

# **Sustainable Development: Filling the Governance Gap for Globalisation**

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‘...because words are not what scholars make of them in academia but what people make of them in the streets.’

*Gabriel Garcia-Marquez*<sup>1</sup>

The many facets of globalisation bring about developmental opportunities whilst posing tremendous challenges to the governance of global affairs, whether in the economic, social or the environmental realms. *Sustainable development*, as both a compelling conceptual construction and an organising principle for global public policy, provides a visionary and viable framework for the management of the interconnectedness and dynamism that characterise globalisation. Its integrative conception, for instance, offers concrete responses to the challenge of mitigating potential negative impacts of globalisation, such as the exacerbation of social inequalities and the fast depletion of natural resources. It does so, primarily, by enabling the provision of global public goods at the national and the local levels.

*Sustainable development* requires a pro-active mindset that puts its precepts above any other. Due to its nature, it promises in return to deliver at all times for the common good. In terms of environment, *sustainable development* rejects the view that the quest for development has to be ‘balanced’ against the desire for a robust environment or that there is a ‘trade-off’ between these two, otherwise ‘opposed’ goals. Instead, the concept of *sustainable development* recognises environment as integral to the development process and, hence, to development – or, better still, *sustainable development* policy.

The purpose of this paper is to review how *sustainable development* – as an analytical concept as well as a policy tool – can help capture the opportunities embedded in the current wave of globalisation while avoiding the threats inherent in the same dynamics. We start by contextualising the discussion about *sustainable development* and globalisation through an understanding of the contribution and potential of the *sustainable development* concept in terms of knowledge, action and politics. We seek to review the advances we have made and the challenges that we face in realising the promise of the concept, particularly as it has impinged on *governance*. Our aim is neither to present an exhaustive review of the state of knowledge on the subject nor to attempt a comprehensive assessment of related initiatives. The purpose, instead, is to reflect on a few key trends and to identify a handful of priorities that cry out for greater attention from practitioners and scholars of the subject. We conclude, in the final section, by identifying a set of key tasks that need to be undertaken if we are to realise the potential of the concept and to trigger positive global change.

## **1. Sustainable Development: Knowledge, Action and Politics**

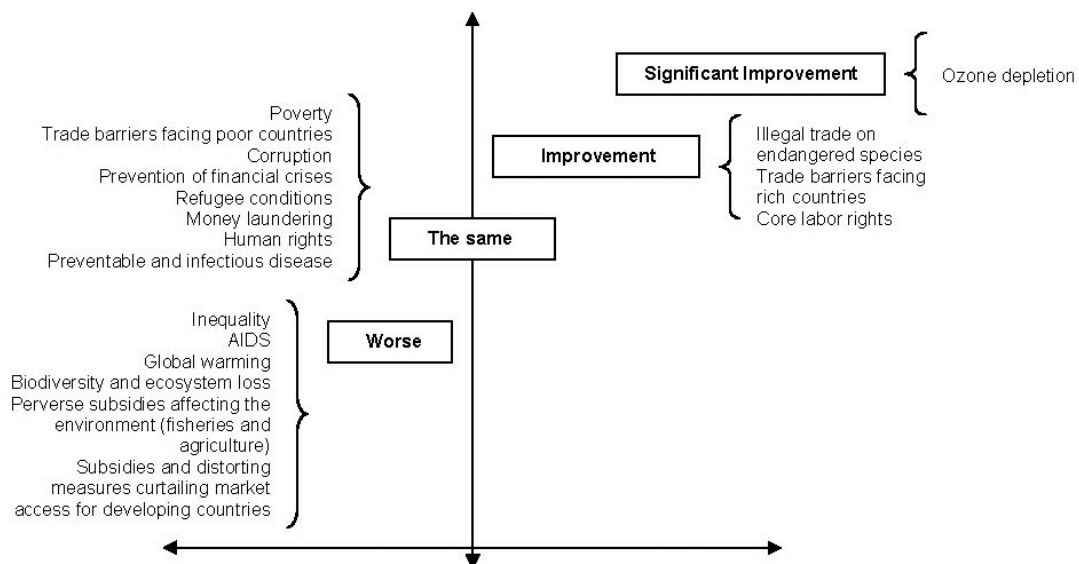
It is not easy to judge the progress made on *sustainable development* over the last two decades; or rather, it is fairly easy to misjudge the progress.<sup>2</sup> On the one hand, when the former Norwegian Prime Minister Gro Harlem Brundtland and her colleagues on the World Commission on Environment and Development (WCED)<sup>3</sup> made in 1987 the then still novel and untried notion of *sustainable development* the centrepiece of their report, they could not have imagined that the concept would gain such wide currency in the arenas of international and national policy as it now has. On the other hand, it is equally evident that when negotiators preparing for the 1992 Earth Summit in Rio debated the applicability of the idea through countless late-night sessions they expected it to become a more powerful policy construct in terms of implementation than it has in the ensuing ten years.<sup>4</sup>

*Sustainable development* has been, and will remain, a moving target because the more we understand it at a conceptual level, the more we realise the importance of making it operational, as well as the difficulties involved in doing so given its cross-cutting

and expansive nature. The distance that the concept has travelled since its hopeful beginnings is not unimpressive, but it pales in comparison to the distance it still has to travel.<sup>5</sup> The milestones that have been covered are worth celebrating, but the most important parts of the journey still lie ahead.

Global governance challenges will feature in a not insignificant manner in that journey. The current state of affairs, as we write, can be characterised by severe deficits in international cooperation and in the solution of global problems. Both fronts go hand-in-hand and have been tackled intensively and explicitly in the past ten years or so. The quest for answers requires a search for clarity of vision and purpose, and a confirmation of shared values. *Sustainable development* as a notion has been evolving to provide a response, not only from the ink bottles of academia but from the collective mission that has engaged thousands of individuals in a decade of intergovernmental summits, institutional re-engineering, community cooperation schemes, civic and policy entrepreneurship, partnerships and networks. It is in this sense that the process of conceptual maturation of the notion of *sustainable development* is a living expedition, not an academic pursuit.

#### Have global problems gotten better since 1990?



Source: Caridad Araujo, Ricardo Melendez-Ortiz (IUCN – Commission on Environmental, Economic and Social Policy, and International Center for Trade and Sustainable Development), based on Policy Brief, Carnegie Endowment for International Peace, August 2002 and other sources.

In this section we begin exploring the relationship between governance and *sustainable development* concerns by reviewing the ‘state of play’ from three broad but critical vantage points: by asking where we stand today in terms of *sustainable development* knowledge, *sustainable development* action, and *sustainable development* politics.

- **Knowledge.** Where do we stand today in terms of our *conceptual understanding of sustainable development*?
- **Action.** How have we fared in translating *sustainable development* into meaningful *policy and practice*?
- **Politics.** How are the key *actors and institutions* responding to the new and varied challenges posed by the proclaimed quest for *sustainable development*?

We will now pick up a few representative strands in each of these areas to weave the argument already presented: that there has been some progress in each arena but never enough. We also consciously choose to highlight the signs of hope at each of these levels not only because these have been generally ignored but also because they are most likely to point us towards the type of steps that need to be taken in the future.

### **Knowledge: Conceptual Understanding**

The intellectual frenzy for trying to precisely define *sustainable development* that gripped the literature in the early 1990s has, thankfully, subsided. The realisation that the concept of *sustainable development* is a 'constructive ambiguity' which derives its utility and appeal from its ability to combine the loosely defined interests and concerns of a wide variety of stakeholders has taken root in policy as well as scholarly communities and very few, if any, now seek precision in their description of the concept.

This, however, is not an abdication of conceptual clarity but rather an acceptance of *sustainable development* as originally conceived – as a dynamic, comprehensive, and cross-disciplinary notion – its very potential and power lies in its conceptual flexibility. The thrust of the most inspired enquiries today is to understand the elements that need to be measured and recorded to suggest that we are on the road to *sustainable development*, rather than to catalogue a precise depiction of what utopia might look like.<sup>6</sup>

This is a not insignificant advance. It implies that the notion of *sustainable development* has evolved beyond being merely a normative construct. That it is finally inching beyond the epistemological fault-line between a classical view of development that simply equates growth and a radically complex, emerging and engaging accord that understands *sustainable development* as lying at the intersections of humanity's social, economic and ecological aspirations.

A now popular and useful way of understanding the real world relevance of the concept is to view it not as a 'particular' type of development but as a framework for analysing development through a variety of lenses and to reconcile the impacts of development across multiple arenas. The dynamic and multi-dimensional aspect of *sustainable development* is best captured in the much discussed and now familiar 'triangular puzzle' of *sustainable development* which views the concept as the space that lies within a heuristic triangle that meets the social, economic and environmental needs of society.



This simple construct is powerful in its implications because it views *sustainable development* not as a trade-off between the needs of society in these three dimensions but as a balanced co-existence of the three. It does not presuppose that any one of these needs is more important than the other; which, by obvious extension, implies that none is *less* important than any other. Environment, then, becomes a part of *sustainable development*. No more important than the economic and social needs, but not any less important either. The three dimensions of this triangle (sometimes also referred to as the three pillars) are particularly elegant because they can be ‘unpacked’ depending on the particular area to which they are applied.<sup>7</sup> In general terms, the essential ingredients within each of the three can be identified as follows:

- The **social dimension** of *sustainable development* refers to the issues related to justice, equity, transparency, and access.
- The **environmental dimension** of *sustainable development* refers to issues related to the essential integrity of ecological processes and systems.
- The **economic dimension** of *sustainable development* refers to issues related to income, wealth, livelihoods and deprivation (poverty).

The three dimensions interact in varied ways in all real issues and it is in that interaction between the three that one finds the true manifestations of the potentials and challenges for *sustainable development*.

