multilateral development banks will only be peripherally affected by what has been said at Johannesburg. Proposing partnerships with corporations amounted to condoning the present role of business and transnational corporations and could allow them to make the problem worse by insisting, for example, on the use of biotechnology in agricultural partnerships or on privatisation in partnerships on water, energy and health. Instead of helping in the battle against environmental degradation and poverty, the Johannesburg Summit could have the opposite effect.<sup>54</sup>

There exists a fundamental clash of priorities between developed and developing countries whether the multilateral trade and investment regime is in need of 'greening'- that of incorporating new environmental elements. On the one hand practically all developed countries – partly by conviction and partly due to the presence of NGOs – are to some extent in favour of such greening. These proposals encompass a strengthening of the stance of the Committee for Trade and Environment within the WTO, reductions in environmentally harmful subsidies, the liberalisation in the trade of environmental goods and services, environmental assessment of new trade agreements, the reconciliation of trade measures in Multilateral Environmental Agreements (MEAs) with WTO rules, the role of eco-labelling and in the case of the EU, also a strengthening of the precautionary principle.

On the other hand, practically all developing countries are either strictly opposed or at least much reluctant to accept even negotiation of such reform proposals. Developing countries regard these proposals to 'green' these regimes with dire suspicion. They do not trust the alleged idealistic goals of the proponents. Instead they regard the protections as being motivated by economically protectionist reasons. In their view they are either designed as protectionism under green disguise or will have

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<sup>53</sup> Neumayer, E. (2001), *Greening Trade and Environment – Environmental Protection without Protectionism*. Earthscan Publications Limited.

<sup>54</sup> Finger, M. (2002), 'Rio Earth Summit. Have we learnt anything? *The Ecologist*, Vol. 32(7), p. 23.

such unintended but de facto consequences. Whether in the form of ecolabels, unilateral trade sanctions for allegedly environmental reasons or trade measures in MEAs, the fear is that these will be used to restrict developing countries access to developed countries markets.<sup>55</sup>

The US government's withdrawal from the Kyoto Protocol seems to have been a prelude to its wider goal of subjugating the entire UN system to a narrow brand of corporate interests.<sup>56</sup> It is clear the real battles over climate change are being fought over issues of trade and national competitiveness. The large gaps in the scientific understanding of the climate system and various estimates of costs of various carbon emission reduction options by different economic models have been strategically employed by vested interests to hinder the adoption of binding commitments by nations for cutting down CO<sub>2</sub> emissions.<sup>57</sup> Even in the case of an issue such as climate change which is considered truly global in its scope, it has only been the Association of Small Island States (AOSIS) who fear inundation by sea level rise have systematically campaigned for strict emission reduction plans. Industrialised countries who are not dependent on agriculture and who have no immediate fear of inundation have neither demonstrated the desire to meet past voluntary commitments, nor have they been able to generate the necessary political consensus within their own countries to suggest new binding targets.<sup>58</sup> In the words of Thomas C. Schelling, (1997): 'Benefits despite what spokes people of the developing world say, will overwhelmingly accrue to future generations in the developing world. Any action intended or not will be a foreign aid programme.'<sup>59</sup>

Three reasons are cited why the beneficiaries will be in the developing world. First, it is where most people live, 80 per cent of the global population, which will increase to 90 per cent in the next seventy-five years. Second, in the developed world hardly any component of national income is affected by climate change. Agriculture, which is the only sector of the economy, which will be directly affected by climate

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<sup>55</sup> Neumayer, E. (2001), *Op. cit.*

<sup>56</sup> Retallack, S. (2002), *Op. cit.*

<sup>57</sup> Sagar, A. and Kandlikar, M. (1997), 'Knowledge, rhetoric and power. International politics of climate change', *Economic and Political Weekly*, December 6, 1997, pp: 3149-3148.

