

From: Office of Terje Rod-Larsen <[REDACTED]>
Subject: June 9 update
Date: Mon, 11 Jun 2012 14:35:09 +0000

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Article 1.

NYT

Assad, the Butcher

Editorial

June 8, 2012 -- In the latest horrors from Syria, [United Nations monitors are investigating a massacre](#) in the hamlet of Qubeir, where some 78

people reportedly were shot, garroted or burned alive. If formally confirmed, it would be the fourth massacre in two weeks. Activists said an assault on the town of Hiffeh that began on Monday included the first use of missiles fired from helicopter gunships since the anti-Assad protests began 16 months ago.

Despite his claims that the violence is the work of “terrorists,” President Bashar al-Assad has a lot to hide. On Thursday, Syrian troops and pro-government supporters [barred the monitors](#) from Qubeir, and the monitors were fired upon. The team was finally permitted to enter the hamlet on Friday, and journalists and a spokeswoman for the monitors reported [chilling evidence](#) of multiple killings, including congealed blood and scattered body parts. Villagers said militiamen had trucked bodies away.

This is only the latest proof of the failure of [the peace plan promoted by Kofi Annan](#), the special envoy to Syria for the United Nations and the Arab League. All it has done is give Russia, China and some other members of the United Nations Security Council six more weeks to excuse their inaction.

On Thursday, Mr. Annan told the Security Council that the savagery will increase without concerted international pressure. He’s right. But there is no sign that Russia and China — complicit in more than 12,000 Syrian deaths — are ready to seriously cooperate. A Chinese foreign ministry spokesman was still in a fantasy world on Friday, calling on both sides in the conflict to stop the fighting.

The Obama administration is making more of an effort to try to bring the Russians on board. A senior American official was in Moscow this week. Washington needs to marshal all of the pressure and shaming it can find. Sanctions imposed by the United States, the European Union and others are pinching Mr. Assad’s cronies. But they are not enough. A United Nations arms embargo — Russia and Iran are both still selling arms to Damascus — and the toughest possible comprehensive economic sanctions are long overdue. So are formal charges against Mr. Assad and his lieutenants for crimes against humanity.

With every new atrocity, calls for military action grow. We understand the desire to protect innocents. Intervention would be costly and could widen the war. The best hope of avoiding that is for the Security Council to

impose comprehensive punishments — and for Russia, China and Iran to stop enabling Mr. Assad’s savagery.

Article 2.

The Washington Post

Syrian intervention is justifiable, and just

Anne-Marie Slaughter

June 9 -- Henry Kissinger recently argued against intervention in Syria [[“The perils of intervention in Syria,”](#) Sunday Opinion, June 3] on the grounds that it would imperil the foundation of world order. His analysis was based on a straw man, one put forward by the Russian and Chinese governments, that outside intervention would seek to “bring about regime change.”

The point of an intervention in Syria would be to stop the killing — to force Bashar al-Assad and his government to meet the demands of the Syrian people with reforms rather than guns. If the killing stopped, it is not clear what shape the political process would adopt, how many millions would take to the streets or whom different factions would support. The majority of Syrians would almost certainly demand that Assad leave office, but by the ballot box or a negotiated political settlement that would leave the Syrian state — in the sense of bureaucracy, the army, the courts — largely intact. The chaos and horrific violence in Iraq resulted in large part from the U.S. determination to destroy those institutions along with Saddam Hussein.

As a cautionary tale, Kissinger and others point not only to Iraq but also to Libya. Kissinger lumped Libya in with Yemen, Somalia and northern Mali as a “blank space” on the map “denoting lawlessness.” Yet political scientist [Juan Cole, who recently visited Libya](#), where he expected a fair degree of chaos, reports that in Benghazi, Misrata and Tripoli, “there were no militiamen to be seen, that most things were functioning normally, that there were police at traffic intersections, that there were children’s carnivals open till late, families out, that jewelry shops were open till 8 pm, [and] that Arabs and Africans were working side by side.” The

[Economist](#) reached the same conclusion early this year, reporting on [relatively optimistic economic prospects](#). Kissinger is right that in the end NATO's operations in Libya looked like an effort to remove Moammar Gaddafi from office, not because NATO planes took out command-and-control facilities in Tripoli from which Gaddafi and his generals were ordering civilian massacres but because NATO planes never sought to protect civilians supporting the regime against opposition troops. The response to this concern, however, is not to oppose intervention in Syria but to support a U.N. Security Council resolution with clear parameters about a limited use of force.

