Information Society, Globalisation and Sustainable Development: Impacts on the Environment

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1. Background

The following document reflects a background in civil society and consulting with governments and industry. In particular, it reflects the state of debate in the Information Society Forum of the European Union and its Global Society Dialogue on the issue of sustainability and global governance.

2. What is sustainability?

Concerning sustainability, the following position is taken. Sustainability would reflect the state of human affairs on the globe, in which value creation is done only by using as input the “interest” of nature and social systems, but never the “capital” itself. The idea is to preserve or increase capital and not to use it and only to do value creation under this constraint of keeping capital intact with sustainability, that is not to have any growth that essentially consists in burning capital for short-term cash.

3. Are we sustainable?

The answer, is no, we are not sustainable. This world is not on a sustainable track. Europe is also not on a sustainable track. We do not have today a reasonable framework and corresponding economic incentives that would direct our activities into a sustainable direction. Within the globalisation process, we witness in fact the inverse process. It is no longer possible to build or keep intact frameworks of that nature on a country level or even a continent level. Therefore the global frameworks are becoming the really important issue for sustainability. The global framework today has a major anchor the WTO system. However, the WTO system is essentially a free-trade order regime, it does not reflect social, cultural and ecological aspects at all. For that reason, as long as we want to stay competitive in Europe, there is no chance

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for sustainability, neither for us nor the world, because the global economic systems honours a non-sustainable made of operation, not a sustainable one. Whatever we tell in politics the truth is: we are not on a sustainable track.

4. The need for a double strategy

Given the economic pressures of competition on a world-market scale and knowing that we are not sustainable, we need an adequate strategy for Europe. What does not work, is to adopt to global pressures, then call this „intelligent modernisation“ and not tell the public that this is not sustainable at all. A better route, which we propose for European politics, means to learn from NATO’s double strategy 20 years ago with the SS20-missiles programme of the Soviet Union. The point would be to tell the public that we do wrong, but also explain why, that this failure has to do with global pressures and particular decisions made by the United States. Take for instance the greencard as an example. We could have a debate about global order systems that would change the picture for the greencard, while we implement a greencard ourselves. The idea would be, that many countries pay investments into education by countries such as India, if they take educated people from those countries. We could declare our willingness for global contracts of that nature under the condition that the US also joins, because otherwise we would get problems with competition.

5. Do we have a common understanding on this globe on the challenges lying ahead of us?

Unfortunately, not. Though there might be an agreement that we overstress nature already today. Also, we all know, that it is the richest fifth of humankind that creates four fifths of all the problems and pollutions, and that we do that with the cleanest technology available. Still, we do not have a common understanding of where the problems are. In particular, the US, as well as technology-driven people all around the globe hope, that with new technologies, with a factor-10 increase in resource productivity, eventually all the problems on the globe might be solved. However, it is an insightful European position that this point of view is not correct. The problem here is the so-called „rebound effect“.

Historically, we have always seen that good technical solutions for solving a problem usually do this by creating an even bigger new problem. On the globe today, the main problem is that we are not sufficiently socially balanced. Europe has been and still is an example of what a reasonable social system could be. But, on the global level, we have a much higher degree of asymmetry then in Europe. This is true for the US or even more for the globe in total. What we really need are better frameworks for the world economy. I mean, not only frameworks of the economy that deal with antitrust questions and questions of ownership rights, but we also need
frameworks that deal with social, cultural and ecological aspects. Essentially it is those frameworks by which social, cultural and ecological sustainability will be established or not. Frameworks include rules, incentives and, in particular, co-financing. Certainly the essential issue for sustainability is co-financing, particularly in the social field. This means taxes, money redistribution and so on. One has to take the money where it comes in fountains and put it where there is only very little to get a socially balanced situation. In such a socially balanced situation there is a reasonable chance that world population pressures may finally be dissolved, and there is also a reasonable chance that we can do contracts for the protection of the environment. This is not possible under democratic rule, as long as people are dying in the streets. Because under democratic rule, caring for those people, which does not happen, is even more necessary than protecting animals and trees.