<sup>58</sup> *Ibid.*

<sup>59</sup> Schelling, T. C. (1997), 'The cost of combating global warming', *Foreign Affairs*, November/December 1997, pp: 8-14.



change, contributes only three per cent in US of national income. In contrast in developing countries as much as thirty per cent of the GNP and half of the population depend on agriculture. Third, in the next 50 years, although many countries will still be poorer than rich nations now, most of them will be immensely better off than today. The contribution to their welfare by reduced climate change will therefore be greater than any costs the developing world bears in reducing emissions.

Such beliefs are also seen behind aid becoming an unpopular concept in the west. The 'aid fatigue' stems from the popular perception in the west, that developing countries (most importantly countries of the Pacific Region, China, India, Brazil and other large economically growing developing countries), are 'taking over' from the North the leadership in economic development, and constituted a threat to markets and jobs in the industrialised countries.<sup>60</sup> Thus the strong case for trade rather than aid as a basis of relations between North and South.

Speaking in the terminology of International Relations theory, there seems to have been a return to Realism. By and large neo-liberal approaches have monopolised the research agenda in the field of international relations, which has been conceptualised mainly as the management of interdependence in a system of sovereign states lacking central authorities assumed to be necessary to provide order and regulation within domestic societies.

In the face of a range of environmental problems that are global in the sense that they affect everyone and can only be effectively managed on the basis of co-operation between all, scholars call for common action.<sup>61</sup> Typically the overall situation is characterised as a gridlock of complex interdependence (a situation where societies were increasingly interconnected at various levels, where the priorities of foreign policy were reordered and where the use of force, at least between advanced countries was of decreasing relevance), in which it appears that no single can

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<sup>60</sup> Tandon, Y and Ananthakrishnan, S. (1997), *Op. cit*

<sup>61</sup> Hurrell, A and Kingsbury, B. (Eds) (1992) *The International Politics Of The Environment. Actors, Interests and Institutions*, Clarendon Press, Oxford.

individually control the direction or alter the distribution of effluents, but neither is any one state insulated from the effluents of others.<sup>62</sup>

The problem definition consists of the absence of any central authority and the inevitably remote prospect for extensive supranationalism and world government that constitute the starting point for designing the prospects for global environmental management.<sup>63</sup> The problem is that political and institutional frameworks within which the environmental problems must be addressed remain hopelessly fragmented.<sup>64</sup> Given ecological interdependence, sovereign states, the absence of central authority, necessity for international co-operation and the prospect of 'world government seem(ing)s far away'<sup>65</sup>, it is here that institution building and regime formation become important in studies concerning global environmental change and international relations.

Even within the neopositivist epistemological tradition (consisting of neorealism associated with Waltz and Gilpin, and neoliberal institutionalism associated with Keohane, Young and most regime analysts; in whose schema theorising consists of generating hypothesis which can be tested)<sup>66</sup> it is the neorealists who seems to have had the last laugh.

Neorealism, essentially an ontological account, embodies a set of basic theoretical assumptions, which it suggests give a reasonably accurate account of the world as it is. First, the world is composed of primarily sovereign states, which can be treated as unitary actors. Second, these states exist in a condition of anarchy; that is, there is no government holding power over them. Third, as a consequence of this anarchy, the states must always be on guard against their neighbours since they are

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<sup>62</sup> Choucri, N. (ed) (1993) *Global Accord. Environmental Challenges and International Responses*, MIT Press, Cambridge, MA.

<sup>63</sup> Hurrell, A and Kingsbury, B. (1992) *Op. cit.*

<sup>64</sup> Vogler, J (1996) 'Introduction. The Environment in International Relations. Legacies and Contentions', in J. Vogler and M.F.Imber (eds) *The Environment and International Relations*, pp.1-12.

<sup>65</sup> Haas, P. M.; Keohane, R.O. and Levy, M.A. (eds) (1993), *Institutions for the Earth. Source of Effective International Environmental Protection*. MIT Press, Cambridge MA and London UK.