Such a resolution, which would have to follow a request by the Arab League, should resolve to protect the establishment of no-kill zones by local Syrian authorities by whatever means necessary, short of foreign troops on the ground. These means would include the provision of intelligence and communications equipment, antitank and anti-mortar weapons, and, crucially, air support against Syrian government tanks and troops that seek to enter or overrun a zone. The provision of such support would also require the disabling of Syrian air defenses. Proposing this type of action would force the Russian and Chinese governments to come clean about the real motives for their positions. Even if Libya had never happened, would Russia really be willing to allow intervention in Syria? Assad would still be one of Moscow's principal allies in the Middle East. Russia would still have port facilities at Tartus. It would still want to protect the principle that a government can suppress popular demonstrations by any means it chooses, including the kinds of crimes against humanity, indeed near-genocide, that Vladimir Putin ordered in Chechnya at the turn of the century. Kissinger claimed that the Russian and Chinese governments are upholding the foundations of a world order that the United States should not lightly cast aside, an order in which sovereignty gives a government the right to rule its people and territory without intervention from other states and a corresponding obligation not to intervene in the affairs of others. It is true that this principle is enshrined in the United Nations Charter, but four years after the charter was passed U.N. members also adopted the Universal Declaration of Human Rights. By the end of the 20th century, [REDACTED]. Secretary General Kofi Annan — now the United Nations' special envoy for Syria — was

arguing that states existed to serve their people, rather than the other way around. And by 2005 all the world's states, on the 60th anniversary of the U.N. Charter's passage, adopted the doctrine of the responsibility to protect, which effectively adopted a definition of sovereignty as responsibility. Sovereigns bear responsibility to not only their fellow sovereigns but also their own people, to protect them from genocide, crimes against humanity, ethnic cleansing, and grave and systematic war crimes.

President Obama believes in sovereignty as responsibility. Standing up for that principle will result in a world that will be more stable, prosperous and consistent with universal values — the values Americans know as life, liberty and the pursuit of happiness. It will be a far better world for the United States as well as for Syrians, Egyptians, Tunisians, Libyans and billions of others. But bringing it into being requires demonstrating firmly and quickly that when governments cross the line of genocide, or engage in crimes against humanity, ethnic cleansing, or grave and systematic war crimes against their own people, the world will act — with force if necessary and, if necessary, with the approval only of a regional organization and a majority of the members of the U.N. Security Council. Only then will murderous dictators begin to think twice.

Article 3.

Bloomberg

Syria Could Unite Russia and China Against the U.S.

Dmitri Trenin

Jun 7, 2012 -- The massacre of more than 100 men, women and children at Houla has buried the peace [plan](#) for [Syria](#) promoted by former United Nations Secretary General [Kofi Annan](#). Soon, the regime and its opponents will get to fight out their civil war unobstructed. When that happens, Syria will present the U.S. and Russia with choices that have implications far beyond the fate of a single Middle Eastern dictator, including stronger Russia-[China](#) cooperation to counter U.S. foreign policies. It's a defining aspect of the Syrian conflict that it has split the

international community, especially the U.S. and Russia, making it difficult to force any solution on the warring parties. Americans see Russia as supporting a last, fellow authoritarian ally in the Middle East. Russians retort that U.S. policy toward Syria is all about changing the regime in Damascus, because it's allied with Tehran, and that the U.S. never tried to make Annan's peace initiative work. Each accuses the other of allowing violence in pursuit of larger geopolitical goals, regardless of the human cost. The atrocities at Houla merely raised the temperature of that dispute. In the days after the massacre, Russia's President [Vladimir Putin](#) made it clear to European counterparts that his opposition to foreign military intervention in Syria was as strong as ever. This has put Russia on a potential collision course with the U.S., should President [Barack Obama](#) decide -- against his own best judgment -- to authorize military action in Syria.

