



209 Iowa Avenue
Muscatine, IA 52761 USA
563-264-1500
563-264-0864 fax
stanley@stanleyfoundation.org
www.stanleyfoundation.org
Richard H. Stanley, Chair
Vladimir P. Sambaiew, President

Policy Memo

DATE: October 30, 2012

SUBJECT: Domestic Constraints on Global Cooperation

As part of its 53rd annual Strategy for Peace Conference, the Stanley Foundation convened some 15 policy experts from Brazil, India, and the United States near Washington, DC, on October 17–19, 2012, to discuss the domestic determinants of international cooperation. When analysts and practitioners—especially in Washington and other Western capitals—assess issues on the international agenda, they tend to focus on rising powers’ policy stances without delving into their internal considerations. With a focus on two emerging powers and three areas of policy participants discussed ideas for a more comprehensive and holistic approach to the major collective action problems of today’s world. The conference brought together experts from the Brazil, India, and the United States and the agenda covered food security, energy security/climate change, and nuclear nonproliferation.

Participants identified avenues that could facilitate greater cooperation between rising and established powers:

- Reckoning the trade and price volatility dimensions of food security. The backdrop for food security is a globalized agricultural commodities market and ongoing differences over globalization and trade. To narrow those differences, developed and developing country stakeholders alike should seek constructive new frameworks to help shift away from beggar-thy-neighbor approaches. What, for instance, is the relationship between the trade liberalization, commodity price, and famine relief agendas?
- Balancing development, resource needs, and climate change. While efforts at economic development, energy security, and greenhouse gas reduction entail inevitable trade-offs, this still may leave room for steps that help promote all three goals—or at least strike a healthy balance. This was the aim of the Rio+20 and G-20 green growth discussions in 2012. Looking beyond the post-Kyoto standoff and the largest issues of apportioning responsibility, other channels of practical cooperation besides the main global climate talks (UNFCCC) should be explored and expanded.

- Easing domestic pressures through multilateralism. The World Trade Organization (WTO) dispute-settlement mechanism was highlighted as a multilateral setting that not only adjudicates trade disputes but lowers the temperature on issues that tend to provoke nationalist sentiment. While it would be difficult to duplicate the WTO's supranational authority, the multilateral system needs more frameworks with the kind of widespread credibility and trust to help governments take difficult steps.
- Debating the issues with more stakeholder voices. To some degree, national positions on issues might be malleable if debated by new combinations of international or domestic players. Multilateral cooperation sometimes brings benefits that have not been reflected in domestic discourse. As part of the broader trend of emerging stakeholders such as civil society or transgovernmental networks of technical experts, incorporating new voices could bring new policies.

Food Security

The domestic political sensitivities around food security can run quite high, either with policies shaped by farm interests or sometimes framed as a matter of national security and sovereignty. The bigger global picture is that more than a billion people suffer from malnutrition. Governments can take steps to reduce that number; the challenge is to identify opportunities for international cooperation to improve food security prospects for the world's malnourished.

The issue of agricultural subsidies in the developed world—with particular harm to developing countries—is a familiar controversy that has beset global trade talks. Yet subsidies in the United States and other wealthy nations may be on their way out, under pressure of fiscal constraints. There have been indications that the politics of the US farm bill have already started to shift.

Still, some in the developed world separate the issue of subsidies from the more stringent export bans that can aggravate short-term food security and commodity price crises (though the issue of financial market speculation on the crisis-prevention agenda challenges developed nations to get their own houses in order). Indian domestic politics and traditions treat food security as a national security interest, with a focus on “food self-sufficiency” to justify export restrictions. Despite that focus, though, a large proportion of the food-insecure are in India. While powerful symbolically, food export bans have contributed to economic inefficiencies rather than bringing a higher level of food security. But if the Indian government eased export restrictions, it could actually make Indian farmers more competitive by giving them an export market. Participants discussed the interesting possibilities for change if this issue could be opened up in domestic politics. They also highlighted the contradiction between the very notion of food self-sufficiency and the reality of single global markets for commodities.

For Brazil's part, it has made a claim to leadership on food security, especially in its social policies. Brazilian experts describe Brazil as sharing its experiences as a developing country, rather than presenting itself as a model, and offering assistance to show other countries

how they might emulate its successes around sustainability and human security. Brazilians have vigorously pursued this South-South cooperation. Brazil has also put a priority on addressing the distorting effects of food subsidies in the WTO.