<sup>66</sup> Paterson, M. (1996), 'Neorealism, neoinstitutionalism and the climate change convention', in J. Vogler and M.F.Imber (eds) *The Environment and international Relations*, pp: 59-72.

always in potential danger of invasion.<sup>67</sup> And fourth, as a consequence of this states behave in such a way as to maximise their power relative to others.<sup>68</sup>

Neorealism came to draw on another theory that had grown across various areas of the social sciences during the previous two decades, namely game theory. Some of the insights of game theoretical constructs, particularly those of non-cooperative games such as Prisoners Dilemma (PD) and Chicken, were seen to be applicable to various areas of international politics, in order to explain, for example arms races. Frequently they were held to uphold the central Realist assessment of the conflictual nature of international politics.

What in fact happened, however, was that the theoretical developments within game theory tended to undermine these Realist assumptions. Thus on the basis of game theory, which relied on essentially a Realist account of the nature of international politics, a theory developed which suggested how enduring co-operation could emerge which could alter the nature of international politics. This theoretical development was mainly responsible for generating the theoretical position largely associated with Keohane, which he termed neoliberal institutionalism. Only one assumption is then necessary to turn neorealism into neoliberal institutionalism. That is the assumption about state rationality and motivation. Neorealists assume as stated above that states act in order to maximise their relative gains. Neoliberals on the other hand assume that states act merely in order to maximise their absolute gains; they do not care about gains of other states except in so far as these gains interfere or interact with their own. This assumption relies on the assumption that for most international interactions, 'states' margin of 'survival' is not small; that is states can act in most areas of international relations without worrying whether a particular outcome is going to increase their likelihood of being invaded. As a further consequence of this, the gains states are assumed to be maximising have not necessarily to do with power, but are more reliant on economic measure of welfare.<sup>69</sup>

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<sup>67</sup> *Ibid.*

<sup>68</sup> Grieco, J. M. (1988), 'Anarchy and the limits of cooperation: a realist critique of the newest liberal institutionalism', *International Organisation*, Vol. 42, Summer 1988, pp: 488-507.

<sup>69</sup> Paterson, M. (1996), *Op. cit.*

However the behaviour of the Northern countries seems to corroborate the Realist belief that: 'The major goal of states in any relationship is not to attain highest possible individual gain or payoff...states seek to prevent increases in others relative capabilities. As a result states always assess their performance in any relationship in terms of the performance of others ...states are positional not atomistic in character. More significantly state positionality will constrain the willingness of states to co-operate. States fear that their partners will surge ahead of them in relative capabilities; and, finally that their powerful partners in the present could become all the more formidable foes at some point in the future'.<sup>70</sup>

#### **4.4 Conclusion.**

It would seem that the end of the Cold War, the deepening of the impacts of economic globalisation and the de-territorialising consequences of new information technologies has driven a stake into the heart of geopolitics. Indeed for many the turn of the epoch can be seen as the 'end of geography'. In order to problematise the end-of-geography discourses, it is important to question the extent to which globalisation has brought about an end to the nation state and has created a deterritorialised world without borders.

Critiques of the globalisation concept assert that international firms are, despite their overall business activity, heavily nationally planted and despite the erosion of national economic sovereignty, states are still central to the operation and functioning of the world financial system. While many of the smaller states are at the mercy of the world financial markets, the co-ordinated actions of the G-7 states still set the rules for the world financial system. Globalisation erodes the authority of states differentially, to set the social, economic and political agenda within their respective political space. The tendency towards globalisation is undermining the independent policy making capacity of the state, but it is not affecting the policy-making capacity of all states to the same extent. Thus the impact of globalisation is greater on developing countries than on developed ones.

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<sup>70</sup> Grieco, J. M. (1988), *Op. cit.*

US military power is still being exercised as the hegemonic global military force. In difference to the previous period, the legitimating discourse is now the global war against terrorism, defence of human rights, a defence against drugs, and an urge to help countries on the road to democracy and the free market system.