Although we have now come to accept such a conceptualisation of *sustainable development* and some might even view it as ‘uninteresting’, the fact is that it is a more nuanced and advanced understanding than was originally proposed by the Brundtland Commission or its predecessors. More than that, such a conceptualisation is worth celebrating because it necessitates cross-disciplinary policy and practice and it has been instrumental, as we will note later, in pushing for greater interaction between the previously compartmentalised motors of policy and practice. As mentioned earlier, such a conception rejects the view that there is a ‘trade-off’ of some sort between environment and development. Instead this conception views the two as vital and equal partners, along with social justice.

## Action: Policy and Practice

The growing realisation of interconnectedness as emphasised by *sustainable development* has also led to a realisation of our lack of skills, ability and structures to manage the interconnectedness. These shortcomings and the institutional hesitancy (and sometimes resistance) to deal with the complexity of interconnectedness have routinely manifested themselves in slippages into the 'governance gaps' that Reinecke and Deng<sup>8</sup> have identified as increasingly cropping up as challenges to the traditional approach to problem-solving through global governance. These gaps result, to a large extent, from governments favouring a conventional linear sequencing that neglects the dynamic connection between implementation and problem-definition. In such a context, the cycle of policy and practice, stressed by *sustainable development*, is unsatisfactorily addressed when policy and institutional formation simply follow a sequence of problem-definition, intergovernmental cooperation and the establishment of legal frameworks. The mismatch between the conceptual necessity of interconnectedness and our inability to deal with it is directly related to the neglect of the role and the need for involvement of actors other than governments in public policy management. A fundamental precept of *sustainable development* established through negotiation in Principle 10 of Agenda 21 as the need for the participation of all concerned citizens, at the relevant level, in decision-making processes.<sup>9</sup>

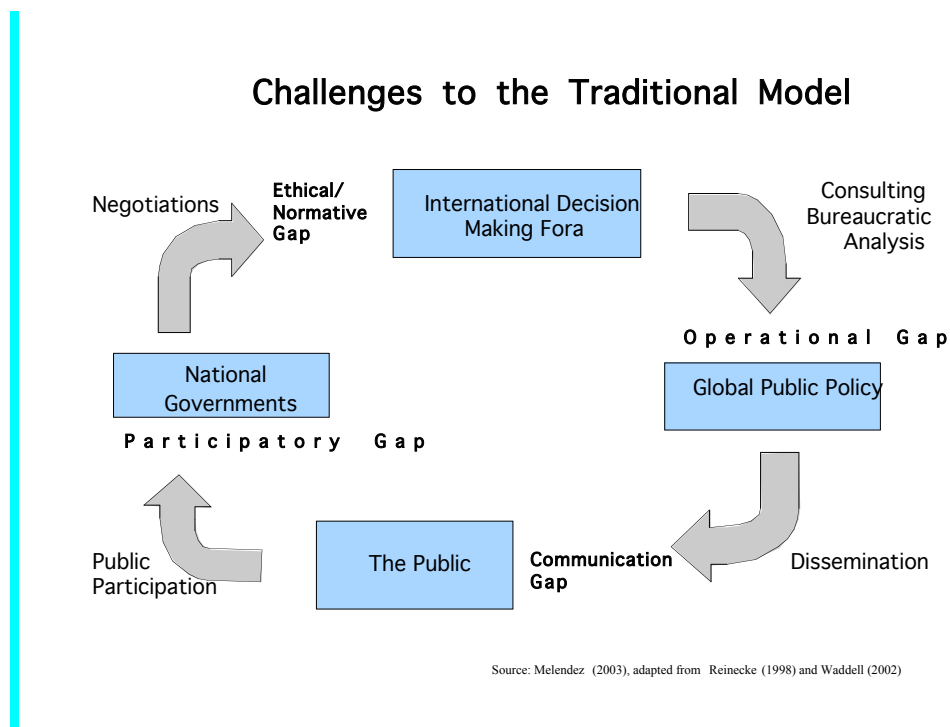
Of the many governance gaps that manifest themselves today, let us focus on four critical gaps here: (a) the participation gap, (b) the legitimacy gap, (c) the capacity gap, and (d) the implementation gap. How do these gaps arise, from a perspective of *sustainable development*? Here is a modest attempt to illustrate it. If public policy at the global level were to meet the various societal goals and objectives through the three pillars of *sustainable development*, it would be crucial to ensure that the views and aspirations of all the stakeholders were adequately taken into consideration. However, the flow of the aspirations of individuals and communities up the ladder towards their local and national governance systems is often compromised by the absence of participatory mechanisms in decision-making as well as prevailing inequity that govern the relations between, for example, local communities and national governments. As a result, this participatory gap fundamentally handicaps the management of interconnectedness and the achievement of *sustainable development* goals and objectives.

National governments, in a context of political and resource interdependence, struggle to craft norms and to establish institutions, and they often operate from an insufficient platform inherited from deficient participatory systems described above. Against this backdrop, any resulting design is questioned and born with weak authoritativeness. An ethical and normative gap – an increasing one, currently hinders any attempt to management by traditional governmental or intergovernmental approaches.

Faulty norms make for difficult implementation. Tensions and contradictions are abundant and rising. An operational gap is inevitable. This is not least because there are often disconnections between the decision-making fora at the global level and those who are responsible for translating these decisions into policies to be implemented.

The operational difficulties in translating decisions made in the international fora into concrete public policy, for example, may mean that the public are not adequately informed about the kind of policies needed to bring about *sustainable development*. As a result, the public may also feel alienated from these many international processes and become suspicious of their effectiveness. This in turn inhibits their participation in

the policy-making process and limits their inputs, completing the vicious circle that further exacerbates the participation gap.



The World Summit on Sustainable Development (WSSD), held in Johannesburg, South Africa, in 2002 is a very apt indicator of how *sustainable development* has fared in the world of policy and practice.

On the one hand, one cannot but celebrate the fact that this was a world summit on the very subject of *sustainable development*. This fact signifies an acceptance of the concept – at least at the declaratory level – at the very highest levels of policy making. This is a significant development from a decade ago where the original emphasis at Rio was placed on the environment/development nexus, rather than the more integrated concept of *sustainable development*. On the other hand, the very theme of the summit was the failure of our attempts to put the concept into practice at a grand enough scale. The theme that wove through the entire summit – from the meetings of the government delegates to the protestors on the street – was the strong sense that the promise of *sustainable development* in practice that had been at the heart of Agenda 21 and the Rio Earth Summit of a decade ago had not materialised, or at least not enough.

In reality, both assessments are true. The concept and vision of *sustainable development* have, indeed, gained political currency and found their way into the language of international policy. Even in the unlikely domains of trade negotiations, international finance and climate change – the World Trade Organisation Ministerial Conference at Doha, the international finance community at Monterey, and the climate regime at Kyoto – all committed themselves to making *sustainable development* the centre-piece of their policy endeavours. This is a fairly significant departure, and a generally positive one, from where we were a decade ago. At the same time there has not been much to report in terms of meaningful progress towards *sustainable development* at the global level. However, if one were to change the focus of analysis from the global to the local level, one would find that there had indeed been progress towards *sustainable development*, even startling progress.

For example, a key realisation of the last decade is that even as policymakers at the global level have been painfully slow and reluctant in translating *sustainable*

*development* into practice, an entire generation of ‘civic entrepreneurs’ have begun operationalising it at the local level. Civic entrepreneurs represent civil society, business and government. They champion *sustainable development* and succeed, often despite significant odds, in making it happen on the ground – often at small scales, but in undeniably real, robust and promising terms. In this regards, *sustainable development* involves newness, a new way of pulling things together, new ways of mobilising resources, building legitimacy, engendering collective action, stimulating economic activity or adapting technology. In short, it involves entrepreneurship, or to be more exact *civic entrepreneurship*.<sup>10</sup> In contrast with other forms of entrepreneurship, civic entrepreneurship is driven explicitly by the public interest, and seeks to create new ways of building social capital, of harnessing existing ideas, methods, inventions, technologies, resources or management systems in the service of collective goals.

Perhaps the most challenging lesson of the decade since the Rio Earth Summit has been that *sustainable development* has no blueprint: it cannot be deconstructed and replicated at will, a reality that makes its implementation something of a challenge. However, the evidence provided by many of these civic entrepreneurs around the world suggests that while *sustainable development* has no template, it does involve some shared characteristics.<sup>11</sup> Effective implementation of *sustainable development* requires participation in decision-making process by stakeholders at different levels, drawing upon, for example, what has been termed ‘civic entrepreneurship’.<sup>12</sup> Common to many successful experience at the local level is a ‘rootedness in and responsiveness to the unique priorities of the community’<sup>13</sup>. Since *sustainable development* has no blueprint, delivering solutions will require thinking afresh.

The implementation challenge, then, can be viewed as a challenge of subsidiarity.<sup>14</sup> Maybe we have not seen successful implementation of *sustainable development* at the global level because it cannot begin at the global level. By its very nature it must begin at the roots and grow upwards. This is to suggest that *sustainable development* has to be sought and nurtured at the local level and at the sectoral level. It does not flow from the global to the local, from the broad to the specific, but the other way round. This does not mean that we should not be discussing *sustainable development* on the global scale. Far from it, the global discussion and global policy is integral to the creation of the space and policy frameworks at the domestic and sectoral levels in which *sustainable development* can flourish. It does suggest, however, that the challenge at the global level is most particularly the challenge of creating the framework conditions in which local and sectoral sustainability can be nurtured.

It is here that one must caution against the creeping problem of ‘gentrification’. What was, at least until the Rio Earth Summit, a cutting-edge concept that threatened to change the status quo in deep and lasting ways has today become ubiquitous and widely accepted by all sides of the debate at least in part because it has been ‘tamed’.<sup>15</sup> The threat implied in this gentrification is that what was once a signal of a serious promise to deliver significant change from the status quo and was, therefore, deemed threatening is in danger of becoming yet another buzzword that provides political brownie points rather than a real intent to deliver. The opportunity is that perhaps the degree to which the political and corporate establishment feel the need to nod in the direction of *sustainable development* illustrates the ample tactical room for change.

