

## GLOBALIZATION AND SUSTAINABLE DEVELOPMENT – THE NEED FOR STRONGER INTEGRATION AND INTERNATIONAL COOPERATION IN THE ENVIRONMENTAL AREA

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### **Abstract**

*The rapid expansion of economic integration (an important driver of globalization) led to the need of synchronizing national level policies on a variety of issues. One of the areas that require coordination is our fragile surrounding environment. This paper argues that central to this initiative is the need for international cooperation. The study is mainly based on theoretical and conceptual arguments which explore the multifaceted relationship between globalization and sustainable development (the core objective of the paper). We will firstly demonstrate the ways in which globalization affects the environment, then debate upon the encountered challenges (relying mainly on the need for cooperation) and finally discuss and recommend collective global action as a solution to maximize the opportunities globalization posits to sustainable development. The authors will also rely on practical examples and data to offer consistency to the debate.*

**Key-words:** globalization, sustainable development, integration, international cooperation, environment.

**JEL Classification:** F<sub>18</sub>, O<sub>13</sub>, O<sub>44</sub>, Q<sub>51</sub>, Q<sub>54</sub>

### **Introduction**

Irrespective of being a globalization promoter or sceptic, policy-makers and the academia agree on the fact that globalization means communication and connectivity. Why do environmental concerns matter? Because globalization is, in fact, profoundly affecting the global environment, thus it becomes an ecological issue as well. Demonstrating the connection between the two phenomena and exploring their causes, consequences and solutions is the scope of this paper.

The problem of addressing environmental challenges is not new; challenges are posed for a wide range of countries. Issues such as carbon dioxide and greenhouse gas emissions, polluted waters, invasive species, deforestation or desertification have constantly been on national agendas in the last decade. In this context, the influence of the European Union, United Nations and other important international actors affected the institutional context and pushed forward for an expansion towards decentralization and regionalization (within states), together with cooperation (between states). We may, therefore, argue that environmental

concerns gained importance, at least partially, due to and through the forces of globalization.

This article does not deny that the primary responsibility for sustainable development solutions should rest with national governments or local communities. In turn, it highlights that ecological problems are, without doubt, global in scope and should be addressed using international cooperation for setting objectives and correlating data, with national, regional and local authorities of each states being actively involved for establishing customized plans, putting them into action and monitoring them over time. To do this, more than the traditional notion of state sovereignty needs to be involved.

Usually, sustainable development encompasses the need to balance the economic, social and environmental aspects for a future wellbeing of all. Golusin and Munitlak Ivanović (2009) present an interesting approach in their article. They stress the importance to measure the role of the institutional system for the sustainable development phenomenon, apart from the social, economic and ecological aspects usually evaluated. This hypothesis that institutions matter for the contemporary success of environmental policy will be explored throughout the article. In our view, a sustainable model at the global level relies on the governance perspective (thus implying new mechanisms for international cooperation apart from the existing governmental structure of the countries).

In this context, this paper explores in-depth the relationship between globalization and the environment, seeking to answer the following questions: (1) How and in what ways does globalization affect the environment? (2) How does the national setting and environmental regulation affect globalization (particularly its main driver – economic integration) (3) What are the challenges faced by national governments in the environmental area and how could international cooperation be used to overcome them? (4) What institutional implications does international cooperation lead to and how can it be seen as a solution to maximize the opportunities offered by globalization to environmental concerns?

The next section will explore existing views derived from the literature review on interdependencies between globalization and the environment and on the recommended level of action (national, regional, European or global). Afterwards, we will present the prerequisites for international cooperation in the area of sustainability, as well as suggested solutions and practicalities for its implementation. The paper concludes with a series of theoretical and practical results of the study, also providing ways to further expand the research.

### **Literature review**

Globalization can have both positive and negative effects on the environment. It can increase environmental problems as well as provide new opportunities for addressing them (Bran, 2010; Jobes, 2003; Speth, 2003). Environmental choices can also shape the path of globalization as national regulatory choices may act as barriers to liberalized trade or trigger a convergence toward higher international authorities and set targets.