Energy Security and Climate Change

There are important interconnections between food and energy security, as there are with both issue areas and climate change. Energy is often viewed through a national security prism, although the diverse sources of energy on which the United States, Brazil, and India varyingly depend—and Brazil’s emergence as a major exporter—will set them on very different policy trajectories.

The major tension on which participants focused, especially with regard to India, is the trade-off between development and climate change. For India, ensuring a reliable and affordable supply of energy is essential to improve the living standards of hundreds of millions of its people. Providing affordable energy has already posed challenges, and the domestic subsidization of energy creates considerable distortions in the market. Given that coal will remain an energy mainstay for India, its ability to reduce emissions will be limited, and shifting to a different energy mix would involve considerable hurdles, particularly given high infrastructure costs.

For Brazil, the exploration and extraction of oil from the recent presalt discovery looms large. Participants repeatedly stressed the wide-ranging ramifications of Brazil’s emergence as a major energy exporter. As we know from other cases, it will be difficult for Brazil to use the resulting income wisely for the whole nation’s benefit and keep it from being siphoned off for private gains. Internationally, this new position will give Brazil an interest in the status quo carbon economy.

Meanwhile, though, Brazil has continued the proud legacy of the 1992 Rio Conference on the global environment and staunchly advocated sustainable development, for developing countries to grow with as little ecological damage as possible. While participants gave mixed reviews to this year’s Rio+20 summit, they embraced the goals it highlighted and related efforts to strike the right balance between development and greenhouse gas reductions. It is not yet clear how carbon emissions can best be reduced in a post-Kyoto, post-Copenhagen world, but the uncertainty leaves a dangerous gap in addressing their threat to the climate.

Part of the problem is that the multilateral dialogue on climate change remains focused on placing blame and equivocating on action. There are, however, examples of successful multilateral and bilateral mechanisms focused on information sharing and energy efficiency. Focusing on narrow policy innovations rather than on overarching solutions may offer an opportunity to break through the toxic rhetoric and stalemate. The US-India energy dialogue—with its focus on energy efficiency and clean coal—was noted as an example. Other arrangements, such as city partnerships on climate and

sustainability issues, have been constructive too. There is also potential for the G-20 process to help with the challenge of climate-change financing.

All this suggests that emissions reductions will likely result from discrete, targeted policies, rather than comprehensive multilateral agreements—an “all the above” approach to climate change measures. This certainly includes the formal intergovernmental framework as a means of keeping public and political attention on climate challenges, though policies will likely be implemented in other, generally less formal, settings. Civil society has a significant role to play in shaping this debate. Building widespread awareness on climate change, participants noted, must happen from the ground up, with deep engagement and commitment by domestic groups.

Nuclear Nonproliferation

In the area of nuclear nonproliferation, the case of Iran’s nuclear program gave participants a current diplomatic hot topic and diverse views from Indian, Brazilian, and American experts. The critique of the US strategy toward Iran charged that it had boosted Iran’s incentives to move ahead in their nuclear program without leaving enough of an opening for a diplomatic solution. Concern was expressed that regime change may be, or may become, the real US agenda with Iran. The damage that the 2003 US invasion of Iraq has done to US credibility remains a major issue. There is support for the US goal of preventing Iran from getting a nuclear weapon but a concern that excessive pressure is counterproductive—straining relations with Brazil and to a lesser degree India, which has regional geopolitical stakes.

One participant pointed out that, from the US vantage, Iran will not negotiate a solution without being put under significant international pressure. The United States has led international diplomatic efforts on Iran, though Brazil and Turkey made an attempt to mediate in 2010. The episode created friction between the Brazil and the United States after Washington trumped the mediation by pressing a UN Security Council vote on sanctions long in the works. The Obama administration argued that the problem was not with the Brazilian-Turkish initiative per se, but with the inadequacy of the deal it produced. This case points to the need for closer coordination between rising and established powers if emerging players like Brazil and Turkey are going to assume more prominent multilateral roles. It is also important to note that Brazil’s perspective on these issues is informed by its relatively recent status as a NPT signatory and the nation’s major strategic decision to remain a non-weapon state.

The analysis and recommendations included in this Policy Memo do not necessarily reflect the view of the Stanley Foundation or any of the conference participants, but rather draw upon the major strands of discussion put forward at the event. Participants neither reviewed nor approved this document. Therefore, it should not be assumed that every participant subscribes to all of its recommendations, observations, and conclusions.

For further information, please contact Keith Porter at the Stanley Foundation, 563-264-1500.

About The Stanley Foundation

The Stanley Foundation seeks a secure peace with freedom and justice. built on world