The deterritorialisation trend is a part of the neoliberal dogma, which strives to denaturalise and limit the power of the states while naturalising and encouraging the value of markets. The end-of-geography discourse fails to acknowledge and engage the construction of new geographies of financial exclusion across the planet.

The end-of-geography discourse also fails to demonstrate how deterritorialisation is also a reterritorialisation. People are constantly creating new places, new regions, new worlds. Indeed it seems that it has become impossible to speak about one single direction of territorial development. There are simultaneous shifts that can be seen towards deterritorialisation and reterritorialisation in the same spaces. The same dynamics that foster globalism can be conceived as also generating new localism

In UNCED, WSSD and in many North- South arenas, parties were configured in a profoundly unequal relationship of power. Despite being verbose both about environment and development, the Northern countries have maintained their control over global financial resources.

Three factors seem to be responsible for a return to realism in Johannesburg. First, the end of the containment policy has deprived many Third World countries of Western aid and trade concessions. In the 1960s and 1970s the power of the Western countries, and of their MNCs was challenged by the actual (and potential) power of the Soviet Union and China on the one hand and the fairly influential Non-Aligned Movement on the other hand, the end of the millennium has witnessed the intrusion of NATO power. Blunt political might be in the process of standing-in for the economic aid that was necessary in the days of the domino theory.

Second, globalisation is compounding inequalities of not only of capital, but also power, in other e.g. knowledge, military capability, regulatory capacity The process is supported by liberal ideology, which places a premium on the individual choice in the market place. The present monetarist and free trade policies basically

introduced as an answer to state finances and economic integration in the OECD countries in the late 1970s has been made to apply to developing countries. Its acceptance by numerous Third World governments came with the imposition of the Structural Adjustment Policy package. Participation in the world economy would lead to phenomenal economic development, unlike long periods of stagnation under inward orientation, import substitution and state activity in industry. Privatisation and liberalisation have become the core elements of the new policy. They should help channel investments by individual entrepreneurs and, in the framework of the globalising world by the MNCs. The export led development would follow in the wake of FDI, and, on the other hand, would accelerate further FDI.

However in this period of globalisation MNCs have been unable to deliver the goods. The result has been in the language of the world-system theory, only a moderate thickening network of exchanges within the core, a significant redistribution of trade participation: within the core, the advance of a small number of peripheral nations with a comparatively small population base to core status, but above all a ebbing economic intercourse between core and periphery. The countries that seem to be doing well happen to be countries that combine a high degree of economic stability and financial stability, and, as such, offer an attractive environment for private investment flows. Ironically the countries concerned achieved stability on the basis of continuing strong position of the state in the economic regulation of the economy and on the basis of creation of an internal market. Moreover countries that attract FDI may expect remittances on account of profit repatriation. It is not unusual for developing countries to have a negative flow of resources, except in the years when FDI has increased substantially. It is precisely in the poorest group of countries that profit remittances as a ratio to FDI have been the higher than in the richer developing countries. So FDI is evidently not a mechanism for equalising physical capital among countries.

Third, the emergence of the World Trade Organisation (WTO) as a primary instrument for globalisation, where though hypothetically the decisions are taken by unanimity, in reality the US, Canada, EU and Japan take all the crucial decisions in

closed meetings, and set the schedule for the rest of the world. The WTO patronises the interests of western MNCs and is not a forum for democratic decision making.

The 'greening' of multilateral trade and investment regime according to developing countries is a Trojan horse the protections as being motivated by economically protectionist reasons. In their view they are either designed as protectionism under green disguise or will have such unintended but *de facto* consequences. Whether in the form of ecolabels, unilateral trade sanctions for allegedly environmental reasons or trade measures in MEAs, the fear is that these will be used to restrict developing countries access to developed countries markets.

Even in the case of an issue such as climate change, which is considered truly global in its scope, the real battles over climate change are being fought over issues of trade and national competitiveness. The large gaps in the scientific understanding of the climate system and various estimates of costs of various carbon emission reduction options by different economic models have been strategically employed by vested interests to hinder the adoption of binding commitments by nations for cutting down CO<sub>2</sub> emissions. This is also because of the perception among many industrialised countries, particularly the US that the benefits from restricting climate change will overwhelmingly accrue to future generations in the developing world.

