

HOW SUSTAINABLE IS EUROPEAN DEVELOPMENT? THE WORLD-SYSTEMS PERSPECTIVE AND THE ROLE OF THE EUROPEAN INVESTMENT BANK

Ivan Lesay¹⁸⁶

Abstract This paper seeks to analyse the broader context of the sustainable development discourse in Europe. First, optimistic arguments claiming that Europe is performing well in terms of sustainable development are presented. Second, counter-arguments are introduced – refuting the former by claiming they are geographically limited. Third, an alternative conceptualisation of sustainable development based on the world-systems perspective is proposed. And finally, the investment portfolio of the European Investment Bank is tested on the grounds of the hypotheses formulated drawing on the theoretical part of the paper.

Keywords sustainable development, ecological modernisation theory, world-systems analysis, bio-physical accounting, ecological unequal exchange, the European Investment Bank

Historical capitalism has two elementary features: an imperative need to expand to sustain its prime objective – the endless accumulation of capital, and a tendency not to pay its bills.

Immanuel Wallerstein

Introduction

It is a commonplace to talk and think about Europe as the most advanced world region in terms of sustainable development. This impression is nourished by many particular indicators, such as nature protection legislation, adherence to international climate conventions, services sector proportion increase / industry sector proportion decrease, energy efficiency rates, environmental education and awareness etc. – all of them among the highest or most developed right in Europe.

I will claim that this intuition is fundamentally wrong. Despite its rising popularity and political prominence, much of the sustainable development discourse and effort in Europe is somewhat short-sighted and Eurocentric. The pursuit of cleaner environment and nature protection is too often followed within – and framed and restricted by – geographic frontiers. My argument in this paper is that to a great extent, Europe's environment protection successes can count at the expense of environmental degradation elsewhere, particularly in the poorer ('less developed') parts of the world. Building information / knowledge-based society and sophisticated services sector in Europe does not mean that the Europeans have stopped consuming. The reverse seems to be true. An explanatory factor of the seeming dilemma

¹⁸⁶ I would like to thank to Pippa Gallop, Lucia Pániková and Daniel Škobla for their help in developing this paper. However, the remaining errors are solely mine.

‘increasing consumption – improving environment’ might be that the polluting production and waste disposal have been moved away from our eyes and backyards, and so has the resource exploitation.

When I refer to ‘Europe’ in this paper, I do it in several ways and for several reasons. First, many mechanisms that I am describing here on the case of ‘Europe’ (increasing mass consumption and externalising its environmental consequences to weaker peripheral countries) can very well hold even for the rest of the ‘developed’ world – the USA, Canada, Japan, Australia, etc. However, I have chosen to focus on Europe in this paper just because of the greatest discrepancy between the mentioned practices on the one hand, and the environmental rhetoric in and by Europe, and the position Europe is believed to have in an imaginary world-environmental-friendliness-ranking on the other hand. Technically, and that is second, referring to ‘Europe’ mainly equals to referring to the EU.¹⁸⁷ And third, when referring to the ‘European development’ in the title of the paper and in the text, basically two things are implied: 1. the development *in* Europe, i.e. consequences of economic development and life-style in Europe for the global environment, and 2. the model of development prescribed *by* Europe to the less developed countries of the world. And finally, Europe is represented by the European Investment Bank in the empirical section of the paper (the reasons for the choice are discussed in that particular section).

I. Sustainable Europe – an optimistic view

Developed economies often receive attributes such as ‘post-industrial’, ‘information’, or ‘relatively dematerialised’.¹⁸⁸ It creates an impression that economic development, mass consumption, and high living-standards do not necessarily go hand in hand with intensive resource use, and therefore, environmental degradation. Such observations have been confirmed even by the so-called *environmental Kuznets curve* (EKC) (Figure 1). The inverted U-shaped curve describes the reality that the lowest levels of environmental degradation can be found in the least and the most developed economies. The least developed economies (left part of the figure) do not have the physical capacity to degrade the environment massively. The countries in the middle are better equipped and invest their efforts in catching up, which results in the highest degrees of environmental degradation. Somewhat paradoxical seems the observation that the most developed economies (right part of the figure) do not use their

¹⁸⁷ The phenomena discussed hold predominantly for the more developed part of Europe, not as much for the ‘less developed’ parts of the continent, such as the Balkan or former Soviet Union republics (except for the Baltic states). Therefore referring to ‘Europe’ mainly equals to referring to the EU. However, I have chosen not to refer specifically to the EU because it doesn’t include several developed European countries, such as Switzerland, Norway, Liechtenstein, and Iceland.