Turning Point

That scenario no longer looks as unlikely as it once did. Former U.S. President [Bill Clinton](#) has already talked about Obama reaching his Bosnia moment. The U.S. election is mainly about jobs and the economy, but there is only so much passivity that a White House incumbent can afford when faced with an acute humanitarian crisis. Once the Annan plan is pronounced dead, Syria's civil war will gain in intensity. Arms shipments to the opposition will increase and military advisers from Arab and other countries will probably follow. As the death toll accelerates, calls for international military intervention may become irresistible. A U.S.-backed military intervention would lead to a deep rupture with the leadership in Moscow. Russia wouldn't try to stand in the way militarily, but it might well be driven to forge a stronger strategic partnership with China, which also opposes foreign military interventions in the [Middle East](#) and has joined Russia in vetoing UN Security Council resolutions on Syria. China has been ambivalent in the past about Russian overtures to ally against the U.S., but that's changing due to concerns over the implications of Obama's pivot to Asia. There have recently been calls from within the Chinese military for an alliance with Russia to stand up to the U.S. pressure. China's political leadership, for the time being, remains skeptical, and so does Putin. But in Moscow, too, there's a pro-China

lobby, and Western intervention in Syria could provide the catalyst for a strategic rebalancing, with wide-ranging implications for the U.S. Putin has been in Beijing this week to meet Chinese leaders, including at a summit of the [Shanghai](#) Cooperation Organization, a regional security and development arrangement focused on Central [Asia](#). (In a coincidence of scheduling, [Hillary Clinton](#) was meeting some of her allies on the Syrian issue in Istanbul at the same time.) How to handle Syria, [Iran](#) and the U.S. were topics for discussion in Beijing.

Russia's Bind

Putin has vowed that Syria will not be another [Libya](#), and it won't be: Russia will block any UN Security Council resolution that authorizes the use of force in Syria. Nor will Russia support economic sanctions. Yet the Russian government finds itself in a bind. Its calculation that Assad would prevail over the opposition, Bahrain-style, woefully overlooked the external dimension to the Syrian drama. Now it's accused of protecting the "butcher of Damascus," while China withdraws into its shell. To the leaders of the Kremlin, this looks unfair. To start with, Russia doesn't count Assad as an ally -- he's merely a business client. Russia did lean on Assad, persuading him to agree first to an Arab League mission, and then the Annan plan. Nevertheless, it's clear that Putin is losing the argument internationally. [Susan Rice](#), the U.S. ambassador to the UN, hinted after the Houla massacre that the U.S. might go outside the [Security Council](#) to take tougher action, thus circumventing the Russian and Chinese vetoes. What can Russia do? There are just two options. One is to stick to the current approach. This won't stop foreign involvement outside the UN, nor civil war, but Russia would be able to denounce interference in Syria as illegitimate and watch the resulting mess from the sidelines. That mess would be huge and many outsiders who venture into the Syrian conflict may emerge bruised. Still, Russia would suffer reputational damage and would pay a price for being on the wrong side of history, especially if Assad were to fall. The alternative would be based on an idea recently invoked by Foreign Minister [Sergei Lavrov](#), namely that in civil conflicts, the incumbent government bears a much larger responsibility than its opponents do. Had he really wanted a peace settlement, Assad might have used [Russia](#) to help him arrange for a political transition in Syria. Instead, he used Russia as a cover for stalling on peace and expanding a war

against his people. He has therefore failed in his responsibility. Lavrov and most recently his deputy, Gennady Gatilov, have said they would be willing to accept a solution that involves Assad's departure, so long as that doesn't involve a foreign military intervention. This is, potentially, a point of convergence between the U.S. and Russia.

