Rutgers University

From the SelectedWorks of Dr. Kyle S. Herman

Winter 2015

Working Paper

Kyle S Herman, Rutgers University - Newark

Available at: https://works.bepress.com/kyle_herman/18/
Introduction
The period from the end of the Cold War until Rio’s Earth Summit in 1992 marked a pivotal time in Global Environmental Politics (GEP) and Policymaking. The disintegration of the Soviet bloc, which revealed some very destructive environmental cases in Soviet countries, clearly proved market-based economies were more effective in managing the natural environment. Many USSR countries maintained highly polluting and outdated facilities. Meanwhile Western capitalist and so-called welfare states had a far better track record in the environment.

This was a double win for capitalism and western democratic/capitalistic values. The cornerstone of Western capitalism rests on open markets, liberal institutions, free thinking, in addition to the free movement of capital and people. These features make up what is commonly referred to as the neoliberal world order. Non-governmental Organizations (NGOs) flourished under this new system because as governments around the world relinquished their grip on their respective societies, a power void opened up, or “gaps between negotiation and implementation” (O’Neill, Chapter 7: ibid 183). The pervasive NGO movement was bolstered by the fall of the Soviet Bloc as Eastern European countries were now able to advocate for environmental stewardship within their borders. The Rio Earth Summit was followed by the Conference of Parties schemata (COP 1 in 1995 until COP 21 Paris 2015), which were evermore tending towards segregation among developed and developing countries, particularly accentuated by the central focus on economics.

In this paper I trace the development of global environmental politics (GEP) over the past two decades within the context of the UNFCCC process from Rio 1992 until about Rio 2012. The UNFCCC process is by no means representative of the entire GEP field, but it does offer glimpses into the political processes embedded in global environmental policy-making and implementation. The GEP processes are embodied within a larger economic frame, mainly because the neoliberal thinking over the past several decades has dictated this, but for other reasons discussed in more detail below. The paper is structured in the following way: the next section (2) discusses GEP from about 1990 with emphasis on the fall of communism and the rise of global capitalism. It then introduces critical theory approaches and identifies some weaknesses in these methods. The third section begins to expand on the macroeconomic offshoots of GEP; it also looks at the micro level, including the ramifications of citizens playing an increasingly more important role in GEP. The fourth section offers ways forward and the fifth section offers some conclusions.

2 From Humble Beginnings to Global Outgrowths
From 1992 onwards GEP were largely developed within a liberal-economic frame, due in large part to the UNFCCC and correlative COPs on the heals of US hegemonic expansion. It is within this context that global environmental policy must be understood: global environmental politics, in its most modern incarnation, is almost entirely a product of the neoliberal world order which was itself primarily a product of the end of the Cold War. As such, market-orientated policies, or what is referred to as the “liberal environmentalism” (Bernstein, 2005), began to dictate the modes and processes embedded within global environmental agreements from Rio 1992 onwards: “Principle 12 of the Rio Declaration in essence ended up declaring that free trade will automatically lead to sustainable development. Advocates for a stronger recognition of environmental objectives and the need for trade rules to support
them never had a chance” (Clémençon, 2012: 8). And, furthermore: Original framers of sustainable development were sensitive to the need to combine ecological sustainability with Southern concerns over economic growth […] but they failed to anticipate how forces of global economic integration, the hegemony of neoliberal economic orthodoxy, and the failures of aid-driven development policy would militate against global multilateral management and interventionist policies. [Such failures were due to] underlying structural changes associated with globalization, wherein the strength of norms that reinforce the global market have become a powerful legitimating force in their own right, even if their sustainability is questionable.” (Bernstein 2005: 146).

In other words, sustainable development began in the early 1990s with the dual purpose to clean up the environment while simultaneously eradicating poverty, but over time the co-dependence became increasingly stronger. The present institutional environment fully embraces market forces for both sustainable development issues, economic posturing, and poverty eradication (IEA: COM 2014/4: p. 6). This market-orientated system is seen by some as a dangerous position which can never lead to safeguarding the environment since at the heart of economics is the allocation of scarce resources.