The challenge to *sustainable development* policy and practice, therefore, is to ensure that we avoid gentrification into meaninglessness, that we capitalise on the wider support that the concept has gained, and we harness the power of subsidiarity by using global forums to create the policy environments which can nurture robust implementation at the local and sectoral levels.

## Politics: Actors and Institutions

The politics of *sustainable development* has remained, to large extent and despite its early promise, the politics of the North-South divide.<sup>16</sup> The hopes that it would provide a bridge across this divide have remained largely unrealised. To a great extent this is a reflection of the fact that the advances made in conceptualising *sustainable development* as a multidimensional space which brings the economic, social and ecological dimensions of a society's aspirations onto the same plane are yet fully seep into the actions of the key actors and institutions responsible for making decisions about *sustainable development*.

In the world of politics – of actors and institutions – the debate is still stuck in the more stifling discourse of environment versus development. This dichotomous binary debate not only belittles the more nuanced understanding that has been achieved at the conceptual level (see above) but is a major reason behind the lack of meaningful implementation of global policies (also see above). The binary distinction – environment versus development – is also a major reflection of and contributor to the perpetuation of a North-South template for understanding *sustainable development*.

The policy community is trapped within its own assumption that developing countries are – and *should be* – less interested in preserving the environment and more interested in traditional economic gains, at least in the short to medium term.<sup>17</sup> Such simplistic characterisation is both unsubstantiated and misleading, and spirals quickly into vicious circles of self-fulfilling prophecy. The correlation between the depletion of natural resources and persisting poverty in many regions, for example, should be brought to the fore to remind policy makers of the interconnectedness of many of these issues. Water and sanitation is another issue area that requires taking into account all three points of the triangle in order to achieve *sustainable development*. Going beyond political posturing and focussing on delivering common action seems to present the only constructive way forward.

While the promise of new and powerful North-South partnerships evolving around the concept of *sustainable development* might not have been realised yet, there are other, positive, partnerships that the concept of *sustainable development* has begun fostering. Important amongst these positive developments is the emergence of global public policy networks (GPPNs)<sup>18</sup>, the rise of networks of nongovernmental organisations (NGOs) and flickers of a new generation of cross-sectoral partnerships between government, business and NGOs that were, uninspiringly, named 'Type II partnerships' at Johannesburg.

While there is much already written about the rise of GPPNs and NGOs,<sup>19</sup> let us briefly look at the world of Type II partnerships, which are only just beginning to take root. One of the key advertised achievements of the Johannesburg Summit was the development of such partnerships – the launching of voluntary partnerships to implement specific aspects of *sustainable development*. Partnerships among different actors – governments, businesses, NGOs, academia – that seek to deliver specific public policy objectives are nothing new. Some of these are also known as global public policy networks, as discussed earlier. However, nominating these partnerships as key mechanisms to implement intergovernmental commitments to *sustainable development* is novel, amounting to an implicit acknowledgement by governments that they are not able to deliver on their own. In this context, Johannesburg is a significant watershed. While international cooperation and negotiations among governments may have enabled the international community to embark on a search for common values and an endeavour to define and agree on a common vision, these same processes are yet to deliver significant improvement in the livelihoods of many, nor reversed the trend toward environmental degradation. The challenge today is for the international community to manage these partnerships in an effective and

legitimate fashion so that they are not only filling the governance gaps but are fostering lasting capacities for implementing *sustainable development*.

The one other trend in the arena of actors and institutions that we would like to highlight here is a particularly disturbing one. *Sustainable development*, as a truly multi-sectoral, multi-temporal and multi-dimensional concept was designed and underscored by governments as the organisational principle to support evolution of multilateral institutions at the global level – not least because enabling global settings will help create and nourish the local conditions in which *sustainable development* can take deep roots. Yet, it is more and more evident that the new millennium has placed multilateralism under severe strain, and some significant threat. As the world continues to be confounded by the implementation challenge, a (not so) new factor is also threatening to derail the multilateral agreements seeking to underpin progress towards *sustainable development*. As pointed by Celso Lafer, former Minister of Foreign Relations of Brazil, if Rio represented a ‘Kantian’ breakthrough, the realities that face the world today is more ‘Hobbesian’, with a ‘worrisome trend towards replacing a multilateral approach to the solution of global problems by unilateral action’.<sup>20</sup>

Two of the many arenas in which this is clearly evident today is the imminent and very real threat to modest but significant introduction of *sustainable development* to the management of interconnectedness in economic globalisation through the crafting of global governance regimes for trade and economic integration and for the challenges posed by climate change. (See Box 1 and 2 below). It was not so long ago when the multilateral trade system was viewed as the mainstay of instruments to bring peace among nations, and to insulate the weak and the small from the powerful. And it was, to a large extent, building on the experience with this contractual scheme that countries decided a decade ago to confront through similar international cooperation defiance of changes caused to climate by anthropomorphic activity. Fifty years on, the outlook on multilateralism today is uncertain. There is, on the one side, a formidable and unprecedented power<sup>21</sup> with the means to determine the course of history and, on the other side, a wide ranging set of instruments, a rich body of international law, and imperfect but participatory institutions for international cooperation, all struggling to keep their role in multilateral relations and decisions. This is cause, justifiably and as stated above, for concern about international orderliness and the faith of global governance.

From the perspective developed in this paper, we would like to make a case for an optimistic interpretation of evolution in these two key areas and suggest that global governance is currently going through a phase of adjustment and that sustainable development offers valuable elements to respond to the current quandary.

**Box 1: The Crafting of the International Trade System: Attempting a Sustainable Development Governance Approach to Integrating the Global Economy?**

The emergence of the construct of *sustainable development* in 1987 coincided with a re-thinking, through negotiations, of the international architecture and approach governing economic relations among states and custom territories. The Uruguay Round, the most ambitious effort to universalise the fifty-year-old rules-based multilateral trade framework, was underway since its conception in the early eighties. It aimed at institutionalising – as it did succeed in doing – a forcible and contractual instrument for managing the integration of national economies into a global market, under principles of non-discrimination and international cooperation, and following a trade liberalisation rationale. As former centrally-planned economies and import-substitution models crumbled and gave way to export-led models of growth, countries from very diverse development bases joined the effort to craft the new system. And they did so in a quest for policy guidance towards a better future. Indeed, many of them autonomously made the choice of locking sweeping policy reforms through the contractually agreed rules of the emerging institution.

In the early 1990s, concurrent with the collective inquiry into the type of *development* defined in the context of negotiations for Agenda 21 along the precepts of *Sustainable development*, the multilateral trade system found itself doubling its membership, joined by what would later be called ‘emerging’ economies. Countries participating in the negotiations looked for the newest system to serve as a *bitacora* in the long quest for development models. Prevailing market and institutional failures, and imperfect international market structures rigged the landscaped –as they still do today. And previously tried approaches, favouring intervention over market forces, had failed or appeared exhausted.

Difficult tension characterised this quest for direction: tension between, on the one hand, the enthusiasm and commitment of nations to the objectives of *sustainable development*, and on the other, the freeing up of forces stemming from the factors that underscored and fuelled globalisation as we know it today; primarily with respect to the trans-boundary movement of capital, goods and services. Tension between the approaches to norm-making, for instance, between regulation and de-regulation; regulation needed in order to protect the degrading environment as a result of intensification in the use of natural resources, and deregulation advocated and agreed to free and enhance the functioning of markets. Tensions between the novel notion of subsidiarity and the promotion of universal, ‘one-size-fits-all’ approaches to rule-making in trade. And, last but not least, tensions between the options of resisting sovereignty, against political short-termism and long-term concerns, or giving in to supranationality, as a pre-requisite to entrance into the global economy.

It was against this backdrop – and the rapidly growing concern in the environmental and developmental communities about the intrinsic worth and virtues of the emerging model – that the promised-objective of *sustainable development* found its way into the preamble to the Marrakech Agreement Establishing the World Trade Organisation. However, it did so as an add-on; and a severely undervalued add-on at the time. It was the politically massive rally behind the Rio process that forced *sustainable development*, and with it environment, to be admitted into mainstream global governance, the plane on which economic interdependence among nations is played.

That was 1994, almost ten years ago. Today the international trade regime continues to struggle to find consensus around its veritable objectives and its superior vision. The functioning of economies, increasingly integrated into global markets – albeit imperfect as these markets still are – has created vast amounts of wealth. But it has also derived in enormous negative consequences with respect to its distribution and exacerbated inequity among nations. From an optimistic perspective, these are costs that reflect the pains of transition into new schemes. Such high and vital price can only be accepted if the transition is towards an order ruled by values and organising principles with a capacity to respond to the complexity of interconnectedness stressed by *sustainable development*.

The notion of *sustainable development* inserted in the Preamble to the multilateral trade system back in 1994, has since been confirmed in extraordinary exhortatory ways through jurisprudence<sup>22</sup> and mandates for negotiations. Governments at the Fourth WTO Ministerial Conference in Doha in November 2001, for example, reaffirmed their commitment to the goals and objectives of *sustainable development*. This newest round of negotiations launched in Doha was incidentally named the Doha ‘Development’ Agenda (DDA) and its terms of reference sprinkled with *sustainable development* turns. Indeed, the response might have been of such significant magnitude in this respect, that embracing certain formulas advocated by many for *sustainable development* in trade, decision-makers in the WTO might have actually caught the policy and knowledge communities unprepared. For the DDA negotiations to effectively realise its *sustainable development* potential, resolution of problematical imperatives would need the contribution of the environmental and developmental camps. This is more acutely illustrated, for instance, by language agreeing to explore reviewing special and differential treatment provisions in WTO agreements and to entertain undertaking of sustainability impact assessments of trade agreements. Something that, if done adequately, would require thorough rethinking of the concept of development that informs the trade system and serious advances on research and analytical tools related to the measurement of sustainability. Similarly, with respect to the application of disciplines to subsidies for the commercial exploitation of the alarmingly depleted global fishery stocks and to the definition, in meaningful disaggregated tariff and environmentally-significant form, of environmental goods and services.