Inviting Blowback

U.S. leaders should hold back from approving any military action. Beyond the many risks on the ground, the U.S. would invite blowback in the form of deeper rifts with Russia and China in priority areas such as pressuring Iran over its nuclear program. China and Russia might also be motivated to overcome their differences and breathe real muscle into the Shanghai Cooperation Organization, turning it into a counterpart to NATO. Instead, the U.S. should make it clear to Russia that it doesn't foresee military intervention or forced regime change in Syria, and that it would lean heavily on the opposition in Syria to agree to talks and a political transition with the regime in Damascus, though not with Assad. Russia, for its part, should tell Assad: Your time is up, we will no longer ship arms to a government involved in a civil war, and the only thing we can do for you now is to help negotiate your safe passage out of the country. Letting go of Assad at this point, while encouraging members of the Syrian military not implicated in atrocities to take over and open talks with the opposition, would not plunge Syria into a civil war -- that has already begun. What it might do is shorten the conflict and save lives. If lives are more important than regimes -- and they are -- then this is the path to follow.

[Dmitri Trenin](#) is director of the Carnegie Moscow Center.

Article 4.

The Diplomat

[Could China, Russia Rescue Iran?](#)

Meir Javedanfar

June 8, 2012 -- Vladimir Putin has returned to the Russian presidential office. And, if his previous record as president is anything to go by, he's

likely to take a tough line against the U.S. over Iran. This comes at a time when U.S. relations with China have been tense. Indeed, U.S. Defense Secretary Leon Panetta used a recent visit to Vietnam to underscore how the United States [intends to back its allies](#) in the Asia-Pacific region and help them enforce their rights in the South China Sea, an area that Beijing claims much of. Such sentiments are unlikely to have been well received by China's leaders. Against this backdrop, China and Russia are both veto wielding members of the U.N. Security Council, as well as members of the P5+1 group, which is negotiating with Iran over its nuclear program. The Iranian government could therefore be forgiven for seeing a diplomatic opportunity on the horizon, and Tehran can be expected to attempt to seize the moment by trying to create a rift [between the rest of the P5+1 and Russia and China](#). Indeed, Iranian President Mahmoud Ahmadinejad will likely have used his meetings with Putin and senior Chinese officials on the sidelines of this week's [Shanghai Cooperation Organization summit](#) for this very purpose. The question that should be asked, though, is this: how much mileage can Tehran get from such discord?

The likely answer is: not much.

Of course, Putin can be expected to crank up the rhetoric in challenging U.S. policies, especially those tied to new sanctions against Iran. In concrete terms, though, he'll be treading much more carefully. Putin may want to sound tough with the United States, but he's also aware that it's unwise to vigorously challenge current U.S. and EU oil sanctions against Iran's oil industry because they also serve his government's interests. Iran is a Russian competitor in the global energy market, and the less oil Iran is allowed to sell, the more scope there will be for Russia to step in. In the long run, Russia may even be able to poach some of Iran's long standing oil customers. In addition, the current tensions over Iran, and its absence from the oil markets, could help keep oil prices higher, a reality that will be welcome for a Russian administration that's determined to eliminate Russia's budget deficit by 2015. Doing so [depends on oil prices averaging around \\$100 per barrel](#), by some estimates.

The Chinese government's enthusiasm for helping the Iranian government, meanwhile, is also likely to be limited.