Several scholars argue that the EU leadership in international environmental policies is best explained by a “regulatory model” (Kelemen, 2004; Raustiala, 1997; De Sombre, 2000), which combines the effects of domestic institutions and international regulatory competition. According to the model, national governments became an “intermediary organism” and information provider towards the EU. This novel model lies at an intersection between the top-down and bottom-up perspectives. Our approach suggests national authorities to collaborate with the regional and local level actors to “steer” their involvement in developing environmental related projects, to then measure regional performance, gain an overview of the national performance and report further to the supranational level.

In the social and political sciences literature, the paper’s subject can be related to the paradigm shift from a focus on the enforcement role of public institutions (“the government”) and a current more flexible and encouraging role they have by “over-shadowing” other market actors and involving them in the process of policy formulation and implementation (the notion of “governance” and the “hollowing-out of the state”). (Milward and Provan, 2000; Peters, 1997; Stoker, 1998)

### **International cooperation in the area of sustainability – prerequisites, solutions and practicalities**

The surrounding environment and global resources have as a main characteristic the fact that they are “shared”. In essence, any environmental good is, at some point, *common* to different individuals, companies, regions and even states. If this assumption is false, we may, however state that, at least, the action upon the environment of a certain individual or group has implications upon others. For example, a fisherman’s activity has consequences upon the stock in the area he operates. The fisherman’s objective is to catch as many fish as he can, while this overexploitation affects others by depleting fish resources and also leads to biodiversity disequilibria (it may produce species extinction or affect the reproduction of fish); a situation that may, in practice, be overcome by putting in place cooperation in the form of agreements for sustainable fishery. These situations are frequently encountered in practice in border areas.

Also, a large number of similar cases are registered for afforestation and forest degradation. To name just one main hazard produced to forests, the most common problem is the exceptionally high level of losses due to increase in volume of uncontrolled logging performed much earlier than the recommended age of exploitability. For example, in the Toplita-Deda perimeter, the total estimated loss of biomass due to early cuts increased in volume for the stands sampled in official statistics and totals 60.2% for spruce species, 45.5% for fir and 20.6% for the beech tree, far from negligible values. (Environmental Protection Agency Mures, 2010)

When extended to a global level, the environmental problem becomes more acute. Its root cause lies in the lack of cooperation, thus we may argue that there is a need for common clear rules. This, in turn, requires institutions, which can ensure compliance to the agreed standards or targets.

A second important prerequisite for cooperation lies in the problem of *externalities*. A main challenge for environmental policies is to find ways to “internalize” externalities. In a world with competing jurisdictions and multilevel governing authorities, environmental hazards do not belong to one state or region only. For example, pollution produces harms that are easily externalized to neighbours.

“Transboundary” spill overs of pollution from one country to another, which result in the so-called “super externalities” (Dua and Esty, 1997) are especially difficult to manage. Given the fact that there is no single jurisdiction to optimally regulate and monitor such harms, a qualitative and effective response is hard to imagine without international cooperation. Even in the case of harms within one jurisdiction there may be reasons (either political or social – such as divergences of power or authority) why governments may not regulate emissions properly.

Even more likely, when harms span multiple jurisdictions, from different regions or the entire world, the negative impact is so high that it is hard for national organisms to reach consensus and share costs and benefits to justify intervention. The root causes for this consequence are the institutional fragmentation and the current structure; as well as the different norms and standards (which may be quite similar, but given each region’s specific, they differ and also problems need customised interventions, thus different methods and instruments need to be applied).

The third and last prerequisite that we will analyse is represented by the environmental problems being *common* to several nations. This is applied to most of the issues; even if they are local in scope and do not go across national boundaries, environmental problems are found across the globe, thus the interest of policy makers is worldwide. (Dauvergne, 2005)

These problems should and can be dealt with by national authorities and, at a first glance, there is no stringent need for international cooperation.

However, the fact that many regions and countries face the same problems constitutes the basic logic for cooperation. Comparative analyses help highlight main causes, issues and can help disseminate policies, technologies and share best practices. Differing on the extent to which a problem requires substantive scientific and technical fundament, international cooperation in this case can help gain and share knowledge and also helps to cut costs and improve overall efficiency. Thus we may argue that the most valuable contribution in this case is the gain of intellectual capital, information and technology, facts which bring added value to economic integration.

As we have seen from the literature review and the three characteristics underlined above, it is indisputable that the real world of interlocked economic and ecological systems will not change; but the institutions and policies can and should improve. What is the solution then?

