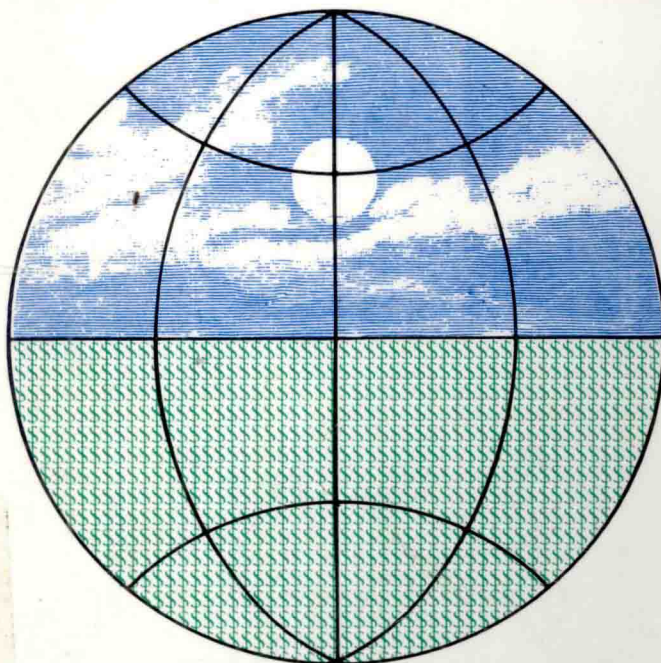


Jim MacNeill

Pieter Winsemius

Taizo Yakushiji

BEYOND INTERDEPENDENCE



THE MESHING OF THE WORLD'S ECONOMY AND THE EARTH'S ECOLOGY

Beyond Interdependence



*The Meshing of the World's Economy
and the Earth's Ecology*

Jim MacNeill
Pieter Winsemius
Taizo Yakushiji

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Beyond Interdependence

Foreword



A prominent theme in reports to the Trilateral Commission, as articulated in one of our very first reports in 1974, has been that “growing interdependence and the inadequacy of present forms of cooperation are the principal features of the contemporary international order.” Growing economic interdependence is what most of us have had primarily in mind in such reports and discussions. In this report, Jim MacNeill, Pieter Winsemius, and Taizo Yakushiji ask us all to go “beyond interdependence” in this too narrow economic sense, and to recognize the “meshing of the world’s economy and the earth’s ecology.”

In part this is a physical point. As MacNeill and his coauthors vividly demonstrate, human activities have become so huge that in many instances they are of the same scale as fundamental natural processes. Critical global thresholds are being approached, and perhaps passed. And yet this is not the old argument of *Limits to Growth*—a document that the first director of the Trilateral Commission, Zbigniew Brzezinski, once termed a “pessimist manifesto.” The authors instead stress the “growth of limits” through focused and urgent human efforts. Given the “growth imperative” evident in the material poverty of much of humankind, the only reasonable alternative is “sustainable development”—a concept that Jim MacNeill did so much to advance as Secretary General of the World Commission on Environment and Development (Brundtland Commission) in its landmark 1987 report *Our Common Future*.

The main theme of this Trilateral report is not the physical point, however, but rather the structural and policy point. These issues are

rightly moving on to the central policy agenda. The preparation of this report to the Trilateral Commission—our first report focused so fully on these issues—is itself a reflection of this increasingly felt need for a new synthesis as we all seek to articulate central international policy needs.

MacNeill, Winsemius, and Yakushiji make clear, as have so many reports to the Trilateral Commission, the global setting in which the principal democratic industrialized countries function. One of a number of fruitful concepts developed in this report is that of the “shadow ecologies” of Trilateral countries. Economic activities centered in the European Communities, North America, and Japan cast an “ecological shadow” that is worldwide, and we need to think in such worldwide terms when we evaluate our own environmental performance. A companion point is the argument of MacNeill and his coauthors that these issues provide “growing political leverage” for developing countries:

The active participation of developing countries is essential to the success of several . . . negotiations now underway, including those on climate change. As in the case of CFCs and ozone depletion, any reductions in fossil fuel emissions by industrialized nations could soon be wiped out by increases in a few developing nations. China alone, with one of the largest reserves of coal in the world, plans 200 new coal-fired power stations in the medium term future. With this kind of negative power, countries do not need to be rich and militarily strong to influence the behavior of great states. The problem, as experience with the Montreal Protocol demonstrates, is not that they can prevent an agreement being reached, but that they can refuse to sign, ratify or implement an agreement unless and until their economic and other concerns have been addressed.

On behalf not only of myself but also of Georges Berthoin, European chairman of the Trilateral Commission, and Isamu Yamashita, Japanese chairman, I commend this report to a wide range of readers in the Trilateral regions and beyond. While the views expressed in this report are put forward by the authors in a personal capacity and do not purport to represent those of the commission or of any organization with which the authors are associated, the chairmen of the commission hope that the report will contribute to informed discussion and treatment of the issues addressed. One particularly prominent event

on the horizon is the “Earth Summit”—the United Nations Conference on Environment and Development—which will take place in Rio de Janeiro in June 1992. MacNeill, Winsemius, and Yakushiji look toward the Rio meeting in the concluding chapter of their remarkable book.