The most important reason is China's [slowing economy](#). Taking the U.S. on over Iran now is the kind of distraction that policy makers in Beijing can do without, and that's not to mention the penalties for business interests that might follow open defiance of U.S.-backed sanctions. In addition, getting too close to Iran could place an unnecessary strain on China's key business relationship with Saudi Arabia, as well as with other members of the Gulf Cooperation Council wanting to see the Iranian government isolated. In addition, as much as the current oil sanctions hurt some of China's business interests, Iran's current isolation isn't without its benefits for China. Three years ago, for example, Iran [signed a deal](#) with China under which rather than paying Iran for its oil, China keeps Iran's money and uses it as a substitute to Letters of Credit to guarantee payments for Chinese products purchased by Iran. [According to the Iran-based Baztab publication](#), believed to have close links with former Iranian Revolutionary Guard chief Mohsen Rezai, despite keeping Iran's oil money as a guarantee for payment for Chinese goods, the Chinese government charges a 4 percent insurance fee on its exports to Iran. [According to PBS](#), the amount involved could be more than \$25 billion. According to Baztab, it's quite possible that the insurance rate could now double, while any losses will come out of the pocket of the Iranian government, despite the fact that the money is being managed by the Chinese government. The terms of this deal have been deemed as so humiliating to Iran that it has been likened to the [Turkmanchai treaty](#) of 1828, which forced Persia to cede part of Persian Armenia to Russia and to grant extraterritorial rights. Baztab, which first broke the story three months ago, is said to have so upset the government with the revelation that its website was temporarily blocked.

One of the biggest reasons why China was able to extract such favorable terms for the deal was simply that it could see how isolated the Iranian government is. With Tehran now in even more dire straits than when the deal was struck, Beijing can be expected to ratchet up the costs for Iran still further. Meanwhile, China is also reportedly able to use Iran as a dumping ground for some of its lowest quality products, an allegation that has raised the ire of many Iranians, including the country's media. China and Russia under Putin undoubtedly have their respective issues with the United States. But even if they mend fences with each other to [balance](#)

[U.S. power](#), it's unlikely that this will prompt them to completely break ranks with the position of the P5+1 in negotiations, or completely defy U.S. and EU sanctions against Iran. The costs of doing so would be higher than anything Iran could compensate them for. Both Beijing and Moscow have learned to exploit Iran's isolation to their advantage, meaning backing the U.S. and EU sanctions against Iran isn't as costly for them as it used to be, diplomatically or otherwise. Indeed, in some respects, they are actually better off with an isolated and sanctioned Iran.

Article 5.

Project Syndicate

What Happened to India?

Raghuram Rajan

08 June 2012 -- Emerging markets around the world – Brazil, China, India, and Russia, to name the largest – are slowing. One reason is that they continue to be dependent, directly or indirectly, on exports to advanced industrial countries. Slow growth there, especially in Europe, is economically depressing.

But a second reason is that they each have important weaknesses, which they have not overcome in good times. For China, it is excessive reliance on fixed-asset investment for growth. In Brazil, low savings and various institutional impediments keep interest rates high and investment low, while the educational system does not serve significant parts of the population well. And Russia, despite a very well educated population, continues to be reliant on commodity industries for economic growth. Hardest to understand, though, is why India is underperforming so much relative to its potential. Indeed, annual GDP growth has fallen by five percentage points since 2010.

For a country as poor as India, growth should be what Americans call a “no-brainer.” It is largely a matter of providing public goods: basic infrastructure like roads, bridges, ports, and power, as well as access to education and basic health care. And, unlike many equally poor countries, India already has a very strong entrepreneurial class, a reasonably large

and well-educated middle class, and a number of world-class corporations that can be enlisted in the effort to provide these public goods.

Satisfying the demand for such goods is itself a source of growth. But, also, a reliable road creates tremendous additional activity, as trade increases between connected areas, and myriad businesses, restaurants, and hotels spring up along the way.

As India did away with the stultifying License Raj in the 1990's, successive governments understood the imperative of economic growth, so much so that the Bharatiya Janata Party (BJP) contested the 2004 election on a pro-development platform, encapsulated in the slogan, "India Shining." But the BJP-led coalition lost that election. Whether the debacle reflected the BJP's unfortunate choice of coalition partners or its emphasis on growth when too many Indians had not benefited from it, the lesson for politicians was that growth did not provide electoral rewards. In any event, that election suggested a need to spread the benefits of growth to rural areas and the poor. There are two ways of going about that. The first, which is harder and takes time, is to increase income-generating capabilities in rural areas, and among the poor, by improving access to education, health care, finance, water, and power. The second is to increase voters' spending power through populist subsidies and transfers, which typically tend to be directed toward the politically influential rather than the truly needy.