6. The European Union as an example

If we ask which kind of solutions are needed on this globe, the European Union and its enlargement processes are an enlightening example. It is really instructive to contrast this with the situation in NAFTA. In NAFTA, we have a free market but no social dimension via co-financing. In a sense, there is no bridging of the gap, therefore there will always remain a border - in social terms. In a deeper sense it means that people in general will not gain. It is a process of undermining social structures in the US and of exploitation and divides in Mexico. Completely different is the European picture. Whenever we enlarge in Europe, we understand that the issue is to motivate the newcoming countries to higher standards. That is an advantage for the old European nations in the sense that there is less pressure from what they used to call social dumping. However, seen from the point of view of the newcomers, this kind of social dumping is no dumping, it is their opportunity to have a relative advantage in competition in a situation where they have enough disadvantages anyhow. Therefore, insisting on higher standards is usually a way of disowning the weaker partner, except if this is done within a framework of co-financing. The European enlargement process is a contract between equal partners about the speed of convergence of standards relative to the degree of co-financing. The more co-financing, the higher speed of convergence. The less co-financing, the longer the transition periods. In any case, it is this dimension of co-financing of development and the money flow from the richer parts to the not so rich parts that makes Europe a real union and gives this process the quality of approaching a European citizenship. Certainly, under globalisation conditions that is what is needed in an extended form all around the globe, eventually leading to a world citizenship with fair rights and duties.
7. Co-financing on a global level

Given what was said, the critical question for sustainability is the global order system. This is broadly known to the interested public since the failure of the opening of the Millennium Round of the WTO in Seattle last year. The crucial issue today is how to develop the WTO further. In a sense, the WTO is today our best approximation to something like a world economic system. It is the most important global order we have at present and a major instrument of global governance, though not tuned completely right. With its own jurisdiction and financial sanctions, it is also a kind of substitute for a global government. The issue now is to make this WTO regime compatible with other regimes that we, in an isolated fashion, have created globally, in particular ILO, UNESCO and the GEA (global environmental agreements) for aspects of social fairness, labour rights, child protection issues and the global environment. In all those cases, today a real compatibility does not exist. Given the WTO power in case of conflict, the economic system and that is the free-order logic of the WTO, usually wins against any social, cultural or ecological concern. We have to make all these dimensions consistent within one system of global governance. We have to do this in a global contract. Here, the door opener for consensus, in particular consensus for the convergence of standards on a high level, can only be the co-financing scheme. Maybe we need something like 3 percent of global gross national product to be redistributed worldwide for achieving sustainability. Opportunities here would be a Tobin-type tax on global financial transactions or taxing kerosine of plane mobility and channelling this money into global development. Of course, money flow has always to be correlated to the implementation of standards.

8. Working on three pillars

The programme described is tough, but it is in the best interest of all players involved. Insightful selfishness if not global ethos should be the driving force. To get there, we need a dense interaction of co-regulation between the three major agencies today working in the field of global governance. This is, of course, the governments with their international agreements, the industry, with its codes of conducts, its accounting and reporting systems etc. and, finally, the world civil society, in particular the non-governmental organisations. These three groups are heavily supported by science, the legal systems and the juridical systems. Of course, there is a very delicate relationship also with consumers, consumers’ behaviour and consumers’ protection. Certainly, all that was said has to be seen in a framework of subsidiarity, that means issues have to be addressed at the respective stakeholder levels, be they global, continental, national, regional or local.
9. Connection with the Kyoto contract

Certainly, the Kyoto contract gives us a case study about the topics at hand. This contract is so important because here we talk about global resources (e.g. the right to create greenhouse gases) that are extremely heavily used and exploited by the richest countries of the world. This exploitation is part of our wealth creation processes. We use those resources to such an extent that we are eating up today future chances of progress of the poorer countries in development. We urgently need steps to a solution by which the global increase in greenhouse gases is stopped or at least regulated. We know that any perspective for reasonable measures is for 2012 the earliest. At the moment, we are doing some preparatory steps between the most developed countries.

One essential question here is, where we do invest the financial resources we are willing to implement for solving this problem? There is a tough debate on whether at least 50 percent should be domestic implementation or not. The US, who is most reluctant in all those issues, insists on global implementation and from an economic point of view, they are absolutely right. The Europeans, who are much more prone to the issue, argue differently. They follow a misled ethical argument, by which they have to do their homework domestically. For a number of reasons that does not make sense. The solution must be a global implementation and any such global implementation has domestic consequences, of course. For instance, any global trading of permission rights makes it necessary to generate domestically the money for those rights. The generation of such a money flow could and should be done via national eco taxes. That gives the pressure on the own society to adapt. And whether then things are done globally or nationally will be decided by the economic system and questions of efficiency, not by politics. Certainly, any such eco tax scheme would reasonably be done in a way that forces innovation into a direction by which we get rid of the present high level of pollution relative to our industrial production (dematerialisation, eco–efficiency increase).