

“From Industrialisation through Globalisation to Defragmentalisation”

It is strange to think that 25 years ago ‘globalisation’ did not exist. I don’t just mean the word, which only came into general usage late in the 1980’s; I mean globalisation itself. The first globalised market was the financial market and there is a good reason for that: the city traders always have the latest mobile phones and money markets always get the best means of communication first. Of course, it was only because of the new power of communications that markets could design a product in Croydon, build it in Korea and market it into Canada using a call centre in Calcutta. It was a communications revolution that enabled all markets to operate across national boundaries – and not just across them but often oblivious to them. In fact many of us may well recall that our first encounter with the word globalisation was the protesters that marched on G8 meetings (actually G7 in those days) and shouted anti-globalisation slogans. Those protestors saw clearly the dangers of a globalised marketplace where power is ceded from national government to the Chief Executive and boards of global corporations. Cheap labour in the developing world putting European workers out of a job because they put up with unsafe conditions and worked 60 hours a week for a fraction of the wage a European would demand. Globalisation recognised here as a process that could wipe out overnight the progress in living standards and in health and safety that Labour and the trade unions in Europe and North America had struggled to achieve over two centuries. In fact since the previous “isation” movements that began in the middle of the 18th Century with Watt, Arkwright and Stevenson – Industrialisation.

Seven years ago immediately after 9/11, Tony Blair chose to deliver a major speech on globalization. He set out an alternative vision of a globalised but just world insisting that, in the aftermath of the terrorist attacks, it was more important than ever that the world should understand that national self interest and mutual interests were inextricably bound together. He said “The demonstrators are right to say there’s injustice, poverty, environmental degradation. But globalisation is a fact and by and large it’s driven by people. The issue is not how to stop globalisation but how we use the power of community to combine it with justice... We could defeat climate change if we choose to. Kyoto is right... But its only a start. With imagination we could use or find technologies that create energy without destroying our planet.” Globalisation, a process of the markets, has enabled us during the past 10 years to see and understand the interconnections between people living on opposite sides of the globe better than ever before.

Climate change is, at a political level, simply one of the most complex problems of justice the world has ever encountered. Justice between nations separated by geography and justice between generations separated by chronology. We know that whilst it is the rich developed nations that have created the majority of the greenhouse gas emissions responsible for climate change, it is the world’s poor that are already suffering its worst immediate effects. Failure of ecosystems and biodiversity loss represent a small diminution of the global gross domestic product, but for 1.4 billion the world’s poorest people it represents a catastrophic loss often rising to 50% of the GDP of the poor.

I talk in terms of biodiversity loss and ecosystems failure rather than in term of climate change because for too long the world has focussed its attention on climate change. I want to emphasise that in and of itself, climate change would not matter. The problem is that biodiversity cannot keep pace with the rate of change and as a result biodiversity is depleted and ecosystems break down. It is the loss of biodiversity then and the ecosystem services that they provide that is the real threat to human wellbeing.

The economics of biodiversity and ecosystems is a new and difficult enterprise for politicians. We are struggling to identify the true nature of value as we broaden the concept of capital to include not just social capital and human capital but natural capital.

The true nature of value will not be made clear until we a.re clear about the true value of nature. Today most of the benefits provided to our civilisation by ecosystem services bypass the market place, escaping the pricing mechanism, and are therefore lost to the political and economic process as a mere externality. This inability to capture the value of ecosystem services is the acutest market failure in our world today.

You would laugh if I told you that I have put off upgrading my mobile phone for the past 15 months because a little girl was stung by a jellyfish on a beach in Devon in the Southwest of England summer of 2007. But it is the growing demand for the latest mobile phone that has made Coltan

so valuable. That has fuelled the conflict in the Democratic Republic of Congo and Central Africa. That has led to increased deforestation. That has seen loss of habitat and a reduction in forest mammals. That has seen an increased demand for fish as an alternative animal protein. That has seen the depletion of high-trophic fish stocks. That has resulted in fishing down the food chain as fishermen target lower trophic species. That leads to blooms of jellyfish who have replaced fish as the dominant planktivores. And that has resulted in the beaches in England being invaded by jellyfish. Maybe now you will understand that I have put off upgrading my mobile phone because a little girl was stung by a jellyfish.

But if globalisation has enabled us to see ever greater connections between disparate events in different parts of the globe then our institutional structures have not yet begun to recognise this. Governments around the globe still have mechanisms of intervention and engagement that are segregated and compartmentalised. We have a Department for the Environment and a separate Department for International Development, when it is clear that preserving our environment cannot be achieved without securing the development that will take two thirds of the world out of poverty. We have a Treasury that understands overleveraging of companies and credit bubbles but cannot see a connection with a world population consuming each year the resources that the planet takes one year and four months to renew or replace. A Treasury that refuses to put a value on ecosystem services and only sees value in the context of financial markets. Our institutional framework is not fit for a globalised world. It is fragmented into pre-20th Century compartments that reflect theoretical divisions and taxonomies that were scarcely adequate even then.

250 years ago we had industrialisation. 25 years ago we had globalisation. Last night I tried to make my computer run faster and it came to me: What we need for governments is a Defrag programme, Defragmentalisation. We must stop limiting our responses to global problems. Stop thinking that each problem fits neatly into an appropriate government department. We need to stop thinking in fragments and break down the barriers that stop us as legislators from arriving at comprehensive solutions. I believe our work on land use and ecosystems forces us to do this, because as our research makes it ever more clear all these issues are connected. Our world is not a complex series of fragments it is a fascinating and integrated whole.