Furthermore, at mid-term in such a Round, evolution of progress and of the trade system seems to be discussed precisely on *sustainable development* language: the failures to move forward in the negotiation agenda so far, and the visible acrimony characterising the debate as we write, have all to do with equity and finding the balances between the social, economic and environmental objectives and effects of trade and of economic engagement. For the resolution on reform of the agricultural sector and on further liberalisation of goods and services to be durable and to command broad acceptance, the negotiations will arguably have to go through a better understanding of impacts of trade policies and dynamics on equity across the policy triangle, including on inter-generational terms.<sup>23</sup> Discussion on the future of the international trade system and the relevance of multilateralism is also reaching out to the shared values, the common principles identified since Rio, and enriched through the decade of summitry, to provide direction for the adaptation of institutions.<sup>24</sup> At last, and most heartening indeed, OECD development cooperation ministers and the UN have also set up processes to look into the contribution of the international trade regime to the achievement of the Millennium Development Goals embracing *sustainable development* and resulting from that quest of the 90s.<sup>25</sup>

The claim here is that even if the notion of *sustainable development* continues to orbit, unrealised, around the system, it also seems to be its only source of oxygen. In the alternative camp to multilateralism -the regional, bilateral and plurilateral instances of negotiation that now not only complement but also compete with the multilateral trade system – *sustainable development* is also being sought as a guiding objective, and those processes are also struggling with the pains of adjusting to it. Illustrative evidence of the trend is found in almost every new generation regional integration undertaking, from the ambitious but obsessively old-fashioned Free Trade Agreement of the Americas (FTAA)<sup>26</sup>, to the autonomously defined New Partnership for Africa's Development (NEPAD) and the EC-ACP Cotonou Agreement that specifies *sustainable development* as one of its three specific purposes.

Daunting and critical challenges confront the evolution of governance for international trade at the end of 2003. Two of the greatest include delivering on the promise to generate welfare gains for all and each participant in the system and moving away from the prevalence of mercantilism in the approach to developing trade-rules and to development itself. The first is chronically threatened by the WTO basic design along the lines of the so called Single Undertaking<sup>27</sup>, which institutionalises the one-size-fits-all approach and neglects the peculiarities of development needs among structurally different partners. *Sustainable development* precepts might be useful in responding to this challenge, for instance, through a more actual approach that allows for modulation in the application of equal or similar rules among *unequals*<sup>28</sup>. The second problem, the stubborn mercantilist mindset, has also chronically handicapped the evolution of the international trade system from its beginnings and distorted the function of trade policy with respect to development. Responding to the requests of people and the increasingly larger policy communities that act in the formulation of trade policy requires moving away from such a culture and into one of clear public policy purpose and broader aims. *Sustainable development*, if embraced with the necessary political will and heads-on, offers a conceptual and visionary pathway.

### **Box 2: The Crafting of a Global Climate Regime: Attempting a Sustainable Development Governance Approach to Management of Change?**

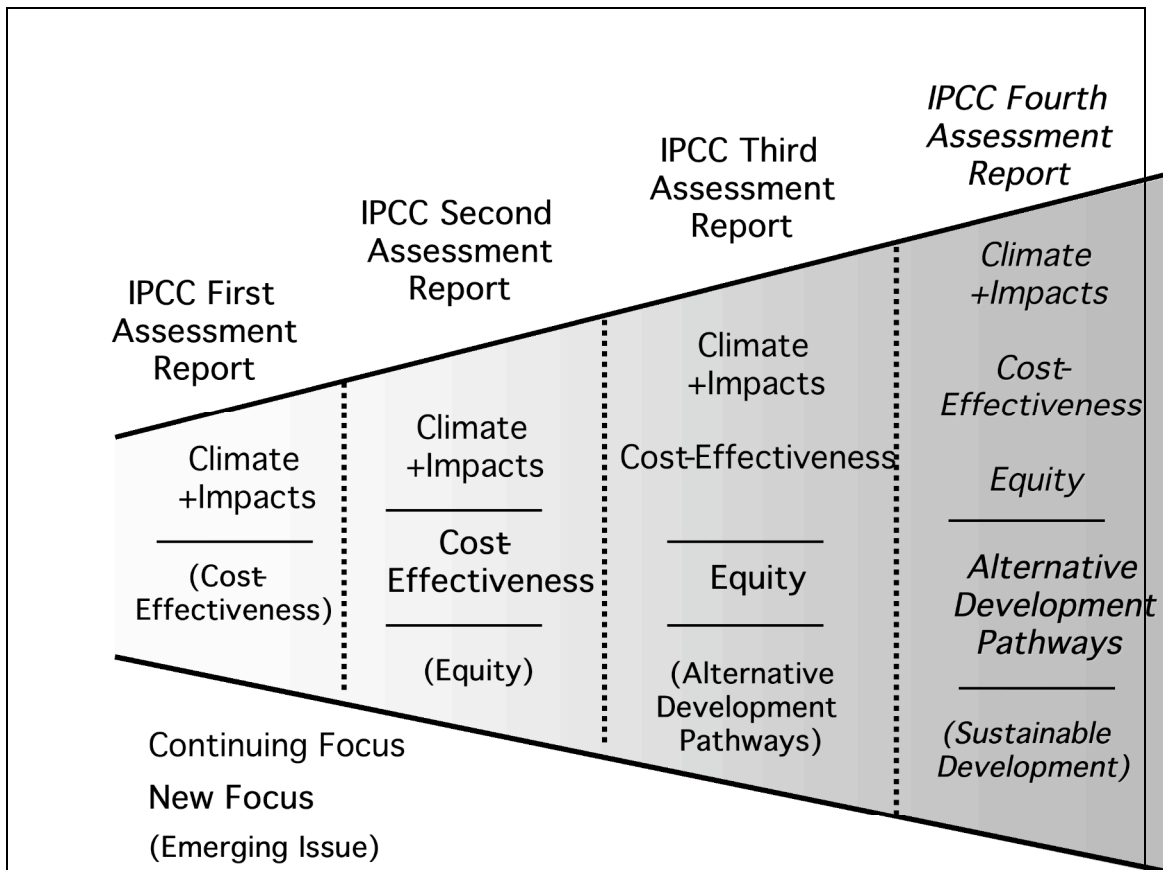
It is widely acknowledged that the links between sustainable development and climate change are deep, multiple and varied<sup>29</sup>. In fact, the policy mandate to deal with climate change within the context of sustainable development – as a right and as an obligation – was articulated as early as 1992 in the United Nations Framework Convention on Climate Change (UNFCCC) and then reaffirmed in the 1997 Kyoto Protocol<sup>30</sup>.

However, the climate governance community has only recently begun exploring these issues in earnest, and has done so only haltingly and with great hesitancy. This belated recognition is partly an indirect output of the Intergovernmental Panel on Climate Change (IPCC) process. The emerging recognition has been propelled by developing country policymakers and scholars persistently demanding that the sustainable development context of climate policy be explored within the climate debate. Interestingly, in this case, developing country scholars and policymakers have moved to fill the void in our conceptual as well as political

understanding of the inter-linkages<sup>31</sup> This movement has also affected the policy mechanisms, for example, in instruments such as the Clean Development Mechanism (CDM) which not only have the mandate to respond to the link to sustainable development but are also structured to bring into the fold a larger set of issues of concerns that relate to the operationalisation of that linkage. Similarly, it could be argued that while the Flexibility Mechanisms (or 'flex-mechs') are primarily directed at making the implementation easier, they do allow their application to a larger set of sustainable development concerns.

An interesting and insightful manifestation of how this interlinkage has taken on a progressively more prominent role in the climate debate is seen in the deliberations with IPCC. Over the last decade and a half, the IPCC has stumbled towards progressively greater inclusion of sustainable development concerns. Although this evolution has been in step with the evolution of the greater literature it has continued to lag behind the policy mandate articulated in the UNFCCC. The Third Assessment Report (TAR) went the further by first acknowledging that 'the attention accorded in the UNFCCC to sustainable development... [had not] been matched by its treatment in previous IPCC assessment reports' and then seeking to 'address this mismatch by placing policy evaluation in the broader context of development, equity, and sustainability as outlined in the Convention'<sup>32</sup>. While it can be argued that sustainable development concerns are still peripheral to the central thrust of the TAR and were unevenly integrated into it, the fact remains that the TAR was an important step forward in the IPCC's ongoing quest to catch up to sustainable development.

Figure 1, based on the TAR, highlights how the range and scope of the policy analysis tools used by the IPCC have expanded over its three assessment reports and how each expansion has brought it closer to a relatively deeper treatment of sustainable development.<sup>33</sup> The central questions motivating the First Assessment Report (FAR) were those related to climate and climatic impacts: what is the extent of anthropogenic interference in global climate systems and what are the likely impacts of such interference? These have remained, and will remain, a central preoccupation of IPCC enquiries. At the same time, FAR also began raising a set of emerging questions related to what might be done about global climate change and the cost-effectiveness of potential policies. These questions gained more prominence as a new focus area in the Second Assessment Report (SAR). However, the SAR further broadened the IPCC policy discourse by introducing the issue of equity into the IPCC mix. By the Third Assessment Report (TAR), climate impacts as well as cost-effectiveness were both firmly established as continuing focus areas of the IPCC while questions about equity, which had only begun to be raised in SAR, began gaining a little more prominence as a new focus of the assessment process. In addition, TAR contributed to the evolutionary broadening of the IPCC process by introducing discussions about alternative development pathways and global sustainability (especially through its emphasis on scenarios) into the IPCC mix.



