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Hot Topics Plenary

WHAT ARE THE COSTS OF GLOBALIZATION? On Integrating Institutions, Homogenizing Knowledge

In this brief address (which is meant to be provocative rather than substantive, and which I hope will lead to further discussions at this conference and beyond) I am going to, first, consider some of the different and often contending uses of the term "globalization". Then I will touch upon the notion of global institutions and what knowledge production, principally in the formal sphere, has to do with the framing of that notion. Following this I will survey some implications for research agendas, particularly on the possibility of international cooperation on environmental problems, and end with some suggestions and comments.

The implications of the integration of world markets and trade on local commons will be discussed in many of the papers given to this conference. I leave that subject to the experts. I intend instead to focus on some of the implications of the globalization of institutions and knowledge production. Clearly, there is some relationship between organized knowledge production, its scope, stresses and normative origins, and the design of the institutions that follow as a consequence of the accumulation of that information and knowledge. While these issues may not be of central interest to strict disciplinarians, they involve and concern many of us who study, work with, or otherwise have an interest in the future of commons institutions.

Globalization of What?

In speaking of globalization one is immediately made aware that the term embraces one of those hydra-headed things that are capable of considerable normative variation and multiple specification among parties to the debate. If one person refers to globalization as the integration of world markets, particularly in trade and investment, another focuses on the emerging international institutions for regulating global economic activity and impacts across diverse sectors, scales and groups, while a third sees a creeping homogenization of cultures, values, social norms, a shrinking of biodiversity and life-worlds.

Though "globalization of what?" might be a question serving to discipline our thinking in this field, the heat within the contested, emerging representations of globalization clearly involves more than disciplinary bias. Is this a case of contested definitions, of uncertainty and incomplete information, of alternate constructions of the relationships between economic, institutional and normative trends, or, in Michael Thompson's memorable phrase, of the "contradictory certainties" of plural political cultures?

Whichever one we argue it is, perhaps we should be cautious of attempts to find a common language, a universal set of terms for these multiple perspectives on globalization. In a terrain of essentially political contestation, a common language often serves to make some people silent, to reduce the level of communication rather than to improve it. But apart from heat perhaps there is some light as well, something to be considered seriously in these plural notions of globalization.

Having lived some part of my life among Himalayan peasants I am particularly aware of the fact that many macro-level processes have decidedly asymmetrical effects on different people. In my experience Himalayan mountain farmers are accomplished managers of risk from local events, and understand both the costs and benefits of collective action well. Poor though most of them are in the ways we usually measure poverty, there are two kinds of events they find difficult to contend with: natural disasters and macroeconomic shocks (Prakash 1997). Institutions for collective action based on the accumulation of local social capital are not of very much use in preventing major earthquakes, or in dealing with the enhanced risks that high rates of inflation bring to the delicately balanced enterprise of mountain farming. For these the usual methods of "pooling" individual risk through local institutions do not work very well. We know too little in any systematic way about how the poor cope with such events except to note that the related stresses may lead both to institutional breakdown and drawdowns on natural resource stocks that are at other times well managed and conserved.

In other words, Himalayan farmers behave in a way very different from that suggested by most general conceptual understandings of the relationship between poverty and environmental degradation. Some years ago there was an attempt to model this relationship through what was termed the "environmental Kuznets curve". This bell-shaped curve supposedly represented the generalized relationship between income per capita and an index of degradation, though it actually was the observed empirical relationship between income per capita and emissions of sulphur dioxide in the OECD countries. Indeed, this rather curious concept suggested that though in the short-term there is a trade-off between income and environmental degradation, in the long-term the trade-off disappears (Dasgupta 1994).

While such a curve may tell us something about the relationship between levels of real income and an index of industrial effluents, it reveals little about how Himalayan farmers manage the biomass and other environmental resources they require for their survival. Clearly, if we wish to know how the integration of markets and trade affects people across the world we need to know more about them than merely their incomes; we need to understand their mental models, cultures, life-worlds and survival prospects before we can be well informed about any implications.

Global Institutions and Knowledge Production

Indeed, the implications of global institutions to manage the range of environmental pressure from human activities are staggering, to say the least. Mary Douglas (1998), in tracing the sources of human needs and wants as aspects of the debate on climate change, argues that there is a historical European framework within which the project of providing a universal theory of human needs was devised. Commenting on Galtung's idea that there may as well be non-Western theories of needs, she suggests that a candid look at the assumptions of the Western (European, Modern, or whatever one chooses to call it) tradition reveals that the whole project of providing a theory of human needs is well and truly embedded in it. She concludes that though it is perfectly true that the Western tradition dismisses dissident beliefs in this and other areas there is nothing very unusual or Western in this, for a thought system becomes strong precisely by resisting incompatible ideas.

Something similar defines the recent history of international institutions to protect the global (read universal) environment, or trade, or biodiversity, or human rights. Whether multilateral in their control and provision mechanisms or otherwise, each of their foundational assumptions has been linked to Western notions of human needs and to Western interests. Such a situation represented as in the international or global interest becomes difficult to conjure with, particularly when one searches for the patterns of institutional accountability required to foster better international cooperation within and through these institutions.