First, we need to analyse the situation of the present institutional setting. A comparative analysis of the levels of involvement depending on the functions of institutions is presented below.

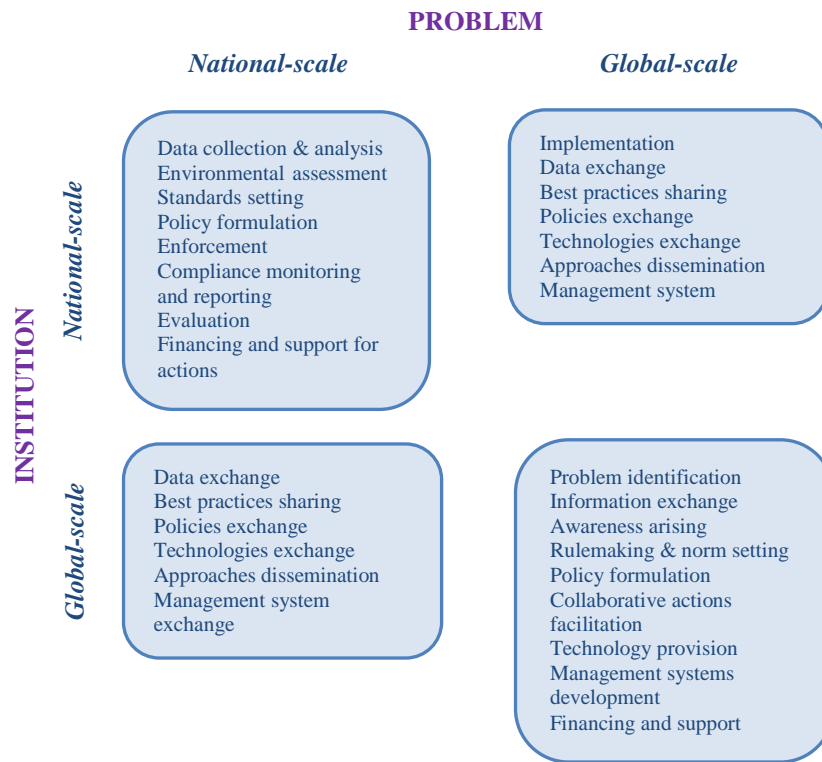


Fig. 1. *The functions of national and global level institutions for national- and global-scale problems*

Source: processed after Daniel C. Esty and Maria H. Ivanova, “Revitalizing Global Environmental Governance: A Function-Driven Approach”, in *Global Governance: Options & Opportunities*, edited by D. C. Esty and M. H. Ivanova (New Haven, CT: Yale School of Forestry & Environmental Studies, 2002), p. 38-50.

Also, there are several methods the EU employed, of which we wish to mention just two. The first mechanism for governance developed by the EU as an alternative to coercive regulation is the open method of coordination. (Heritier, 2001) This relies on target development and published scoreboards of national performance, measured by policy objectives that have been agreed upon, as well as voluntary agreements.

Apart from the open method of coordination, the EU’s influence upon the environmental policy can be explored by the subsidiarity principle, which can be seen as a mean of implementation. The principle states that matters need to be handled or addressed by the smallest or lowest (in case of an hierarchical order) competent authority on any given field (Birnie and Boyle, 2002)

## Conclusions

As we have seen from the literature review and practical aspects mentioned in previous sections, we may summarize that the implications of globalization for the surrounding environment is twofold: on the one hand, it creates new opportunities for cooperation, but, on the other hand, it also gives rise to new issues and tensions.

There are three main aspects that need attention when discussing about the interdependencies between globalisation and sustainable development: the fact that environmental goods are common, the effect of environmental externalities and the shared environmental problems.

Given these interdependences and based on the analysis of institutional functions and principles in the EU, we reached the conclusion that we need an approach that acknowledges the diversity and dynamism of environmental problems and recognizes the need for specialized responses. (Esty and Ivanova, 2002)

The essence for international cooperation in the area of environment holds as a bottom line the institutional component (this is where policies and actions plans are born). A multi-layered institutional structure is required to address the issues demanding immediate attention at various geographic scales. (Karlsson, 2000; Ostrom, 1990; Vogler, 2000)

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