**Figure 1: Evolution of the IPCC Assessment Process**  
(Based on Banuri et al. 2001: 78)

Projecting forward the trends exhibited in the evolution of the first three IPCC assessments suggests that the upcoming Fourth Assessment Report (AR4) could present an important opportunity to meaningfully integrate sustainable development into the IPCC assessment process.\*

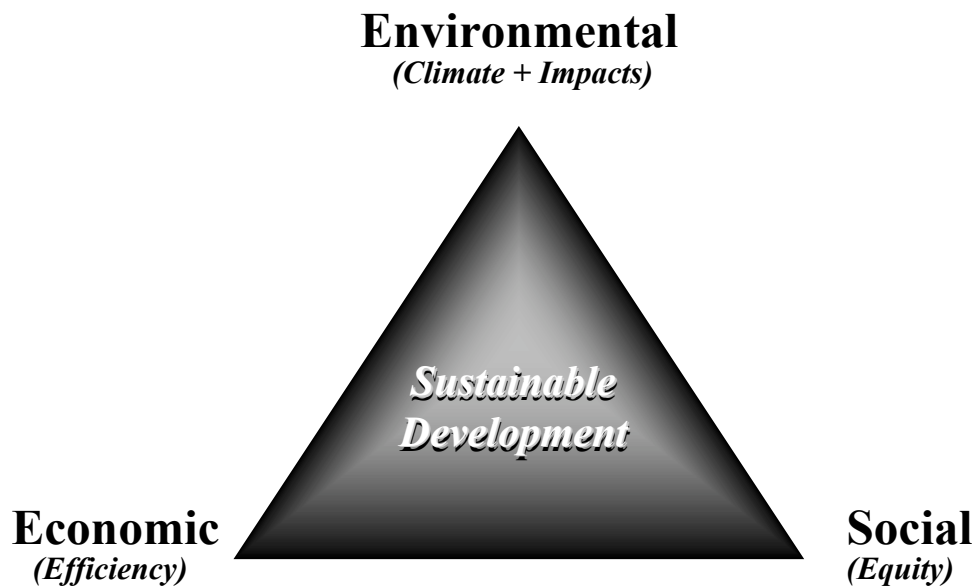
The case for why climate policy should engage sustainable development more comprehensively has been made often, including by the IPCC itself, and is usually composed of two strands; one substantive and one institutional.<sup>34</sup> The substantive argument maintains that although climate policy cannot be a substitute for sustainable development policy, the goals of the two are synergistic; i.e., that the realisation of sustainable development can be both a framework condition and a motor for the better implementation of climate policy. The institutional argument relates to the stated intent of the UNFCCC, Kyoto Protocol, and IPCC deliberations.

The case for integration of sustainable development into climate governance is by now well-rehearsed, generally accepted, and no longer in need of reaffirmation.<sup>35</sup> The intellectual challenge is no longer to argue for the desirability of making the link, but to demonstrate its practicability. While integration remains as desirable as ever, the conceptual evolution of the IPCC assessment process (as described in Figure 1) has made it more..

The key conceptual lynchpin of placing sustainable development as a central focus of climate governance is, in fact, to place attention on the controversial but critical issue of equity. The challenge before policymakers is to make equity a central conceptual lens through which the climate change problematique is viewed, debated and responded to. Indeed, the test and yardstick should be that equity metrics are consistently utilised throughout the policy debate

\* The right-most column is italicised to signify that entries here are proposed projections.

in much the same way as, for example, cost-effectiveness concerns are. As we have discussed elsewhere in this paper, there is general agreement that sustainable development is best envisioned as having three essential elements: environmental, social and economic<sup>36</sup>. A version of the now familiar triangle that puts the three elements together is presented in Figure 2 (based on the figure used earlier in this paper), which additionally highlights how each manifests itself within evolving global climate change debates: the environmental dimension of sustainable development is best reflected in climate change debates through their focus on climate variability and impacts; the economic dimension is encapsulated most potently in discussions related to cost-effectiveness; and the social dimension is best captured through a focus on equity.



**Figure 2: The Elements of Sustainable Development in the Context of Global Climate Change Policy**

In relating the schema depicted in Figure 2 to the evolution of the climate policy debate shown in Figure 1, it is evident that while the environmental and economic dimensions have been the focus of IPCC assessments to date, the social dimension remains under-represented. Sustainable development cannot be fully integrated into the climate governance regime until all three dimensions are equally and centrally brought into focus. A more comprehensive and consistent treatment of equity metrics would allow for all three dimensions to be incorporated and is, therefore, a necessary condition for the more meaningful integration of sustainable development.

Optimism reflected in the two textboxes here ought not to be misunderstood. Both, the multilateral trade system and the climate change regime, are on the brink of implosion or irrelevance. As we write, the fate of the DDA negotiations is uncertain, as is that of the ratification of the Kyoto Protocol to the Climate Change Convention.<sup>37</sup> Still, we're convinced that the colossal enterprise of crafting regimes on international trade and economic integration, on the one hand, and on the management of climate change, on

the other, are illustrative of the argument we are trying to advance in this paper. That while not sufficient or modest progress has been made on the internalisation of *sustainable development* in global governance, there has been progress – slow, halting, and hesitant – but progress nonetheless. It is these slow, small but momentous steps that we need to build upon if sustainable development is to guide governance in a rapidly changing, interconnected and globalised world. Tactical fiddling, brinkmanship in negotiations, blindness with respect to the perilous consequences of loose governance in these two areas, and neglect of the political and knowledge advancement of a comprehensive vision moulded by so many in the past decade, is the biggest threat confronting the title of this Barcelona Dialogue: Governance, Globalisation and Development.

## 2. Moving from Words to Action: Seven Critical Tasks

The thrust of our argument thus far is that while much, possibly too much, still remains to be done, we should also acknowledge the important (if incomplete) advances that have been made towards *sustainable development* in all the arenas that matter; i.e., in the worlds of knowledge, action and politics. The next steps must focus on building on the successes, learning from the failures and filling the gaps that exist. In this context, three challenges are of particular importance:

- **Choice.** In today's world of integration of formerly national and local economies into one global economy<sup>38</sup>, the satisfaction of *sustainable development* aspirations requires allowing and enabling for choice. We need to safeguard the policy space needed by individual countries and communities to determine their own developmental paths. Put simply, we also need to make sure that policies leave room for countries to have the choice to make up their own mind about their development path.
- **Ownership.** This is the concept at the heart of the nineties' shift in North-South cooperation. No one from outside, not donors or trading partners, can come and develop any country. There is now a global consensus that countries, or their own societies and individual communities, need to take charge and be responsible for their own development. We need to give ownership to those whose lives are directly affected by many of the decisions negotiated at the international or the regional level. At its core, ownership is about effective participatory decision-making processes, access to information and functional institutions that uphold the public goal in the design of the policy in question.
- **Solidarity.** In the context of any community of nations, we need action that takes effective and pro-active care of the structural differences between partners. We need an operational solidarity approach that harness power to common goals.

Bearing these central guiding principles in mind, we will look at a number of key elements and framework conditions to ensure effective implementation of *sustainable development*. At a most basic level, there are two great tasks that confront the global decision-maker: that of creating a more meaningful, inclusive and integrated policy agenda for *sustainable development*, and of fostering the framework conditions in which such an agenda can be implemented. The implementation itself will come from the local and sectoral levels, but the task of the global decision-maker is to get this agenda and the framework conditions for its implementation right.

Here, we identify seven key tasks that need to be undertaken if the potential of *sustainable development* is to be realised and if we are to begin moving from words to action. Of the seven tasks we identify, the first three seek to foster a meaningful global agenda for *sustainable development*, the next three seek to create conducive

framework conditions for its implementation, and the last ties the two goals together. It should be noted that these task will require all nations (North and South) and all actors (governments, NGOs and business) to make deep changes to how they do business; *sustainable development* cannot be a product of business as usual. The benefits as well as responsibilities of *sustainable development* are secular and all-encompassing. The dominant duality of environment versus development suggests that the former is an interest of the North and the later is a goal of the South and therefore pits the two against each other. The holistic notion of *sustainable development* rejects this duality and promises the fruits of joint effort to both. But in doing so it also demands immediate action from each. Similarly, we reject the notion that somehow *sustainable development* is something that civil society will desire and work towards but business will shy from or actively resist. This notion also comes from the dualistic notions we have been caught up in. Here again, the call is for joint action for common goals and common responsibilities for shared aims.

### **Task #1: Improve Policy Coherence**

Today, the term ‘coherence’ risks becoming one of the most overused political buzzword in *sustainable development*. Coherence should not be promoted for the sake of it – clarification on exactly *for what* should coherence be promoted is paramount. Only with clarity of purpose could policy-makers design clear mechanisms and process to ensure coherence for *sustainable development*. For example, many rich countries have conceived their ‘development policies’ in terms of official development assistance (ODA). Policies in other arena – such as trade, agriculture policies, investment, intellectual property, immigration, security, environment – are usually crafted without due concerns for their impacts on developing countries.<sup>39</sup> Policies pursued by one end of a government can seriously undermine efforts taken by others in promoting *sustainable development*.

Developed countries therefore face enormous challenges in ensuring that their policies are not standing in developing countries’ way in achieving social, environmental or economic breakthroughs. They need to ensure that their policies in arenas outside of the ODA will be crafted not solely in consideration of national interest but also with their impacts on the livelihoods of those in the South in mind. New ‘coordination’ or ‘coherence’ mechanisms would need to be put in place to ensure that different parts the policy machinery is singing the same tune. In Europe, for example, there is no current coordination among development agencies at the Minister level across Europe. Without such kind of mechanism to counterbalance say the trade ministries, it is hard to envisage a future where Europe’s policies on trade are deliberated with development concerns in mind.

### **Task #2: Make Better Use of Existing Tools**

While there are many good initiatives that should be taken in the name of *sustainable development*, it is also true that many good initiatives and tools that are already available to policy makers are under-utilised. The push for better policy instruments must continue, but the existing policy instruments must also be put to better use. In this context, despite the many criticisms, the Millennium Development Goals and Targets, together with Agenda 21 and the WSSD Plan of Implementation, remain the fairly comprehensive set of guiding policy objectives for international cooperation. More importantly, none has yet lived to its potential and all need to be, and can be, put to better use than they have till now in the global quest for *sustainable development*.