In the years after the BJP's loss, with a few notable exceptions, India's political class decided that traditional populism was a surer route to re-election. This perception also accorded well with the median (typically poor) voter's low expectation of government in India – seeing it as a source of sporadic handouts rather than of reliable public services.

For a few years, the momentum created by previous reforms, together with strong global growth, carried India forward. Politicians saw little need to vote for further reforms, especially those that would upset powerful vested interests. The lurch toward populism was strengthened when the Congress-led United Progressive Alliance concluded that a rural employment-guarantee scheme and a populist farm-loan waiver aided its victory in the 2009 election.

But, while politicians spent the growth dividend on poorly targeted giveaways such as subsidized petrol and cooking gas, the need for further

reform only increased. For example, industrialization requires a transparent system for acquiring land from farmers and tribal people, which in turn presupposes much better land-ownership records than India has.

As demand for land and land prices increased, corruption became rampant, with some politicians, industrialists, and bureaucrats using the lack of transparency in land ownership and zoning to misappropriate assets. India's corrupt elites had moved from controlling licenses to cornering newly valuable resources like land. The Resource Raj rose from the ashes of the License Raj.

India's citizenry eventually reacted. An eclectic mix of idealistic and opportunistic politicians and NGOs mobilized people against land acquisitions. With investigative journalists getting into the act, land acquisition became a political land mine.

Moreover, key institutions, such as the Comptroller and Auditor General and the judiciary, staffed by an increasingly angry middle class, also launched investigations. As evidence emerged of widespread corruption in contracts and resource allocation, ministers, bureaucrats, and high-level corporate officers were arrested, and some have spent long periods in jail. The collateral effect, however, is that even honest officials are now too frightened to help corporations to navigate India's maze of bureaucracy. As a result, industrial, mining, and infrastructure projects have ground to a halt.

Populist government spending and the inability of the supply side of the economy to keep pace has, in turn, led to elevated inflation, while Indian households, worried that no asset looks safe, have taken to investing in gold. Because India does not produce much gold itself, these purchases have contributed to an abnormally wide current-account deficit. Not much more was required to dampen foreign investors' enthusiasm for the India story, with the rupee falling significantly in recent weeks.

As with the other major emerging markets, India's fate is in its own hands. Hard times tend to concentrate minds. If its politicians can take a few steps to show that they can overcome narrow partisan interests to establish the more transparent and efficient government that a middle-income country needs, they could quickly re-energize India's enormous

engines of potential growth. Otherwise, India's youth, their hopes and ambitions frustrated, could decide to take matters into their own hands.

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Article 6.

Chatham House

Rio+20 must address the scramble for resources

Bernice Lee

June 2012 - July 2012 -- Will Rio+20 just be a side show to the global scramble for resources or will it grasp the realities of the looming crisis and form a political agenda that can succeed?

Experts are predicting a global scramble for natural resources – energy, water, food and minerals – for decades to come, with the struggle taking place against a backdrop of environmental change, economic uncertainty and social unrest. The anticipation of future scarcities, together with high and volatile prices, has already influenced decisions by businesses and governments. Are we on the cusp of a new world order dominated by struggles over access to affordable resources?

This month, the world's governments will gather for the Rio+20 United Nations Conference on Sustainable Development, a return to Rio 20 years after it hosted the seminal Earth Summit in 1992.

The original Rio summit put a number of critical environmental issues such as climate change and biodiversity on to the global agenda. The next

summit's task should be different. As more than 150 world leaders and 50,000 other delegates head to Rio, they should be aware that too little attention has been devoted to resource politics. This is a mistake. Fractured politics and policies on energy, minerals and food are a fault-line that derails politics – foreign and domestic – around the world. For example, high food and energy prices in 2007-8 prompted protectionist responses that have caused distrust and changed geopolitical landscapes in politically fragile regions. These fractured responses will only continue to undermine co-ordinated action to deliver global food, energy and water security.

