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Commentary: No trade without help on undeniable climate change

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Climate change is now undeniable according to a new study headed by the US National Oceans and Atmospheric Administration. It is already having a disastrous effect on small island states. The very existence of some of them, particularly in the Pacific and the Indian Ocean, is threatened. Caribbean islands too are endangered as are countries such as Belize and Guyana with low lying coastlands.

In the latter case, coastal erosion is reducing beaches that are crucial to the tourism industry on which all of the small Caribbean islands now depend. The Atlantic coasts of both Guyana and Belize are below sea level, but it accommodates most of their populations and their agricultural lands. Sea-level rise, therefore, threatens all of them.

The challenges that climate change poses to small states are not only overwhelming, they are impossible to be met from the scarce resources of the governments.

In a recent speech in Trinidad and Tobago, the Prime Minister of St Vincent and the Grenadines put the matter in clear terms when he said: "In mountainous States like my own, over 80% of our major infrastructure is located along our coastline, within a few feet of the inexorably rising seas. The cost of adaptation and preservation of our infrastructural developments are daunting, and beyond our individual capacity to address".

While small states are the primary victims of climate change, they are the least contributors to the greenhouse gas emissions that are the biggest contributors to climate change and global warming. Together, the harmful emissions of greenhouse gases from all small states account for less than 0.1 per cent of the global total.

In a fatuous argument, the US Department of Energy's Carbon Dioxide Information Analysis Centre had rated Trinidad and Tobago at number 9 in the worst emitters of harmful gases in the world in the year 2007. However, the measurement was based on population size, not on the volume of emissions. To underscore the silliness of the argument, the tiny Caribbean island, Montserrat, with a population of 10,000 people and no manufacturing or industrial production of any magnitude, was rated at number 17 in the world.

The reality is that, despite the per capita argument that developed countries and international institutions are fond of using to measure a range of issues to procure a desired (but illusionary) result, small states contribute little to global warming but they are its primary victims as evidenced by sea-level rise, stronger and more frequent hurricanes, flooding and other natural disasters.

These same small states are also the victims of the worst trading arrangements in the world.

The World Trade Organization (WTO) makes no provision for their special circumstances, nor does the International Financial Institutions (IFIs) such as the International Monetary Fund (IMF) and the World Bank. Hence, small islands such as St Lucia (100,000 people) and St Kitts-Nevis (50,000 people) are treated in the same way in the WTO as the United States (350 million), Canada (33 million) or the European Union (400 million). No special rules apply.

In the IFIs, many small states – and certainly all those in the Caribbean – are "graduated" from concessional financing because, on the measurement of per capita income, they are rated as middle-income countries.

The point is that small states are the casualties of climate change but the large industrialized nations that cause the problem are doing little to help them cope with the difficulties that have already been created and that are worsening. The member countries of the Organisation for Economic Co-operation and Development (OECD), which are the world's most industrialized countries, are responsible for an estimated 77 per cent of the total greenhouse gases which were emitted in the past.

The IFI's that are controlled by the OECD governments have no machinery in place to provide small states (especially those in the Caribbean who have been graduated from concessional financing) with soft loans or grants to help them mitigate the impact of climate change, on their key trade sectors including agriculture, fisheries, forestry and tourism.

And, the terms of trade are punitive rather than helpful. A case in point is the Economic Partnership Agreement (EPA) between the European Union (EU) and individual small countries in the Caribbean and the Pacific. Nowhere in the EPA is there an acknowledgment by the EU that its greenhouse gas emissions are adversely affecting climate change and harming small island states and states with vulnerable coastlines. And, nowhere is there a correlation drawn between the cost of such harmful effects and trade benefits that could be granted.

Indeed, small states are punished twice for their innocence. Their key trade sectors are compromised by climate change caused by industrialized nations, and then they are made to open up their markets for a flood of goods and services from the industrialized nations on the false idea of reciprocal treatment.

The WTO admits that "global greenhouse gas emissions have roughly doubled since the beginning of the 1970s. Current estimates indicate that these emissions will increase by between 25 and 90 per cent in the period from 2000 to 2030".

China, India and Brazil (now G20 countries) will be three of the large developing countries contributing to the projected increases, and they too have a responsibility to face up to the harm that they are doing to small countries that lack the financial means to pay for adaptation and mitigation.

There is clearly need for a major change in the IFIs in their policies toward small and vulnerable economies. The insistence on per capita income as a measure to graduate countries from concessionary financing has proven that, by itself, it is an illogical calculation for the capacity of small countries.

But, the trade rules in the WTO also have to be adapted to cater for small and vulnerable states more widely and effectively than they do. A special category of special and differential treatment for small states is necessary both to provide these countries with the means to cope and, also, to make the WTO relevant to their needs.

Small countries should refuse to sign any more agreements until their plight is acknowledged and machinery established to address the harmful effects of climate change on them.

A growing body of literature now exists on the problems of climate change and trade for small states. But, the governments of small states themselves should be making the case in the WTO and the IFI's in a persistent fashion.

A high-level team drawn from the Caribbean, Pacific, and the Indian Oceans should be created to press their case at the next meeting of the G20. It would be a good occasion for frank talk between offenders and sufferers on an issue of human survival.