Let us take the example of the Millennium Development Goals. All 189 member states of the UN came together in the year 2000 to reaffirm the need for global cooperation to meet the key challenges facing the world and establish concrete measures for judging performance through a set of eight inter-related commitments,

goals, and targets on development, governance, peace, security and human rights. These are known as the Millennium Development Goals and Targets (MDGs). If the first six of the eight MDGs mostly define development targets for developing countries, the seventh (to Ensure Environmental Sustainability) calls for the integration of the principles of *sustainable development* into country policies and programmes. It also specifically summons global political will to reverse the loss of environmental resources, to reduce by half the proportion of people without sustainable access to safe drinking water, and to achieve significant improvement in the lives of at least 100 million slum dwellers, by 2020. Goal Eight (to Develop a Global Partnership for Development) goes a step further and addresses developed countries by explicitly delineating their special responsibilities with regard to the achievement of the other seven MDGs. It holds the rich countries of the world accountable – to their own citizens and to the rest of the world – for the steps they must take in the global MDG effort.<sup>40</sup> In the eighth MDG, all UN Member States pledge, by the year 2015, among other things, to develop further an open trading and financial system that is rule-based, predictable and non-discriminatory. This includes a commitment to good governance, development and poverty reduction – nationally and internationally.

Despite the limited progress, new targets, timetables and commitments were adopted in Johannesburg – to halve the proportion of people without access to basic sanitation by 2015; to use and produce chemicals by 2020 in ways that do not lead to significant adverse effects on human health and the environment; to maintain or restore depleted fish stocks to levels that can produce the maximum sustainable yield on an urgent basis and where possible by 2015; and to achieve by 2010 a significant reduction in the current rate of loss of biological diversity. Even though many of these internationally agreed goals and targets are neither perfect nor comprehensive, they provide important starting point for delivering *sustainable development* – and global public goods. Translating these goals and targets will be difficult – we need to put in place mechanisms, instruments, and clarify the roles and responsibilities of different actors to bring them about. This will also include serious political will to redress imbalances where they prevail.

### **Task #3: Make the Global Agenda Imaginative and Inclusive**

There is a need for serious political will to move some of the more difficult environmental issues forward and if necessary re-direct the *sustainable development* agenda to fit the needs and priorities of developing countries. Both North and South need to invest in imaginative and inclusive thinking on *sustainable development* which not only internalises the many dimensions of the concept but also the many interests of the different players.

For example, developing countries could use the opportunity provided by the Doha negotiations to lever the Monterrey Financing for Development and Johannesburg World Summit for *Sustainable development* outcomes towards building their own environment agenda as well as an international environment and *sustainable development* regime that takes into account pressing concerns such as access to water and other poverty and livelihood-related issues.<sup>41</sup> In order to attain these goals, developing countries need to move away from a reactive agenda to a proactive approach focused on advancing their own environmental and developmental priorities in international trade policy.

This is a particularly poignant moment to do so for the developing countries. In two of the major issue areas – international trade and global climate change – the international regimes are in a period of flux. Both regimes are at the brink of major structural changes. Trade through the ‘Doha Development Round’ and climate through the realisation that a post-Kyoto structure has to be devised for the climate regime and such a structure will require a greater (though yet undefined) role for

developing countries, at a minimum at the level of climate adaptation. In both cases the exact nature of the changes to be made are uncertain, but in each the possibility – even necessity – exists for the developing countries of the South to move from their familiar and comfortable positions of resistance and reactive politics to a more proactive and imaginative stance built around the deep rooted development – and *sustainable development* – interests of these countries. However, for such imaginative agendas to emerge the developing countries will have to invest (and invest heavily) in serious domestic thinking through their own priorities and the industrialised countries will require international decision-making to become more inclusive of Southern concerns than it has been in the past. A key constraint for the developing countries is going to be capacity, and we shall move to this issue forthwith.

#### **Task #4: Build Real Capacity in the South**

The disparity today between the North and the South is clear and present. These discouraging numbers are not new. On the one hand, for example, rich countries grew by a total of more than \$10 trillion (measured by annual output) during the 1990s. On the other hand, about 1.2 billion people live on less than one dollar a day.<sup>42</sup> If investment in the knowledge economy accurately reflects a country's growth potential and capacity, there are more alarming numbers. In a recent study on the strengths and weaknesses of knowledge economy regions, for example, it is found that the US has 43 out of the top 50 regions among leading centres of knowledge economy.<sup>43</sup>

Capacity building or capacity development has been described by UNDP as 'the process by which individuals, organisations, institutions and societies develop abilities (individually and collectively) to perform functions, solve problems and set and achieve objectives.'<sup>44</sup> If the aim is to enable developing countries to 'perform functions, solve problems and set and achieve objectives', it is safe to suggest that much of the resources that had been poured into the 'capacity building' pot had largely been wasted.

Many reasons account for this failure. Effective capacity building requires equal commitment by both recipients and donors. These exercises are frequently driven by donors' interests or agenda – rather than genuine need in the south. In addition, the skill involved in capacity building is often underestimated - those who 'do' often cannot 'teach'.<sup>45</sup> But most important of all, many of these capacity building exercises failed to emphasise the need to enable developing countries to think for themselves, from their own perspectives. Indeed, they can sometimes actively 'instruct' developing countries not to do so by thrusting pre-packaged ideas and ideologies upon them. Sometimes capacity building programs are, and are seen as, nothing more than thinly veiled attempts at advocating for certain outcomes in ongoing international negotiations.

Therefore, there is a need to radically change or reconfigure the current model for capacity building. It is not about the North telling the South what to do, nor about replicating the Northern experience. It should be about instilling the kind of knowledge, know-how, and framework of analysis in recipients so that they can make up their own mind about the kind of policy objectives, strategies, and actions to pursue. Indeed, the capacity building exercise needs to begin with a clear understanding of what capacities are needed, where, by whom, and how best can they be strengthened. One might find to one's surprise that some of the critical gaps lie not in the South but in the North itself.

#### **Task #5: Strengthen Accountability**

Traditionally, the accountability of an institution or government or company is evaluated in terms of whether the institution has behaved responsibly vis-à-vis its owners or members – such as the Governing Board of an NGO or a company, or the

constituency of a member of parliament. Many indicators have been put forward to measure accountability, which include access to information, transparency or the degree of members' control. However, it is clear that if the goal is to achieve *sustainable development*, these measures are necessary but insufficient guarantors of accountability for many of these organisations. This is not least because, as many commentators have suggested, we have evolved from a 'Trust Me' through a 'Tell Me' and a 'Show Me' to an 'Involve Me' world, where blind faith in the integrity of institutions is unlikely to prevail.

Today, our understanding of accountability has extended from an inward looking criteria (that involves assessing an institution's responsibility to its members) to include external dimensions such as its impacts on the outside world, in particular the social, environmental and economic implications of its policies on developing countries.<sup>46</sup> The implications of this trend are twofold. First, institutions need to establish inclusive and participatory processes to ensure that relevant stakeholders can effectively participate in decision-making process. Second, the impacts of both their policies and operations will need to be rigorously assessed and, where relevant, the negative impacts abated. In this context, legitimacy is a close and inseparable cousin of accountability. Needless to add, all these changes in our understanding of accountability have enormous policy and practical implications for the operations of the 300 IGOs, 60,000 transnational corporations, and the 30,000 international NGOs, as well as over 190 national governments that we have today.

The challenges that face all these institutions vary. The kind of criteria that is needed to assess accountability clearly depends on the type of organisation; its specific mission; the sector in which it operates; and the number of stakeholders involved.

### **Task #6: Foster Multilateralism, Cooperative Responses and Partnerships**

Finally, the realisation of the multifaceted nature of *sustainable development* must be reflected in the institutions that are constructed to foster it. The challenge of *sustainable development* is not just a global challenge; it is a shared global challenge. It not only requires that all actors and institutions play a role in its achievement, but it also requires that various institutions play this role 'as a team'. *Sustainable development* requires partnerships – between North and South; between governments, NGOs and business; and between economic, social and ecological aspirations.

At every turn in global public policy, multilateralism seems to be under threat today. This is evident not only in trade arena after Cancun, but also environment after Kyoto, and security after Iraq. Worse still, this is not only the result of unilateralist action by the world's one remaining superpower. Former bastions of multilateralism (such as Europe and Canada) have also sunk deep into regional process or regionalism, raising questions about their commitment to multilateralism. *Sustainable development* not only requires that this trend be reversed but also that multilateralism be expanded. The multilateralism required for *sustainable development* is not just a multilateralism of nation-states; it is the multilateralism of states and non-states. It requires not only that states, North and South, recognise that *sustainable development* is a common challenge that requires working with each other, but also that they realise that is a broad challenge that will require them to seek cooperative responses and to work in partnership with other actors. This is where the emerging trend towards global public policy networks and of Type II partnerships can become particularly important.

### **Task#7: Move to the Next Stage: Effective Sustainable Development Norms**

*Sustainable development* is a visionary proposition. Embracing it through global governance will only be effective if principles, norms and practices can stand the test

of delivering balanced, equity-centric implementation outcomes. For this to be the case, global regimes and institutions, as well as domestic policies, must be designed with such aims as primary objective, beyond short-term or special interests of politics or economics. In terms of governance, a key test will be how the world chooses to set up regimes for managing global public goods. As pointed out by Kaul et al, ‘whether – and how – global public goods are provided is what turns globalisation either into an opportunity or a threat.’<sup>47</sup> Just as the provision and maintenance of national public goods – and the state’s ability to create and allocate the use of these goods in a fair and transparent manner is a key governance test for state stability, global public goods and the manner in which they are created and managed can be a critical barometer of how well (or poorly) we are doing in terms of globalisation and global governance.