This blindness to the underlying politics of resource access and national competitiveness has derailed other multilateral attempts to address issues of sustainable development – from climate change at the Copenhagen summit of 2009 to the G20's attempts to deal with food security. If it ignores the politics, Rio will at best be a side show to the global scramble for resources, as politicians pay lip service to sustainability, agree a warm and fuzzy communiqué and continue to pursue policies that nurture unsustainable business models and perpetuate zero-sum competition.

More, more and more

Fears that the world is running out of resources are not new. Some hard truths, however, cannot be avoided. One is that demand for natural resources is growing at an unprecedented pace. The other is that meeting this growing demand will not be easy.

Energy needs are predicted to grow by 50 per cent by 2035. The world is expected to triple the amounts of minerals, ores and fossil fuels consumed each year between now and 2050. Water demand will increase by 50 per cent in the same period. McKinsey, the consultancy, has argued that, barring major macroeconomic shocks, prices are likely to remain high and volatile for at least the next 20 years.

Population growth, urbanization and the rise of the emerging economies are critical pieces in this puzzle. China today accounts for more than 40 per cent of global metals consumption, up from only 13 per cent 10 years ago. By 2020 it will become the world's largest oil importer, something it was self-sufficient in only two decades ago.

Additionally, many forecasts show unprecedented supply gaps and investment needs in the coming decades. A transformational leap in

productivity is required to meet growing food needs, particularly in Africa. The Gates Foundation estimates that investments of around \$100 billion a year will be needed in developing countries alone. To meet projected oil and gas demand would require more than half a trillion dollars every year until 2035.

Meeting these rising resource needs will be made more difficult by environmental pressures and the effects of climate change. Water and land are already scarce in many parts of the world, and are coming under pressure from urbanization and industrial development. Climate change is expected to change the seasonality and the amount of rainfall, while extreme weather events such as heat waves and storms are expected to become increasingly common by 2040.

New fault lines

The anticipation of future supply gaps and scarcities is sharpening the politics of re-sources and national competitiveness.

Until recently, for example, food availability and price volatility was not considered a threat to political stability. But the 2007-8 food crisis (see graph on page 12), including the price spikes for cereals and oil, led to protests in 61 countries, with riots in 23 and one change of government. Three years later, high food prices contributed to civil unrest throughout the Arab world. High and fluctuating oil prices have caused political challenges across the globe, from Burma and Nigeria to the US and China.

As these events have shown, the rapid transmission of price increases to poorer consumers often results in political unrest and instability as well as large-scale migration. The effects are not limited to the poor. High energy prices have undermined the macro-economic position of importing countries such as the members of the European Union.

Resource-rich countries with weak governance and poor financial resilience can also be caught in the classic 'resource curse'. This is a toxic mixture of rising exchange rates which kill off other forms of industrial activity; increased opportunity for corruption; and the challenge of investing the new-found revenue. Without transparent and effective financial management, these countries are also particularly exposed to a price fall.

Water pressure

This competition for resources will have profound implications for the environment. Food and water are already under pressure. Continued consumption at the current scale could lead to the collapse of critical ecosystems, whether forests, cropland, rangeland, fisheries or usable water. For many industries, water availability will be critical when deciding where to invest and where to produce. Water constraints already affect production of many commodities. Shortages of fresh water are expected to grow in the coming decades, provoking competition for water use in many countries. Seventy-five per cent of the world population could face significant shortages by 2050.

Some regions most at risk from water shortages are also globally important agricultural centres: including northwest India, northeast China, northeast Pakistan, California's Central Valley, and the mid-western United States.

Interruptions in access to water, food or fuel can trigger large movements of populations – whether due to price spikes or physical shortages. For those unable to escape from vulnerable regions, their entrapment will add to social tensions and can result in conflict as populations compete for resources amid environmental shocks such as drought or flooding.