David Rockefeller
*North American Chairman
The Trilateral Commission*

Introduction



In June 1992 world leaders will meet in Rio de Janeiro for the largest summit conference ever held, the first truly Earth Summit. This book by Jim MacNeill, Pieter Winsemius, and Taizo Yakushiji provides a lucid exposition of the fundamental questions that prompted the United Nations General Assembly to convene the conference and of many of the difficult political and substantive issues that it will face.

The authors demonstrate that the world has now moved beyond economic interdependence to ecological interdependence—and to an intermeshing of the two. They argue persuasively that this interlocking of the world's economy and the earth's ecology "is the new reality of the century, with profound implications for the shape of our institutions of governance, national and international." They provide a fresh analysis of the implications of this new reality from a vantage point that combines breadth of vision with experience in real decision-making at the highest levels of government, industry, and international organizations. I am not surprised. I know them all and I have been privileged to work closely with the principal author, Jim MacNeill, for over two decades. He was one of my advisors when I was secretary general of the Stockholm Conference on the Human Environment in 1972. We were both members of the World Commission on Environment and Development and, as secretary general, he played a fundamental role in shaping and writing its landmark report, *Our Common Future*. He is now advising me on the road to Rio.

This book couldn't appear at a better time, with the preparations for the Earth Summit moving into high gear. No conference has ever faced

the need to make such an important range of decisions, decisions that will literally determine the fate of the earth. It can build on a number of foundation stones, in particular the Stockholm Conference on the Human Environment, which put environmental issues on the global agenda, and the work of the World Commission on Environment and Development. *Our Common Future*, which is now available in over 20 languages, has sparked a global debate on sustainable development.

Twenty years after Stockholm, world leaders will meet in Rio as a direct result of the commission's recommendations. Rio will be the largest summit conference ever held, and it will have the political capacity to produce the basic changes needed in our national and international economic agendas and in our institutions of governance to ensure a secure and sustainable future for the world community. By the year 2012, these changes must be fully integrated into our economic and political life so that the world will not be forced to confront the deepening crises that will inevitably result if we fail to make the transition to sustainability.

This book extends the World Commission's analysis of the complex relationships between the environment and the economy, the changing international politics of environment (including the growing political leverage of the South), and the issues of global change. It takes account of recent events, including the Second World Climate Conference in November 1990 and the war in the Persian Gulf in early 1991.

The Earth Summit will be asked to adopt an Agenda for the 21st Century, setting out an internationally agreed work program, including targets for national and international performance on several critical issues. This "Agenda 21" cannot escape the question of reform of policies that now rig the world marketplace against both the economy and the environment. *Beyond Interdependence* provides the most compelling economic as well as environmental case for such reform that I have read. The Earth Summit will be asked to address new international conventions on climate change, forestry, and biodiversity. The authors clearly present some of the key options before the negotiators, and they discuss the danger that leaders will be tempted to adopt empty framework conventions, leaving their successors with the hard choices and the problem of finding the funds to finance sustainability measures. The options are discussed in some detail together with an analysis of their probable costs based on the latest studies. The summit will be asked to provide developing countries with access to additional financial re-

sources to cover these costs and environmentally sound technologies to enable them to implement the conventions and to integrate environment into their future development. It will also be asked to consider far-reaching reforms of the international system.

The summit's agenda may seem to be a tall order far removed from existing political realities, particularly at a time when the attention of governments and people has been preempted, at least temporarily, by pressing crises such as the conflict in the Gulf. But this is unlikely to shake the deepening concern over the state of the environment. As the authors point out, the use of environmental destruction as a weapon in the Gulf war could serve to heighten the growing conviction that environmental risks pose the greatest threat to our common security, indeed to our very survival. The case made for broadening the concept of national security to include these threats is compelling and makes the message of the book imperative at this critical time.

The Earth Summit must succeed. There is no plausible alternative. Western leaders will have to find the political resources to demonstrate enlightened leadership. They can initiate the restructuring of international economic and political relationships needed to reverse the tragic flow of capital from the poorer to the richer countries and to ensure that developing countries get equitable access to the technologies needed to support sustainable development. Failure in these two areas, as the authors point out, would mean the failure of the summit, and that would likely cripple prospects for a new global alliance to secure the future of our planet. *Beyond Interdependence* should make a solid contribution to the success of the summit.

Maurice Strong
Secretary General
United Nations Conference on
Environment and Development

Acknowledgments



In late 1988 the Trilateral Commission asked Jim MacNeill to lead a task force on environment and development and author a report for the 1990 meeting of the commission. He agreed, and early in 1989 he consulted with Pieter Winsemius and Taizo Yakushiji, who subsequently were invited to join the task force as coauthors. While Jim MacNeill was the architect and principal author of the report, Pieter Winsemius and Taizo Yakushiji made significant contributions throughout. Pieter Winsemius' major contribution was to chapters 4 and 5, Taizo Yakushiji's to chapter 3.