## Endnotes

<sup>1</sup> Gabriel Garcia-Marquez, Prologue to the *Diccionario Clave de Uso del Español Actual*, Ediciones SM, Madrid, January 2003, (unauthorised translation by the authors).

<sup>2</sup> As avowed by Ashok Khosla, one of the ‘major intellectual breakthroughs’ of the twentieth century came about in the late 1970s when The World Conservation Union- IUCN, working with the World Wildlife Fund (WWF) and the United Nations Environment Programme (UNEP) formulated the *World Conservation Strategy, Living Resource Conservation for Sustainable Development (1980)*. For the first time, *time and continuity* were provided as a conceptual feature to resolve the environment-development contention. See Thaddeus C. Trzyna, ed., (1995) *A Sustainable World*, IUCN.

<sup>3</sup> *Our Common Future*, the Report of the World Commission on Environment and Development, Oxford University Press (1987), made the concept popular and offered with it an equity-centric definition of development such that it is sustainable when it ‘meets the needs of the present without compromising the ability of future generations to meet their own needs.’ Integral to it, the Report also elaborated that ‘[it] includes two key components: The concept of needs, in particular the essential needs of the world’s poor; and the idea of limitations that are imposed by technology and society on the environment to meet those needs’ and further, that ‘Sustainable Development is best understood as a process of change’. For a synthetic analysis of the strength of the Report’s conceptual potential see for instance, Maryke Dessing, *The Social Clause and Sustainable Development*, ICTSD (2001). See also Adil Najam, Janice M. Poling, Naoyuki Yamagishi, Daniel G. Straub, Jillian Sarno, Sara M. DeRitter and Eonjeong M. Kim, ‘From Rio to Johannesburg: Progress and Prospects,’ *Environment* vol. 4 no. 7 (September 2002): 26-38; Martin Khor K. Peng, *The Future of North-South Relations: Conflict or Cooperation?* (Penang: Third World Network, 1992); Stanley P. Johnson, *The Earth Summit: The United Nations Conference on Environment and Development (UNCED)* (London: Graham & Trotman/Martinus Nijhoff, 1993)

<sup>4</sup> The hope that sustainable development would become a policy ‘implementation’ concept rather than just a conceptual construct is most evidently embodied in the text of Agenda 21, the key agreement coming out of the Rio process as a negotiated blueprint for the attainment of Sustainable Development. Agenda 21 imparts guidance on a broad number of economic, environmental and social policy areas, as well as on governance.

<sup>5</sup> Adil Najam suggested that ‘The notion of sustainable development was a conceptual device used to lure the developing countries, which had been quite apprehensive about the emerging environmental agenda at the 1972 Stockholm Conference, to the idea that environment would not be used as a reason to stall development in the South.’ See Najam, A. and C.J. Cleveland, (forthcoming). Energy and Sustainable Development at Global Environmental Summits: An Evolving Agenda, *International Journal of Environment and Sustainability*, 5(2), 2003. See also Edward Kufour, ‘G77: We Won’t Negotiate Away Our Sovereignty,’ *Third World Resurgence*, vol. 14-15 (1991): 17; South Centre, *Environment and Development: Towards a Common Strategy of the South in UNCED Negotiations and Beyond* (Geneva: South Centre, 1991); Tariq Banuri, *Noah’s Ark or Jesus’s Cross?* Working Paper WP/UNCED/1992/1, Islamabad, Pakistan: Sustainable Development Policy Institute (1992); Adil Najam, ‘An Environmental Negotiation Strategy for the South,’ *International Environmental Affairs* vol. 7 no. 3 (1995): 249-87.

<sup>6</sup> A great deal of work is being carried out on this essential aspect, however, experts moving forward the edge of current knowledge on measurement still feel unsatisfied with progress here. Quoting Vangelis Vitalis ‘Meaningful statistics continues to be a real problem [as is] linking robust data to policy relevant options, ie what do the stats tell [us] and what does this mean in terms of trade-offs?’ Personal communication, 21 October, 2003.

<sup>7</sup> Adil Najam, A. and C.J. Cleveland, (forthcoming), op.cit., 2003.

<sup>8</sup> Wolfgang H. Reinecke, Francis M. Deng et al, *Critical Choices: The United Nations, Networks and the Future of Global Governance*, (Ottawa: IDRC, 2000). See also, Steve Wadell, *Global Public Policy Networks: Emerging our Futures Together*, Global Public Policy Network Research Group, Case Conference presentation, Boston, 2002.

- <sup>9</sup> See United Nations Conference on Environment and Development, *Agenda 21* (United Nations, 1992)
- <sup>10</sup> Tariq Banuri and Adil Najam, *Civic Entrepreneurship: A Civil Society Perspective on Sustainable Development (Volume 1)*, (Islamabad: Gandhara Academy Press, 2002).
- <sup>11</sup> Banuri et al, 2002 *ibid*
- <sup>12</sup> Banuri et al, 2002 *op. cit.*
- <sup>13</sup> Tariq Banuri, Adil Najam and Erika Spanger Siegfried, 'Civic Entrepreneurship: In Search of Sustainable Development', *Sustainable Development Opinion* (London: IIED/RING, 2003)
- <sup>14</sup> The subsidiarity principle is intended to ensure that decisions are taken as closely as possible to the citizen and that constant checks are made as to whether action at regional or the global level is justified in the light of the possibilities available at national or local level. In the European Union, for example, it is the principle whereby the EU does not take action (except in the areas which fall within its exclusive competence) unless it is more effective than action taken at national, regional or local level.
- <sup>15</sup> See Adil Najam, 'The Unraveling of the Rio Bargain.' *Politics and the Life Sciences*, 22(1), 2002.
- <sup>16</sup> See Adil Najam, 'The Collective South in Multinational Environmental Politics.' In Stuart Nagel (ed.), *Policymaking and Prosperity: A Multinational Anthology*, (Lanham: Lexington Books)
- <sup>17</sup> This perception, although erroneous, might be supported by the classical economics argument that explains a correlation between environment and wealth in sequential terms, the so-called Kuznets curve. Accordingly, developing countries will need to fast generate income, and focus on income growth, before granting relevance to concerns for the environment. For a discussion on this dichotomy and how it affects the setting of policy priorities see, for instance, (1994) Edouard Dommen, *Développement durable: mots-déclis*. Discussion Papers, No. 80. UNCTAD, Geneva. See also Dasgupta, Susmita, Benoit Laplante, Hua Wong, and David Wheeler. Winter 2002. 'Confronting the Environmental Kuznets Curve.' *Journal of Economic Perspectives*, 16(1): 147-168; Bruce Yandle, Maya Vijayaraghavan, and Madhusudan Bhattacharai, *The Environmental Kuznets Curve*, PERC Research Studies, 2002 and Nordstrom, Hakan and Scott Vaughan, *Special Studies: Trade and Environment*. Geneva: World Trade Organisation, 1999.
- <sup>18</sup> See, for example, Wolfgang H. Reinecke, Francis M. Deng et al, *Critical Choices: The United Nations, Networks and the Future of Global Governance*, (Ottawa: IDRC, 2000) and Witte et al, *ibid*.
- <sup>19</sup> See, for example, John Clark (ed.), *Globalising Civic Engagement: Civil Society and Transnational Action*, (London: Earthscan, 2003); Jan Aart Scholte, *Civil Society and Democracy in Global Governance*, CSGR Working Paper No. 65/01, University of Warwick, January 2001; 'The Non-Governmental Order: Will NGOs Democratise, or Merely Disrupt, Global Governance?' *The Economist*, 9 December 1999; 'Non-Governmental Organisations', *The Economist*, 27 January 2000; Jan Martin Witte, Wolfgang H. Reinicke and Thorsten Benner, 'Beyond Multilateralism: Global Public Policy Networks', *International Politics and Society*, 2/2000
- <sup>20</sup> Celso Lafer, *Johannesburg and Beyond*, speech delivered at Yale University, 18 September 2002.
- <sup>21</sup> Fareed Zakaria clearly puts this into perspective, 'The U.S. economy is as large as the next three – Japan, Germany and Britain– put together. With 5 % of the world's population ...it accounts for 43% of the world's economic production, 40% of its high technology production and 50% of its research and development.' *Newsweek*, March 24, 2003.
- <sup>22</sup> See, for example, Gregory Shaffer, *WTO Shrimp-Turtle Case*, Washington: International Trade Reporter, Vol. 15, No. 7. p 294 – 30, 18 February 1998.
- <sup>23</sup> For a discussion on the issue of policy coherence and impact of developed country trade policies on development in developing countries see Vitalis Vangelis, *The Development Impact of Developed-World Policies on Developing Countries: The Case of Trade*, a technical paper for the Global Development Network Technical workshop on The Development of Developed-World Policies on Developing Countries, 16-17 January 2003, Cairo, Egypt.
- <sup>24</sup> For the broad debate on multilateralism affecting governance see for instance, Jens Martens, *The Future of Multilateralism after Monterrey and Johannesburg*, (Berlin: Friederic Ebert Stiftung, Berlin, October 2003).
- <sup>25</sup> See, for example, [http://www.unmillenniumproject.org/html/tforce\\_9.shtml](http://www.unmillenniumproject.org/html/tforce_9.shtml)
- <sup>26</sup> A great deal has been written on the nature of the FTAA and on how Sustainable Development has been embraced in various forms, through its proposed Preamble and through the parallel summit on Sustainable Development in Santa Cruz in 1996, primarily. There is still, however, an immense distance between the political integrative rhetoric and the negotiations which remain highly limited in its incorporation of the broader issues. The next stop here is in Miami in November next, when the future of the FTAA project will be determined.
- <sup>27</sup> For a discussion on the origins, effects and validity of the notion see for instance, Chandrakant Patel, *Single Undertaking: A Straightjacket or Variable Geometry?* (Geneva: South Centre, May 2003).
- <sup>28</sup> For a discussion on special and differential treatment and the challenges of incorporating sustainable development into it, see Ricardo Melendez-Ortiz and Ali Dehlavi, *Sustainable Development and Environmental Policy Objectives: A Case for Updating Special and Differential Treatment in the WTO* (UNU/IAS and ICTSD, September 1998) and Werner Corrales Leal, David Primack and Mahesh Sugathan, *Spaces for Development Policy: Revisiting Special and Differential Treatment*, (Geneva: ICTSD, 2003)
- <sup>29</sup> See, Parikh, J, Babu, P.G., Kumar, K.S.K., Climate Change, North-South Co-operation and Collective Decision-Making Post Rio. *Journal of International Development*, 9(3): 403-413, 1997; Sagar, A. and Kandlikar, M., Knowledge, Rhetoric and Power: International Politics of Climate Change, in *Economic and Political Weekly*, December 6, p. 3140, 1997; Agarwala, S., Context and Early Origins of the Intergovernmental Panel on Climate