2.1 Opposition to Economics before Environment

The stark opposition to the economic frame is evident in critical thinkers (Clapp 2010; Clapp and Dauvergne 2005; Stevis 2005) attempting to counterbalance the remarkably resilient power of liberal economic institutions. But these critical thinkers may go slightly too far in asserting their dissatisfaction with economics and economic thinkers and in doing so often misrepresent the predominant economic thinking of the present. It is true that neoclassical economists argued free trade increases the wealth of all involved—in fact this represents a large part of Adam Smith's treatise in The Wealth of Nations. Yet these economic theories do not come into play in the neoliberal GEP.

For example, Clapp (2010) adamantly opposes the neoclassical viewpoints considered at odds with global environmental policies. This reasoning is buttressed by the idea global trade inexorably leads to environmental destruction. Yet, in the first instance, Clapp fails to delineate between corporations, private or publicly traded, and between institutional or private investors. Today, many corporations are owned by public entities (such as public pension funds), public-private-partnerships allow government and private enterprises to co-own and co-manage companies, while institutional investors are far removed from the results of their investments. Perhaps institutional investors, or those on Wall Street, are the actors most easily fitting into the neoclassical frame; these investors mostly manage money and usually seek high returns. However, the other types of investments and portfolios are forward-looking and concerned with modest returns over the long term. The misunderstanding of economics by critical thinkers lies in their broad definition of economic actors.

Secondly, Clapp puts entirely too much emphasis on the desire of corporations and businesses to earn financial profits; it is well known and supported in business literature that the most successful corporations take a long-term approach to advancing their respective companies, an approach nearly impossible for most governments to take due to re-elections. This long-term approach is inherently dependent on reputation which, considering a more vocal and open society, can quickly erode a company if it commits blatant environmental destructions.

Lastly, Clapp claims economists support free trade for purely economic reasons. Yet most modern economists see trade as mutually beneficial not simply because of economic gain, but by the gain from increased capture of global knowledge flows (Patel and Pavitt 2000). Therefore the claim that a wealthier economy will demand a cleaner environment is shortsighted. Instead of neoclassical economic thinking becoming more pervasive in GEP, we are witnessing the expansion of neoliberal and
trade economists. Trade theorists are tending evermore towards managerial and innovative economics due in large part to incredible increases in technological capacities throughout the world over the past two decades (Cantwell and Vertova, 2004). Such innovations in products around the world have far-reaching implications for consumption patterns (Doris Fuchs and Frederike Boll, 2010). However, critical thinkers continue to imbue GEP with insight into the degree of legitimacy achieved global environmental policies strictly constructed within a market-based framework.

2.2 Legitimacy and Capacity?

One of the primary outcomes of the focus on economy before environment is legitimacy of environmental institutions and policies. Since Rio 1992 and even more so recently, liberal markets have began to slightly erode legitimacy surrounding GEP.

If there is indeed some resilience to the idea that global liberal markets need to be embedded in societal purposes […] then the legitimating normative foundation of environmental governance is fragile unless more substantial inroads can be made in economic institutions […] (Bernstein, 2005: 164)

What is remarkable is the still overlooked subject of institutional capacity of the state within GEP, by critical thinkers and liberal-market theorists. Without institutional capacity environmental policies, at least in the global sense and as stand alone policies without connection to economic policies, are certainly doomed. “State capacity and capacity building remain peripheral to research in global environmental politics” (Dabelko et al., 2001: 21). The fact that global environmental policies cannot really make strong inroads without institutional capacity is severely overlooked by critical thinkers; furthermore, the opposition to economy even further distances the potential success of GEP because very often economic institutions provide the institutional capacity desperately needed by global environmental regimes. This is most evident in the relative success in steering global environmental policy seen in the changes to World Bank protocol after civil society actors “succeeded in altering Bank behavior only after their demands were channeled through donor governments and the Bank's executive board” (Nielson, 2003: 255)

