



## Closing Remarks

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### Session 10: The Way Forward: From Policy to Practice

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1. First I would like to express my gratitude to the conference organizers for getting us together, and creating a truly productive environment, which is *sustainable* even without subsidy or regulations. I would also like to thank the thoughtful and memorable presentations by so many participants. It has been fun and a good learning experience.
2. However, as an economist -- *who sees the costs of everything and the values of nothing*, I feel obligated to add a few words of concern and some food for thought.
3. The issue I would like to discuss is the implementation and the issue of **COMPENSATION**. I suggest explicit **identification** of gainers and losers, and an **actual transfer** of benefits from gainers to losers to make the loss more palatable to the losers as part of the implementation scheme.  
This suggestion, I believe, reaffirms our shared preference for the democratic value of voluntary trade over the principle of confiscation (or "an offer one cannot refuse"). Cf. Parato, Kantian, and Rawlsian notion of fairness.
4. Over the last 3 days, we have heard many comments regarding the "disconnect" between knowledge and belief held by the environmentally conscious groups and the lack of real implementation. Many explanations/remedies were offered. These range from "irrational behavior" to cultural change and better education. I learned much from these discussions. I, actually, do believe in cultural change, and also in the values of education; after all I am a teacher, and I now happily live in the Land of Faulkner (Oxford, Mississippi); speak English with both a Southern and Japanese accent, although I was born in Nagano, Japan as a great grandson of a Samurai.
5. When we want to change the status quo with a new regime; the action almost inevitably creates gainers and losers. If the action is truly societally; globally beneficial, we can compensate the losers and still left with the net gain.
6. In formulating the environmental policies, we must recognize this simple fact.
7. I was talking to Dr. Rosalinda Bacosa from Palawa, Philippines about her work in Palawa. She mentioned the successful passage of logging prohibition in Palawa, in 1993. Upon my congratulation, Rosalinda smiled and told me the dark-side of her story; an increased illegal logging operation and increased conflicts in Palawa. The passage of the law, without compensation to the local loggers and the government, almost necessarily creates illegal activity. With the passage of the law without compensation in Palawa, hitherto legal activity became illegal and created the necessity of law enforcement and all that entailed. When I mentioned the story to Dr. Pat Kameri-Mbote from Nairobi, Kenya, Pat also told me a story of increased illegal hunting in Africa associated with the uncompensated regime change.
8. When John F. Kennedy started the tariff reduction, known as Kennedy Round, he did not neglect the issues of the losers and gainers from his new freer trade regime. Kennedy, simultaneously, introduced a re-training and a longer, more generous unemployment

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compensation scheme, which secured Kennedy to win key votes from the losing States and created one of the most successful free-trade round.

9. There's no free lunch! Effort to go "cheap" can cost more. Moreover, "complacency", or "intransigence" will more likely melt away with redistribution of gains.

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