Change, *Climatic Change*, 39(4): 605-62098, 1998; Najam, A. and Page, T., The Climate Convention: Deciphering the Kyoto Protocol. *Environmental Conservation*, 25(3): 187-194, 1998; Jamieson, D., 'Climate Change and Global Environmental Justice.' in P. Edwards and C. Miller (eds.), *Changing the Atmosphere: Expert Knowledge and Global Environmental Governance*, (Cambridge: MIT Press, 2001); Najam, A., Huq, S., and Sokona, Y., (forthcoming) Moving Beyond Kyoto: Developing Countries, Climate Change and Sustainable Development, *Climate Policy*; 2003; Cohen, S., J. Demeritt, J. Robinson and D. Rothman, Climate Change and Sustainable Development: Towards Dialogue, *Global Environmental Change*, 8(4), 341-371, 1998; Rayner, S. and Malone, E. (Editors), *Human Choice and Climate Change*. (Columbus, OH: Battelle Press, 1998); Banuri, T., and Gupta, S., *The Clean Development Mechanism and Sustainable Development: An Economic Analysis*, (Manila: Asian Development Bank, 2000); Munasinghe, M., 'Development, Equity and Sustainability in the Context of Climate Change' in M. Munasingha and R. Swart (Eds.) *Climate Change and its Linkages with Development, Equity, and Sustainability: Proceedings of the IPCC Expert Meeting on Development, Equity and Sustainability, Colombo, Sri Lanka 27-29 April*. Pages 13-66. (Geneva: IPCC and World Meteorological Organisation, 2000)

<sup>30</sup> Najam, A., The Case for a Law of the Atmosphere. *Atmospheric Environment*, 34(23): 4047-4049, 2000; W. Moomaw, K. Ramakrishna, K. Gallagher and T. Freid, 'The Kyoto Protocol: A Blueprint for Sustainable Development,' *The Journal of Environment and Development* 8(1):82-90, 1999.

<sup>31</sup> See, for example, Najam, A. and Sagar, A., Avoiding a COP-out: Moving Towards Systematic Decision-Making Under the Climate Convention. *Climatic Change*. 39(4), 1998; Sagar, A. and Banuri, T., In Fairness to Current Generations: Lost Voices in the Climate Debate. *Energy Policy*, 27(9): 509-514, 1999; Shukla, P.R., Justice, Equity and Efficiency in Climate Change: A Developing Country Perspective, in *Fairness Concerns in Climate Change* edited by F. Toth. London: Earthscan Publications, 1999; Munasinghe, M., (2000), *op.cit.*; Beg, N., Marlot, J.C., Davidson, O., Afrane-Okesse, Y., Tyani, L., Denton, F., Sokona, Y., Thomas, J.P., la Rivere, E.L., Parikh, J.K., and Rahman, A.A., Linkages between Climate Change and Sustainable Development, *Climate Policy* 2(2-3): 129-144, 2002; Ravindranath, N.H. and Sathaye, J.A., *Climate Change and Developing Countries*, (Dordrecht: Kluwer Academic Publishers, 2002).

<sup>32</sup> Please see Banuri, T., Weyant, J., Akumu, G., Najam, A., Roas, L.P., Rayner, S., Sachs, W., Sharma, R., and Yohe, G., 'Setting the Stage: Climate Change and Sustainable Development', in *Climate Change 2001: Mitigation* (Third Assessment Report of the Intergovernmental Panel on Climate Change, IPCC). Pages 73-114. (London: Cambridge University Press, 2001). Please also see Smit, B., Pilifosova, O., Burton, I., Challenger, B., Huq, S., Klein, R.J.T., and Yohe, G., Adaptation to Climate Change in the Context of Sustainable Development and Equity in: *Climate Change 2000, op.cit.*; Watson, R. (Ed.), *Climate Change 2001: Synthesis Report*, (Cambridge: Cambridge University Press, 2001).

<sup>33</sup> In explaining the original diagram, the TAR points out that 'there is no presumption that any particular framework for analysis is most important at any level... In practice, the literature has expanded to add new issues and has subsumed rather than discarded the analyses of the initial issues. With each assessment, the IPCC has added to the necessary tool set without alleviating the need for the tools developed in the earlier assessments' (Banuri et al., 2001: 78).

<sup>34</sup> See, for example, Cohen et al, *op. cit*, 1998.; Banuri et al., 2001, *op.cit.*; Smit et al., 2001, *op.cit.*; Munasinghe, 2000 *op.cit.* 2000; Robinson, J., and Herbert, D., 'Integrating Climate Change and Sustainable Development', *International Journal of Global Environmental Issues* 1(2): 130-148, 2001.

<sup>35</sup> Of course, some are likely to continue resisting a deep integration of sustainable development concerns out of the fear that such a broadening of the agenda could dilute or distract attention from narrower and more precise climate concerns. Such reasoning is flawed mostly because it views the relationship between sustainable development and climate policy to be a zero sum game; where the importance invested in one can only come at the expense of the focus on the other. As is amply demonstrated by the other papers in this special issue, the relationship tends to be complimentary – even synergistic – rather than competitive.

<sup>36</sup> Lélé, S.M. (1991) Sustainable Development: A Critical Review, *World Development*, 19(6): 607-21; Munasinghe, M., *Environmental Economics and Sustainable Development*, (originally presented at the United Nations Conference on Environment and Development, Rio de Janeiro, Brazil), World Bank, Washington, D.C., 1992; Munasinghe 2002, *op.cit.*; Banuri, T., Hyden, G., Juma, C., and Rivera, M., *Sustainable human development: From concept to operation*, United Nations Development Programme, New York 1994; Opschoor, J., *Environment, Economics and Sustainable Development*. Groningen, The Netherlands, 1992; and Najam, A. and Cleveland, C.J., 2003, *op.cit.*

<sup>37</sup> The two regimes are at different stages of life. The WTO is going through the last year of its first decade of implementation – even if unfinished as a real integration instrument, while the Climate Change Convention has not seen significant implementation yet. Still, both can be characterised as emerging regimes. And coherence between them is still to be resolved, as they would pull countries into opposing policy directions or call for the use of mutually conflicting policy tools. See Joy Aeree Kim, 'Institutions in Conflict? The Climate Change Flexibility Mechanisms and the Multinational Trading System', *Global Environmental Change Part A* 11(3) (2001) pp. 251-255. In the past two years, similarities have occurred with respect to the slow down of their development, at their Ministerial Conferences in Kyoto, Doha, Cancun and Milan. For a synthesis of the state of play in negotiations in both regimes, see *BRIDGES Monthly Review* - <http://www.ictsd.org/monthly/bridges/BRIDGES7-8.pdf> , *BRIDGES Weekly Digest* at <http://www.ictsd.org/weekly/index.htm> and *Doha Round Briefing Series* at

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<http://www.ictsd.org/pubs/dohabriefings/index.htm>. See also the coverage of Ninth Conference of the Parties to the UN Framework Convention on Climate Change by Earth Negotiation Bulletin at <http://www.iisd.ca/climate/cop9/>

<sup>38</sup> In the sense given to the concept of globalisation by Prof. Herman Daly in, for instance, in *Globalisation Versus Internationalisation – Some Implications*, ISEE Conference, Santiago, November 1998.

<sup>39</sup> See for example, Nancy Birdsall and David Roodman, *The Commitment to Development Index: A Scorecard of Rich-Country Policies*, (Washington DC: Center for Global Development, 2003) and Tariq Banuri, Erika Spanger-Seigfried, and Nancy Odeh, *European Union's Development Policy* (London: IIED and RING, 2003)

<sup>40</sup> United Nations Development Programme, *Human Development Report 2003*, Chapter 12, (New York: UNDP, 2003)

<sup>41</sup> Adil Najam, 'Financing Sustainable Development: Crises of Legitimacy.' *Progress in Development Studies*, 2(2): 153-160, 2002.

<sup>42</sup> Barry James, 'Challenges of Development – Summit Aims, Again, for a Better World', *International Herald Tribune*, 8 August 2002

<sup>43</sup> Roger Blitz, 'San Francisco Leads in Knowledge Economy Index,' *The Financial Times*, 14 October 2003

<sup>44</sup> United Nations Development Programme, *Capacity Development Resource Book*, Technical Advisory Paper 2, (New York: UNDP, 1997)

<sup>45</sup> Presentation by Craig VanGrasstek at the Cancun Trade and Development Symposium, Cancun, 12 September 2003

<sup>46</sup> Hetty Kovach, Caroline Neligan, and Simon Burrall, *Global Accountability Report 1: Power without Accountability*, (UK: One World Trust, 2002-2003). Also see Adil Najam, 2002. 'Financing Sustainable Development: Crises of Legitimacy', *op.cit.*

<sup>47</sup> Inge Kaul, Pedro Conceicao, Katell Le Goulven, and Ronald U. Mendoza, 'Why do Global Public Goods Matter Today?' in Inge Kaul, Pedro Conceicao, Katell Le Goulven, and Ronald U. Mendoza, *Providing Global Public Goods: Managing Globalisation*, (Oxford University Press for the United Nations Development Programme, 2003), p. 1-2.