3 Macro-Economics shows how no hands are clean in the Global System

Macro-economics and global trends in trade reveal no country's hands are clean in the global economic or environmental system. Even North Korea received $24 million of US goods in 2014 alone. Furthermore products and processes to design, build, and deliver modern products are increasingly more integrated. Apple's iPhone parts come from companies in Japan, South Korea, Taiwan, Holland, China, France, Italy, Congo and Mongolia (rare-earth materials, pre-microchip level). Who is responsible for the environmental degradation associated with the iPhone? The consumer, Apple, the US, or each multinational corporation that delivers the one of over hundreds of parts? It's nearly impossible to reach an equitable conclusion for this question.

The global economy is therefore the link between all countries throughout the world. For that matter, it is also the easiest way to engage different, often highly disparate, countries and actors (xxxx non-state and environmental actors: 189). For example nuclear negotiations with Iran, seen by many on the US right as a terrorist state, show business interests and economic ties form common ground. US corporations are lining up at Iran's border to exploit its energy and natural resources(IPE and ENV xxx 155).

It's fair to say multinational corporations (MNCs or TNCs) compose a large part of the global
economic system and also contribute to a large part of environmental destruction globally. Yet without a market to deliver or sell their products MNCs cannot cause environmental destruction. Consumers are just as, if not more responsible for the environmental destruction wrought by MNCs (Yasuaki 71). Developing countries are not free from this global supply chain: over half the world's adult population currently owns a cellphone (Economist: February 2015).

Similarly, within so-called developing countries live some of the wealthiest individuals in the world. Brazil boasts the largest economic divide between rich and poor in the world. The richest man in the world in 2014 was from Mexico (Carlos Slim). Are not the companies these individuals control equally responsible for environmental devastation? While environmental degradation is border-less it is also increasingly more class-neutral, in the sense that it affects and is caused by rich and poor alike (though the latter certainly use less resources, without proper state institutions they are often forced to mismanage resources within their immediate surroundings for survival). Trans-border atmospheric pollution surely affects nearly all citizens around the globe.

3.1 Disillusioned Distinction between “Developed and Developing”: Does the Term apply to economy, environment or institutional capacity?

A liberal market economy is entirely contingent upon a functional judicial system, basic infrastructure, a banking sector and access to finance, and a liberalized trade system. One of the most negative ramifications of global economics lies in its oversimplification of a country's development status, ignoring the fact that the ingredients for a liberal market are simply not present. In other words economic terms largely based on gross domestic product (GDP) and other related statistics, even though easily interpretable by many actors throughout the world, paint a falsified picture of realities on the ground. The notion of developed versus developing countries was borne out of liberal economic norms, and thus is responsible for promulgating the ongoing division among developed/developing countries within the GEP nexus. For this reason, if critical thinkers desire to distance their theories from economics they should correlatively distance their own theories from the notion of developed versus developing countries.

As far as it relates to GEP, GDP and other related economic indicators are entirely insufficient for understanding the capacity of a country to implement environmental policies or partake in the global environmental-political process. The missing indicator is institutional capacity, without which GEP are largely impossible. If the primacy of economy before environment is responsible for only one thing it must be for wrongly assuming all countries throughout the world have strong institutional capacities, if they have any capacity at all. “The implicit assumption that all states are capable effectively ignores comparativist insights on strong and weak states and quasi-sovereign one” (VanDeveer and Geoffrey D. Dabelko, 2001: 20). In fact even some of the wealthiest nations have very weak institutional capacities, especially environmental institutional capacities (Saudi Arabia, Qatar, UAE). Meanwhile, some so-called developing countries have very high institutional capacity including Costa Rica and Uruguay.