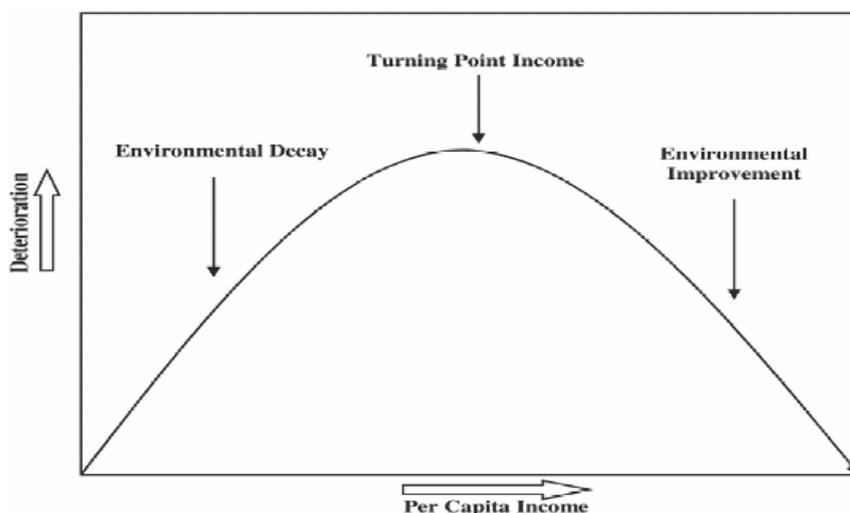
¹⁸⁸ Relative dematerialisation refers to situations when country’s economy grows faster than material input of the economy, i.e. although the use of resources increases, it does so at a slower pace than the GDP growth.

capacity to exploit the environment so much. This effect is explained in several ways: 1. psychology (people care for the environment after satisfying their pressing material needs), 2. economics (people care for the environment if they can afford it), 3. technology (the core countries dispose of more efficient and environmentally sensitive technologies), and 4. less industry – more services, i.e. decreasing material intensity (as discussed above).

Another optimistic view is proposed by Mol and Buttel¹⁸⁹ – it is the so-called *environmental state* thesis. Its basic idea is that affluent industrialized states have institutionalised many nature protection measures, and many environmental concerns turned into their advanced environmental legislation. I believe that the reasons why these states did so can be found in the previous discussion on EKC.

And finally, the *ecological modernisation theory*¹⁹⁰ provides arguments not only on the level of individual affluent states as presented above, but also argues that free international trade has positive effect on global level, too: 1. rising incomes in poor countries reduces the pressures that poverty places on environment, 2. South changes the economic structures away from activities in the resource-intensive primary sectors towards services ('positive structural effect'), and 3. international trade fosters the transfer of clean technologies from North to South ('positive technology effect').¹⁹¹

Figure 1 Environmental Kuznets curve



Source: Yandle, B., Vijayaraghavan, M., and Bhattarai M. 2002: *The Environmental Kuznets Curve: A Primer*. Available at: <http://www.macalester.edu/courses/econ231/yandleetal.pdf>.

¹⁸⁹ Mol, A. P. L. and Buttel, F. H. 2001: *The Environmental State Under Pressure*. Amsterdam and Boston: JAI Press.

¹⁹⁰ Ecological modernisation theory defends the *status-quo* of the present capitalist world-economy. It argues that it is possible to have both growing economy and improving environment, and that free trade and anti-regulationist policies both on national and global level foster both goals. It has been criticised for its conservationist, reformist, and overly optimistic approach.