The 'aid fatigue' stems from the popular perception in the west, that developing countries (most importantly countries of the Pacific Region, China, India, Brazil and other large economically growing developing countries), are 'taking over' from the North the leadership in economic development, and constituted a threat to markets and jobs in the industrialised countries. Thus the strong case for trade rather than aid as a basis of relations between North and South. ODA has never been as low as in the 1990s. In 1997 the OECD average amounted to 0.27% of developed countries' GDP only.

Speaking in the terminology of International Relations theory, there seems to have been a return to Realism, although neo-liberal approaches have overpowered the research agenda in the field of international relations. Only one assumption is then necessary to turn neorealism into neoliberal institutionalism. That is the assumption about state rationality and motivation. Neorealists assume as stated above that states act

in order to maximise their relative gains. Neoliberals on the other hand assume that states act merely in order to maximise their absolute gains; they do not care about gains of other states except in so far as these gains interfere or interact with their own since a states' margin of 'survival' is not small. States can act in most areas of international relations without worrying whether a particular outcome is going to increase their likelihood of being invaded. As a further consequence of this, the gains states are assumed to be maximising have not necessarily to do with power, but are more reliant on economic measure of welfare.

However the behaviour of the Northern countries seems to corroborate the Realist belief that states seek to prevent increases in others relative capabilities and states are positional not atomistic in character. More significantly state positionality has constrained the willingness of states to co-operate because states fear that their partners will surge ahead of them in relative capabilities and that their powerful partners of today could become a more formidable foes in the future.



## Chapter Five: Conclusion

### 5. Conclusion.

When political geography regained some popularity at the end of the 1970s and the beginning of the 1980s (a fact that was institutionalised with the creation of a new journal, *Political Geography Quarterly*, in 1982), geopolitics as one of the themes of the new research agenda of political geography, was conceived as the political geography of international relations. The term 'geopolitics' as was either avoided or used carefully to distinguish between practical and applied geopolitics of the politicians and diplomats and formal geopolitics as an academic body of knowledge. The body of Anglo-Saxon political geographers, also distinguished between old geopolitics (serving the foreign policy of a particular state) and new geopolitics (as the geographical perspectives on the relations between states). Within this corpus of neutral scholarship of the new geopolitics, two books by John Agnew: *Geopolitics: Revisioning World Politics*, in 1998 and an earlier volume, *Mastering Space*, written in collaboration with Stuart Corbridge in 1995 are particularly relevant to this dissertation. The general theory of geopolitics that is used in this dissertation, treats it (following Agnew and Agnew and Corbridge), both as practices and ideas, as a materialist world order and as a discursive set of understandings and enframing rules, in which one of the clear objectives of states is the pursuit of primacy in the inter-state system.

Both books note the being of three geopolitical orders and their corresponding geopolitical discourses. Civilisational geopolitics fits the British geopolitical arrangement of Concert of Europe (1815-1875); naturalised geopolitics fits the order of inter-imperial rivalry (1875-1945); whereas ideological geopolitics deals with the cold-war geopolitical order. The current post cold-war epoch is described as a hegemony without a dominant state hegemon, a geopolitical order dominated powerful countries like USA, Japan, and Germany, integrated by world-wide markets and regulated by transnational institutions and organisations like the EU the International Monetary Fund and the World Bank. The hegemonic ideology of this epoch is transnational liberalism, the conviction that universal progress lies in the expansion and extension of

capitalist markets across the globe. Although Agnew and Corbridge are not specific about it, the ascendant representation of space in the contemporary period could be termed enlargement geopolitics which is the strategy of spreading the community of so called 'market democracies'.