Inhuman resources

Markets for resources have always been political. Government interventions in agricultural, energy and water markets have been the norm rather than the exception. Notable examples include US subsidies for biofuels or its soya bean and wheat export restrictions in the late 1970s and early 1980s, China's export restrictions on rare earth metals, and strategic stockpiles of metals (Japan), food (China) and oil (by the International Energy Agency).

This is not going to change. The market for resources will probably become even more political in the coming decade. The recent nationalisation of YPF, the Spanish-owned oil company, in Argentina and First Quantum, the Canadian mining enterprise, in the Democratic Republic of Congo is testimony to this new era of resource strife between investors and host governments. The race for new resources has also opened frontiers, not least in the Arctic, raising the prospect of conflict between regional states, such as Russia and Canada.

State-backed investment strategies from China, India, Brazil and the Gulf States, for example, have already changed the business environment for competitors in extractive industries and other infrastructure investments in developing countries. Some of these importers are willing to intervene through state-owned enterprises and sovereign wealth funds to guarantee future supply.

Commodities now account for two-thirds of foreign direct investment by state-owned enterprises. Others prioritize long-term bilateral deals for oil, gas and coal, offering political and economic support. And the search for water is already one of the driving forces of the wave of deals by some major emerging economies and Arab Gulf states to secure land for agricultural production overseas.

Meanwhile, new producers are seeking to restrict the market in key resources in order to promote their own industrial policy and technological development. Examples include the Indonesian ban on exports of unprocessed nickel and China's export restrictions on rare earth metals. These dynamics are creating not only north-south but also south-south tensions, like the current controversy over China's decision to ban super-sized ships from Vale, the Brazilian mining giant, from docking in Chinese ports.

Conflict, collusion or collaboration?

The international community faces two major challenges in the coming decade – managing the transition to sustainable 'resource' equilibrium while keeping the lights on and putting food on the table.

If governments were pursuing a co-operative agenda, the dual challenge would be hard enough. But rising population, environmental change and a rapidly shifting global economy are exacerbating scarcities and making resource politics more divisive; zero-sum national strategies to hedge against scarcity and price swings typically make things worse not better. High and fluctuating commodity prices are likely to spur resource nationalism and increase the attraction of unilateral and bilateral responses that erode trust and undermine multilateralism. Increasing concentration of producer powers – whether through mergers and acquisition, nationalisation or investments by state-owned enterprises – may limit options for many.

Meanwhile, different patterns of resource consumption will continue to aggravate political and social stresses – between sectors, communities and states. Competition for critical resources, already acute in many parts of the world, will escalate, heightening the risk of a downward spiral of increasing competition and decreasing trust.

In situations such as this, politics usually trumps science and good economics. Support for the Green economy is one of the two key themes of this Rio conference: the need for environmental and social costs to be reflected in the pricing of goods and services, and removing environmentally perverse subsidies. But expectations of scarcity and concerns about resource security are emboldening domestic lobbies which depend on unsustainable policies and practices.

Rio, or more precisely whatever emerges from its conference halls, is unlikely to be successful unless fundamental political issues are tackled as well.

Governments must seek answers to some difficult questions. Can we collectively challenge vested interests to move towards a more constructive politics? Are the right mechanisms in place to insulate consumers and producers from price swings, so creating more space for governments to pursue less reactive, and more co-operative agendas? Will the existing international architecture be robust enough to shepherd the world towards an equitable sharing of resources? Can we manage or resolve an explosion of resource-related conflicts?

The private sector also has a role to play, not least in developing and implementing credible business models that can help break – or at least rapidly decouple – the link between resources use and future competitiveness, so easing demand, challenging incumbent industries, and reshaping notions of resource security in the process.

What the world needs most is a new politics of resources – of co-operation and collective action, rather than competition and unilateralism. This could never be an explicit outcome from Rio+20: it is not the stuff of frameworks, panels, goals or communiqués, nor for that matter could it be forged over the course of a few days at a single conference. But conversations, meetings, and discussions will certainly take place at Rio. Tacit outcomes and shared understandings about resources and the

challenges we face may emerge, helping to set a course towards a new politics.

If this happens, then Rio+20 will have been a success.

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