

B1 (Global co-operation)

Conditions:

General development philosophy:

- Sustained development can only be achieved through well-coordinated efforts at regional and global level towards a fair distribution of wealth, social justice and environmental stewardship.
- Government intervention: relatively strong, aimed at internalising environmental and social costs in order to channel market forces, removing their bias on short-term economic gains. Strong policy instruments at national, regional and global level are developed to achieve this.
- Large government implies high taxes (in between A2 and B2).
- International co-operation is intensive, focussed on the gradual removal of trade barriers and support to developing regions to eliminate poverty and reap the benefits of freer trade, while concurrently working towards high international standards for product quality, working conditions, environmental quality etc...

Political situation EU:

- Turkey, Romania and Bulgaria have joined EU (EU28).
- Considerable transfer of national to supranational powers. The EU has practically developed into a federation. Foreign and security policy (2nd pillar) are fully incorporated. Uniform levels of corporate taxes, VAT and excise duties. Minimum levels for social security are set at EU level. Justice and many parts of Home Affairs (3rd pillar) mostly intergovernmental.
- Flexible policy regarding international mobility of people from outside the EU. No limitation for migration among member countries.
- Cohesion policy: maintained and further targeted towards convergence.
- Social security systems somewhat relaxed. Retirement schemes, unemployment risks etc. above minimum levels are covered by private institutions.
- The level of CAP subsidies is maintained, with domestic support strongly targeted at environmentally sustainability and rural development (2nd pillar of CAP).

Market protection:

- Export subsidies and import tariffs are abolished for all sectors.
- Codex alimentarius is more elaborated than in A1; EU and other developed countries actively support developing nations to meet these requirements.
- Much attention to non-trade concerns. Countries may refuse imports which do not meet internationally agreed minimum standards regarding production conditions related to e.g. labour (established by ILO), environmental impact, animal well-being etc.
- Admittance of GMO's after individual scrutinising by EU institutions (e.g. EU Food Authority and EEA).

Environment (pollution):

- High standards. E.g. water framework directive is fully implemented.
- Assessment of the effectiveness of environmental legislation by comprehensive monitoring of management practices and the state of the environment.
- Strong attention to GHG emissions. US joins Kyoto and Kyoto targets are further accentuated. This (and physical and political(?) scarcity) results in increasing energy prices; rapidly increasing interest in - and funding of - research and investments in alternative energy. In some parts of Europe, production of commercial biofuels becomes big business.

Nature, biodiversity and cultural heritage:

- Maintenance (and acquisition) of natural and cultural heritage mainly publicly funded, e.g. through CAP support (green payments) for the maintenance / improvement of rural landscapes and agroecological diversity; and by national, EU and international institutions such as UNESCO for nature reserves. Private funding mainly in areas that are attractive for tourism and recreation.
- Payments of national governments to farmers are restricted to avoid market distortions.

- Nature development actively engaged in the creation of extensive international networks of protected areas and green corridors.

Restrictions on land use / production:

- nature areas and rural areas receiving support for the maintenance of landscapes and biodiversity are strictly protected.
- Urban sprawl: UNEP, 4S4E: Restrictive and homogeneous spatial planning. Human settlements are controlled by promoting compact cities and major transport / communication corridors based on improvement of current infrastructure rather than extension.
- Agricultural production: production quotas are abolished.

Consequences (interacting)

Economic growth

- Strong in EU and other OECD countries, but less than in A1.
- Southern and Eastern member states converge rapidly to EU average
- Even stronger economic growth (on average stronger than A1) in developing countries; i.e. global convergence in wealth is stronger than in A1.

Technology development

- Strong, mostly focussed at development of environmentally friendly production methods.
- => More efficient use of energy, fertilisers and agrochemicals (more than in A1)
- => Higher yields per ha, requiring less labour input (but not as much as in A1)
- => More efficient (international) trade, transportation and storage management. (but transport costs are higher than in A1).