One of the characteristics of modern geopolitical imagination, isolated by Agnew: the pursuit of primacy of dominant states in the inter-state system, has been found particularly luminous in analysing the international politics of sustainable development. Although nominally equal sovereign entities, states in the modern interstate-system are in reality radically different from each other in geographic location, territorial extent, natural resource endowment, social organisation, political leadership and power potential. These differences has long been classified and conceptualised by geopoliticians within the contexts of relative struggles for power between states. Although the geopolitical assumptions that, first, 'power flows from advantages of geographical location, size of population and natural resources' and, second 'that power is entirely an attribute of territorial states that attempt to monopolise it in competition with other states' are no longer plausible, yet Agnew's claims that modern geopolitical imagination 'still remains prevalent in framing the conduct of world politics' seems to be borne out by the practices of the developed countries (dominant states) in the arena of sustainable development.

Coming to the issue of sustainable development, it can be seen that the North and the South are cast in a profoundly asymmetrical relationship of power. The ramifications of an asymmetrical relationship of power were apparent at the Rio conference, where the chief issue of sustainable development is seen to be the global environment and problems of biodiversity depletion and climate change, rather than global poverty and North - South inequality. At Rio sustainable development was translated as a concern about possible future economic and social implications of changes in global climate and ecology, reflecting essentially the program of industrialised Northern countries, thus privileging issues of intergenerational equity to those over intragenerational equity. Although the issues of climate change and biodiversity that dominated the Rio conference are material to some developing countries (especially those vulnerable to sea level rise), they are not the cardinal

environmental problems faced by most countries of the south. Also, it fails to deal adequately with power and power relations- specifically it fails to represent structural forms of power.

The outcomes of the Johannesburg are worse. Unlike Rio, no new global conventions or protocols were launched at Johannesburg. To make business and trade the propellant of sustainable development, several Type 2 partnerships were announced at Johannesburg, which are imprecisely defined, self-monitored, and non-binding. There was a discernible abhorrence on the part of developed countries to any form of development aid, much consequential reform was blocked and the Bush administration tried to destroy the precautionary principle and the principle of 'common but differentiated responsibilities' which were two landmark achievements of the Rio summit. By allowing the private sector to take over and, design solutions, governments are effectively abdicating their responsibility to act. Not only will these enable corporations to gloss over their own bad environmental records, it will also allow them to aggravate problems.

Speaking in the terminology of International Relations theory, there seems to have been a return to Realism, though neo-liberal approaches have monopolised the research on global environmental change in the field of international relations. Only one assumption is necessary to turn neorealism into neoliberal institutionalism. That is the assumption about state rationality and motivation. Whereas Neorealists assume as stated above that states act in order to maximise their relative gains, on the other hand Neoliberals suppose that states act merely in order to maximise their absolute gains, without caring about achievements of other states except if these gains contest or correspond with their own. This assumption relies on the assumption that for most international exchanges, particular states' margin of 'survival' is not small; states can act in the international arena without worrying whether a particular end result is going to increase their odds of being attacked. Thus, the gains states are assumed to be maximising have not necessarily to do with power, but are more dependent on economic dimension of welfare.

However the behaviour of the Northern countries seems to corroborate the Realist belief that states seek to prevent increases in others relative capabilities and

states are positional not atomistic in character. More crucially state positionality has constrained the willingness of states to co-operate because states fear that their partners will surge ahead of them in relative capabilities and that their powerful partners of today could become a more formidable foes in the future.

Even in the case of an issue such as climate change that is considered truly global in its scope, the real battles are being fought over issues of trade and national competitiveness. The large gaps in the scientific understanding of the climate system and various estimates of costs of various carbon emission reduction options by different economic models have been strategically employed by vested interests to hinder the adoption of binding commitments by nations for cutting down CO<sub>2</sub> emissions. This is also because of the perception among many industrialised countries, particularly the US that the benefits of checking climate change will accrue to future generations in the developing world. The 'greening' of multilateral trade and investment regimes, fear the developing countries, is a Trojan horse, being motivated by economic protectionism and might have such unintended but de facto consequences such as restricting access to developed countries markets.