The author and coauthors owe a special debt to Edward Parson and, in appreciation, decided to recognize him as an associate author. Edward (Ted) Parson is completing his Ph.D. in public policy at the John F. Kennedy School of Government at Harvard University, where he is a teaching fellow. He began working on this project as a research assistant to Jim MacNeill but his depth of knowledge, experience, and enthusiasm enabled him to make significant contributions to all aspects of the work. Given his background, this was not surprising. He was educated at the universities of Toronto (B.Sc. in physics, 1975) and British Columbia (M.Sc. in management science, 1981), and held teaching positions in mathematics, computing, statistics, and microeconomics. He has been a consultant to the Center for Clean Air Policy in Washington, the Privy Council Office of the government of Canada, and the Office of Technology Assessment of the U.S. Congress. He has authored several papers and has written a self-study mathematics textbook. The authors are grateful for his association and contribution.

The author and coauthors are, of course, entirely responsible for the analysis and conclusions in *Beyond Interdependence*, but they were assisted by many people over many months, and wish to extend a special thanks to all of them. They held consultations with experts in London, Tokyo, Paris, and New York. In Paris Pieter Winsemius discussed aspects of the report with the following individuals: Hugnette Bouchardeau, former French minister of environment; Jean Deflassieux, chairman of the Banque pour le Développement des Echanges Internationaux; François de Rose, Ambassador and former permanent representative to NATO from France; Ignacy Sachs, professor at the École des Hautes Études en Science Sociales (EHESS); and Simone Weil, member and former president of the European Parliament and former minister in the French government.

In Tokyo the authors met with the following experts: Wakako Hironaka, director of the Special Committee on Environment, Japanese House of Councillors (Komeito); Koji Kakizawa, member of the Japanese Diet and former parliamentary vice minister for environment; Takashi Kosugi, director of the Standing Committee on Environment of the Japanese Diet, as well as director, environment division, of the Policy Research Council of the Liberal Democratic party, and former parliamentary vice minister for environment; Yoshio Okawara, deputy chairman of the Trilateral Commission, executive advisor of Keidanren (Federation of Economic Organizations in Japan), and former Japanese ambassador to the United States; Saburo Okita, chairman of the Institute for Domestic and International Policy Studies, chairman of the Tokyo Conference on the Global Environment and Human Responses Toward Sustainable Development, and former minister of foreign affairs; and Masayoshi Takamura, director of the Standing Committee on Environment of the Japanese Diet.

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The Trilateral Commission discussed a draft of the report at its meeting in Washington, D.C., on April 22, 1990. Several members commented orally—and subsequently in writing—and the author and coauthors wish to thank them all. They owe a special debt of gratitude to Charles B. Heck, Paul Révay, and Tadashi Yamamoto, respectively the North American, European, and Japanese directors of the Trilateral Commission, as well as to Andrew V. Frankel, the assistant North American director. These people were, or seemed to be, omnipresent, providing advice on the work, organizing meetings and consultations, and offering encouragement and helpful comments on our analysis and final recommendations. Without them the work could not have been completed.

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Lastly, the author owes a debt of thanks to his wife, Phyllis MacNeill, for her unfailing patience in reading and providing helpful comments on repeated drafts of the text as they rolled off his computer.

Abbreviations



ASEAN—Association of South East Asian Nations
CARICOM—Caribbean Community
CEC—Commission of the European Communities
EC—European Communities
ECE—Economic Commission for Europe (U.N. organization)
EFTA—European Free Trade Association
EPA—Environmental Protection Agency
FAO—Food and Agricultural Organization
GATT—General Agreement on Tariffs and Trade
G7—Group of Seven
IADB—Inter-American Development Bank
IEA—International Energy Agency
IIASA—International Institute for Applied Systems Analysis
IMF—International Monetary Fund
IPCC—Intergovernmental Panel on Climate Change
ITTO—International Tropical Timber Organization
IUCN—International Union for the Conservation of Nature
NPT—Non-Proliferation Treaty
ODA—Official Development Assistance
OECD—Organization for Economic Cooperation and Development
PACD—Plan of Action to Combat Desertification
PECC—Pacific Economic Cooperation Conference

PPP—Polluter Pays Principle

SAARC—South Asian Association for Regional Cooperation

SADCC—Southern Africa Development Coordination Conference

TFAP—Tropical Forests Action Plan

UNCTAD—United Nations Conference on Trade and Development

UNDP—United Nations Development Program

UNEP—United Nations Environment Program

UNESCO—United Nations Educational, Scientific and Cultural
Organization

USAID—United States Agency for International Development

WCED—World Commission on Environment and Development

WEDF—World Environment and Development Forum

WHO—World Health Organization

WMO—World Meteorological Organization

WRI—World Resources Institute

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