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# RSIS COMMENTARIES

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## Climate, Food, and the New North-South Divide

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25 August 2008

*Global efforts to tackle climate change and food security are hampered by North-South differences over cost sharing. But rising interdependence and the South's new pragmatism and bargaining power are conducive to an equitable solution.*

OVER THE last two decades, a variety of labels – the end of history, the clash of civilizations, the age of terror – have been trotted out to capture the essence of the post-Cold War era. None of them accommodates an old and largely forgotten – but still relevant – conception of the world: the North-South divide.

The gap in people's well-being between the nations of the developed North and those of the developing South, the subject of intense political debate in the Cold War years, remains large today. The conflict of interest persists between them on the way the institutions of the global system are organized. The critical question relates to how new rules are hammered out on pressing issues relating to climate change and food security.

On the first, the setting of emissions targets acceptable to both sides remains problematic. On the second, there is no agreement on how much support and protection is to be given to agriculture by way of subsidies and protective tariffs. How the North-South bargaining process plays out will determine global stability in years to come. The way forward is by no means easy, but there is room for optimism because the new North-South divide is less intractable than the old one.

### Conflicting Approaches to Cost Distribution

Ironically, current public reminders of the divide have come mainly from the North, which long resisted its conceptual validity. In May 2008, US Secretary of State Condoleezza Rice and President George Bush generated a storm by attributing rising global food prices to the growth of the middle class in China and India. American policymakers and media regularly highlight the rising Chinese (and more recently, Indian) contribution to energy consumption and global warming. An article in the influential *Washington Post* on 28 July, 2008 pointed to China's accelerating demand for cars and, more generally, developing countries' growing thirst for oil, to argue that "this growth is more than

offsetting the conservation measures taken in the United States, Europe and other industrialized nations”.

While not factually incorrect, such views express a distorted perspective of global crises in the making. They in effect place the onus of resource and environmental problems on developing countries struggling to emerge from poverty and low standards of living. Developing country critics quickly counter that the North consumes far more food per head than the South – US consumption is 3,770 calories a day as compared to 2,440 calories a day for India. Similarly, according to a 2007 *Energy Journal* study, the number of automobiles per thousand population in the US in 2002 was 812 and expected to rise to 849 by 2030, whereas the figures for China for the same years are 16 and 269, and for India 17 and 110. The gap is diminishing, but will remain substantial.

What is really happening? Unlike in the past, when North and South quarrelled over the latter’s demand for a “new world economic order,” the South no longer wants to transform the system, but is bargaining intensely over the distribution of costs incurred for obtaining a public good: stability. The key difference between the two sides is over allocating responsibility, which provides the basis for deciding the distribution of cost.

The North talks about aggregate burdens and who is adding significantly to them today (the South). The South counters that it is the North which has created the problem in the first place by its high levels of consumption and production of adverse effects on a per capita basis. There is not a little irony here when we find the defenders of individual rights focusing on collective units of consumption and advocates of collective ethos stressing an individual-based calculus. But talking past each other does not address the problem.

### **Old Divide, New Basis**

If all this sounds like a replay of the charged North-South debates of the 1970s, it is in fact not the same. The new North-South divide is different in three important ways. First, whereas in the past the South wanted a “new international economic order,” today it only seeks a better bargain within the existing order. Its arguments are now cast in a pragmatic rather than an ideological vocabulary. Second, in the past the South was essentially weak and had little bargaining capacity, but that is no longer true today.

At the recent failed Doha Round talks on trade, China and India gave notice to the developed countries that the rules of the game could no longer be defined without the South’s assent and that they now had the power to shape these rules. Third, with the globalisation of production and finance and the rapid growth of trade, the degree of interdependence between North and South is much greater than it was three decades ago. Everyone has much more to lose from systemic instability.

In its own interest, the North must be willing to bear a significant part of the burden of resolving issues relating to climate change and food security. It has a greater capacity to do so and will suffer lower relative costs in generating efficiencies in production and in cutting subsidies to inefficient producers. Besides, it has much to lose in the medium-to-long term from failing to ameliorate the negative fallout created by climate change and food crises. The adverse effects produced by shifting patterns of cultivation, resource availability and habitation will exacerbate current problems such as political instability, state failure, terrorism and insurgency, organised crime, and irregular migration.

In addition, the cumulative effect of these trends will mean unstable markets, which will destabilise global production, trade and investment. For its part, the South must recognise that all of the above effects will hurt it more quickly and more intensely than they will the North and bring with them severe social and political crises. Both have much to lose, so self-interest is congruent with the common interest.

## **Transcending the Divide**

Instead of delaying politically difficult decisions to a point when appropriate measures come too late, both sides should set in motion a process of constructing mechanisms for mutual accommodation. Relative capacity to bear costs must shape their distribution – the developed states can and should shoulder the greater portion of the burden in their own interest.

The actual means of tackling substantive issues will have to be a mix, including market-based mechanisms such as carbon credits, phased and equitable elimination of subsidies (keeping in mind the special vulnerabilities of developing nations), and assisted technology transfers, such as the US-proposed Clean Technology Fund.

Unlike the old North-South divide, the present one is amenable to pragmatic and far-sighted thinking. Both sides must realise that their common stakes require them to act soon. Failure to do so will only raise the costs – and worsen the consequences.

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