The developed countries' averseness to aid seems to stems from the popular perception in the west, that developing countries of the Pacific Region, China, India, Brazil (large economically emerging developing countries), are 'taking over' from the North the leadership in economic development, and composed a threat to markets and jobs in the industrialised countries. Thus the strong case for trade rather than aid as a basis of relations between North and South.

Two factors seem to be responsible for a return to realism in Johannesburg. First, the end of the cold war reduced the political support for aid because of the diminished relevance of security considerations, which in some cases motivated development assistance. The end of the containment policy has deprived many Third World countries of Western aid and trade concessions. While in the 1960s and 1970s the influence of the Western countries, and of their MNCs was contested by the actual (and potential) power of the Soviet Union and China on the one hand and the fairly influential Non-Aligned Movement on the other hand, the end of the millennium has

witnessed the imposition of NATO power. Naked political might be in the process of substituting the economic aid that was essential in the days of the domino theory.

Second, globalisation (which can be seen as a process whereby power is located in global social formations and is expressed through global networks rather than through territorially based states), and new actors such as transnational corporations, international banks and international institutions, are being used by the developed countries to maintain the status quo, or worse still to compound inequalities already in place. The emergence of the World Trade Organisation (WTO) as a primary instrument for globalisation, promotes the interests of western MNCs and is not a forum for democratic decision making.

Powerful industrialised countries are setting up the global economic, social and political agenda, carrying the torch of a liberal ideology, which places a premium on the individual choice in the market place. In addition to the accumulation of capital as classically understood, there is the accumulation of power in other forms like knowledge, military capability, and regulatory capacity. Globalisation and its agents have eroded the authority of states differentially, to set the social, economic and political agenda within their respective political space. Speaking in the language of the world-system theory, the result has been only a modestly thickening network of exchanges within the core, a significant redistribution of trade participations within the core, the graduation of a small number of peripheral nations with a comparatively small population base to core status, but above all a declining economic interaction between core and periphery.

At first glance the end of the Cold War, the deepening of the impacts of economic globalisation and the de-territorialising consequences of new information technologies seem to have heralded the 'end of geography'. This is because nation states are no longer the main economic players but they are important political players. That does not exclude nation states as important participants in the process of globalisation

During the Cold War the advanced industrialised countries used the existence of the communist bloc (especially the Soviet Union) as a legitimisation to uphold the military strength of individual countries (especially the USA) and of NATO. Military

interventions from both sides into their peripheries were accepted strategies. With the end of the Cold War this legitimisation of the armed forces ended. The search was then on for new legitimisation. In contrast to the previous period, the legitimating discourse is now the global war against terrorism, defence of human rights, a defence against drugs, and an urge to help countries on the road to democracy and the free market system. The role of the state as a direct and autonomous economic entrepreneur came thus to an end but the same does not hold for the politico-military role of the state.

Despite the erosion of national economic sovereignty, states are still central to the operation and functioning of the world financial system. While many of the smaller states are at the mercy of the world financial markets, the coordinated actions of the G-7 states still set the rules for the world financial system. The deterritorialisation discourse is a part of neoliberal ideology that strives to denaturalise and limit the power of the states while naturalising and bolstering the value of markets.

International firms are still largely confined to their home territory in terms of their overall business activity and remain heavily nationally embedded. The state is in the forefront of a whole row of corporate actors (like MNCs, international financial and political organisations, organised crime, international media, etc.). The nation-state may be losing functions in the process of globalisation but it is also regaining new ones as the main conduit between capital and the global market. More over business can overcome state boundaries but it often creates new regions, not only through economic but also through political acts. The command over space is shifting to headquarters of financial and industrial corporations.

Such an underpinning of clandestine geopolitical understanding dominating the approach of the powerful industrialised states towards sustainable development has been arguably fuelling developing countries insecurities and suspicions. The spontaneous consequence has been the enfeebling of the agenda of both environmental protection and development.

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