Because institutional cultures are essentially defensive and self-referential the problem is compounded and made opaque. A good example of this tendency is the comment by an official of the World Trade Organisation at its Singapore meeting to the effect that the WTO was not concerned with the impacts of international trade on the environment - except when they affect trade! (Van der Stichele, 1996) That is institutional culture working rather like an electronic valve, allowing information to flow in one direction and not the other, missing entirely the feedback loop between processes of the environment and human production.

We know enough about the pressures that the unregulated development of global trade can exert on local institutions and environments, the direction of historical trends in trade balances and in real commodity prices, to realize how high the costs of all this can be, and on whom and in which regions they will probably fall. Is all this symptomatic, as James O'Connor (1998) argues, of the most profound contradiction of existing forms of the capitalist process: that by privatizing devalued conditions of production and thrusting them in the formal-market sphere it ends up destroying the support system on which its own production of surplus is based?

It would be easy enough to argue, as well one could, that the problem isn't globalization at all but actually throughput. Seen in this way, globalization has aspects that are both positive and negative. The negative aspects of global market integration are those that lead to an increase in the throughput of natural resources and to unsustainable growth. The argument is that these need to be checked. The positive aspects are those that lead to qualitative, sustainable development such as the accumulation of information, knowledge, clean technologies. That would be simple, but unfortunately it isn't entirely true. Knowledge and the processes by which it is produced are not as neutral as all that.

If scientific method legitimates the validity of information in the international discourse on the global environment, trade, and so on, then the stakes for entry into the discourse are dramatically asymmetrical for different nations. Although the countries of the Third World account for about 24% of the world's scientists and just over 5% of research spending (that would evidently amount to somewhat more at price parity), most leading scientific journals publish a far smaller proportion of articles by authors from these regions. Of the 3,300 journals included in the Science Citation Index, a widely used commercial database, the proportion of Third World journals declined from around 2.6% in 1980 to barely 1.5% in 1993 (Gibbs 1995). As one observer notes, the roughly 2 percent participation in the international scientific discourse allowed by Western indexing services is simply too little to account for the scientific output of 80 percent of the world. And as authors who have researched these figures suggest, the reasons involve far more than asymmetries in research capabilities and include the cultural models and interests of editors who publish primarily in and for the Western world.

Implications

Given such overwhelming asymmetries in information in a local commons institution, we would hardly be surprised to find serious difficulties in coordination and functioning. What then can we expect of efforts to manage global commons? Such information asymmetries structure the transaction costs of negotiating and monitoring international agreements on trade, on the environment, on human rights. There is no doubt that these costs are extremely high and may become even higher. While asymmetric capabilities and information and diverse interests can have many consequences, surely one possible result is to make for indifferent levels of cooperation, of many parties feeling that they have been "unfairly" treated. When extended over several transactions (though not over a single shot transaction) such conditions can lead to erosions of social capital (Prakash 1998).

Perhaps we can expect no more under these circumstances than the frequent, complex and often futile bargaining that is so often the case. Unfortunately our nation states and multilateral organisations have not yet learnt to learn from local knowledge systems, and it is the values and assumptions of formal science that regulate entry into the policy debate. But all this also confirms the defensive cultural values inherent in science and its methods of knowledge production, the all too general lack of what Pierre Bourdieu has called "epistemic reflexivity".

The late Aaron Wildavsky was fond of saying that the primary task of policy analysis is to speak truth to power. If that is so, then this bundle of issues needs quite a lot of policy analysis.

Is there something positive to be said about recent developments in conceptualizing the problems of globalization? I believe there is. The notion of nested institutions provides an interesting if complex prospect. Conceiving of institutions as nested one inside another across widely separated scales or sectors may provide a useful perspective on currently salient problems such as climate change, as well as shed light on issues of scope, heterogeneity and subsidiarity. This requires a research programme that is well-specified and participative, and can focus on the

many conceptual obstacles relating to institutional transformation, institutional linkage and resilience.

Perhaps one of the questions such a research programme might seek to address is the supply and application of human ingenuity for (among other things) the design of institutions. Many of us who study local or informal institutions and local knowledge systems are continually surprised at the remarkable ingenuity that they are capable of, and are often made to realize that we have barely begun to scratch the surface of this ingenuity and the immense variations, adaptations and transformations in institutional response that it is able to produce in response to local conditions. Viewed from this perspective those who speak of impending limits to human ingenuity, such as Homer-Dixon (1996), are speaking to problems at entirely different scales - nation states and international institutions, for instance - where indeed they may have a point!

Is ingenuity, then, to be considered simply an aspect of institutional scale? Perhaps not, but might appropriately nested institutions have something to do with the way ingenuity is brought forth and applied? In addressing these and similar questions we have much to learn from successful models of co-management and mixes of traditional and modern arrangements. This is where, also, we need to better understand the "fit" between local knowledge systems and larger, more formal frameworks.

Antonio Gramsci once defined the "organic intellectual" as a person who transcends the boundaries between research and activism, naturalism and society, of living in a local community and participating in a larger, universal community. In Gramsci's description of this person the different sectors and scales of human concern do indeed seem well nested. Perhaps some day (and it is a very large task) those who design and make decisions about our global institutions can learn something from her, and emulate her instinctive ability to reach across simple linear distinctions and boundaries to the complexity of life in this world.

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