3.2 The Globalized Citizen
Due to the fact that the global economy is now immensely interconnected, it's mostly futile to think the economy cannot come before environment. For the most part, governments around the world are in the business of improving their economies first and worrying about their environments and natural resources second, though this trend is undergoing changes. This reflects the demands of citizens. As such governments must “find out which of the international regulatory regimes they have joined
actually yield returns on their investments and where progress has been minute” (Helm and Sprinz 2000: 631). Interestingly, the majority of citizens think within the same context, until the point whereby their local environments are facing immediate destruction (Fuchs and Boll, 2010). This does not imply the economy is more important, it just means the global environmental apparatus cannot be driven without a proper axle—in fact the fuel for the car of course is the environment.

Very quickly the cumulative effects of environmental destruction become overwhelming. This is true for citizens and policy-makers, business leaders and global institutions. These multi-pronged destructive courses beg for simplification, and economic statistics often offer this. Markets thus create more legitimacy. Outputs of economy are easily measurable. The language of economics is spoken in a similar dialect throughout the world, due in some part to a majority of global leaders’ educations come from Harvard or Chicago.

4 The Way Forward: PPPs?

Outputs of environment, even if measurable, are very difficult to situate within time and place (consider air pollution or nuclear waste). Going forward, those on the far left must understand the realities and seek to build coalitions with others in the center or the right. One very important shared characteristic of economy and environment is their mutual dependence on the participation of the majority for maintaining their effective operation. State and non-state actors, corporations and non-profits, are needed to manage the global environment and the global economy. “Limited resources are likely to be important triggers of agency interest to attract non-state partners for environmental governance—an arena where intergovernmental funding seems perpetually under-supplied” (Andonova 2010: 31).

The way forward, therefore, is to build triads (iron triangle ENV and INT relations 174) capable of mutually supporting each other and able to convey the proper information to all actors effectively. This will inevitably increase capacity, legitimacy, and clarity. The 21st century GEP will play out in “the processes of alliance building and innovation itself […] suggesting a need for professionals who are able to bridge across to more dynamic domains of corporate-civil society alliances, open-source movements, and development groups working in diverse contexts around the world” (Ely et al., 2013: 13). These new regimes might be reinforced by public-private-partnerships (PPPs) which often more effectively “improve the correspondence between the ‘rulers’ and the ‘ruled’ […] They contribute to the emergence of a transnational demos” (Risse and Boerzel 2002: 16). Transnational PPPs can also help guide governance services (ibid: 5).

“The challenges of regulating corporate activity worldwide have grown more complex at a time when the will and capacity of states to engage in such regulation has waned” (O’Neill, Chapter 7: 170).

5 Conclusion:

It's not wealth that protects the environment, but open political processes whereby stronger civil society participation is allowed. In tandem lie strong institutions built on pillars of open economies and political processes. This line of reasoning identifies closed and corrupt political systems of respective countries are the the primary impediments to more NGO and civil society participation in environmental politics. This in turn disallows the safeguarding of the environment by a variety of actors, both elected and unelected, seeking economic benefits or lasting environmental improvements. Therefore it's not really wealth, and wealthy economies which are finding more environmental policy success, but open and transparent public institutions which enjoy more widespread legitimacy and higher capacity for enforcement mechanisms. These fundamental institutions will mutually benefit the environment and the economy. Support for this argument lies in Denmark which, during the 1970s were
confronted by a poor economy and rapidly rising oil import prices. Yet throughout the 1970s and 1980s, Danish NGOs were powerful voices in steering their political institutions towards ever stronger environmental policies, eventually resulting in a rapid turnaround in their economy, precipitated in part to logical and stringent environmental policies.

Bibliography

Andonova, Liliana. “Public-Private Partnerships for the Earth Politics and Patterns of Hybrid Authority in the Multilateral System” Global Environmental Politics, Volume 10, Number 2, May 2010, pp. 25-53 (Article) Published by The MIT Press

Bernstein, Steven. “Legitimacy in Global Environmental Governance.” Journal of International law and International Relations. 2005


Stacy D. VanDeveer and Geoffrey D. Dabelko “It’s Capacity, Stupid: International Assistance and National Implementation” *Global Environmental Politics* 1:2, May 2001: MIT