¹⁹¹ Giljum, S. and Eisenmenger N. 2003: *North-South Trade and the Distribution of Environmental Goods and Burdens: a Biophysical Perspective*. SERI Working Paper Nr. 2. Vienna: Sustainable Europe Research Institute, p. 7.

II. Euro-centrism of 'sustainable development' discourse

The major flaw of the ecological modernisation concepts discussed in the previous section is that their understanding of sustainable development is narrowly focused within frontiers – activities of one geographic unit are identified with its geographic territory, whereas the international context and consequences of domestic activities are neglected. The so-called *rich-country-illusion effect* has been observed: as the consumption rates are not tightly linked to domestic environmental conditions, inhabitants (but also many scholars) in the core countries mistakenly (due to importing resources and exporting environmental costs) perceive their lifestyles as sustainable and blame LDCs for global environmental degradation.¹⁹²

However – and no matter what the impressions are – it is only the *flow of energy and matter to productive societies* that permits an increase in 1. substitution of nonhuman for human energies, 2. scale, complexity, and coordination of human activities, and 3. division of labour, and specialized fields of information.¹⁹³ In other words, only the fact that the dirty extraction and production happens elsewhere, enables Europeans to employ their forces in clean and sophisticated service sector and thus be proud to call themselves 'post-industrial' or 'relatively dematerialised' (see Hypothesis 3 in the empirical section). It is important to stress that the latter would be hardly possible without the former.

III. World-systemic conceptualisation of sustainable development

After trying to demonstrate the flawed logic of sustainable development discourse anchored in the ecological modernisation theory, I am proposing an alternative conceptualisation based on the world-systems perspective.¹⁹⁴ First, I refer to several general but still related theses to present a broader background and perspectives of the sustainable development dynamic in world-systems (power relations, structural positions and their historical development in the international political economy). To state the global situation in the area of sustainable development more concretely, I refer to the concept of bio-physical accounting (monetary versus footprint statistics) which is

¹⁹² Andersson and Lindroth in Rice, J. 2007: Ecological Unequal Exchange: Consumption, Equity, and Unsustainable Structural Relationships within the Global Economy. In: *International journal of comparative sociology* 48(1), p. 63.

¹⁹³ Bunker in Rice, J. 2007: Ecological Unequal Exchange: Consumption, Equity, and Unsustainable Structural Relationships within the Global Economy. In: *International journal of comparative sociology* 48(1), p. 51.

¹⁹⁴ The world-systems research has not been traditionally associated with studying environmental issues. However, some steps have been made (see the literature I refer to throughout this paper). The original world-systems analysis draws on the dependency theory and studies global inequalities and their historical development. It was influenced by Marxism, as well as by the French Annales School, and is associated with scholars such as Samir Amin, Immanuel Wallerstein, Andre Gunder Frank, or Giovanni Arrighi.

descriptive in measuring overconsumption in the North. And finally, to pronounce a normative element of the analysis, I draw on the concepts of environmental justice and ecological unequal exchange (international and intergenerational aspect of sustainable development, unfair distribution of environmental burden).

General world-systems theses

The major observation within this tradition is – and it is the bottom-line of this paper – that ordinary and non-critical sustainable development discourse often tries to escape one clear connection: ecological and distributional issues are inseparable.¹⁹⁵ We can thus assume that environmental degradation functions differently across structural positions in the world-system. The first crucial assumption of the world-systems study approach is that the core wields power over the semi-periphery and periphery. Core's historical monopoly of the highest technology goods and services means that countries outside of the core pay high prices for core products, particularly those designed to improve infrastructure and production facilities.¹⁹⁶ This control over technical innovations provides the industrial core multiple, mutually reinforcing, and historically accumulating advantages over the extractive periphery.¹⁹⁷ The gap in development between the core and the rest can be maintained also by imposing upon the South a postponement of 'development' by asking them to use costly ecological measures.¹⁹⁸ Second, as the core is a dominant player in the world-system, it can enforce mechanisms that enable moving dirty extraction and production activities elsewhere (see Hypothesis 1 in the empirical section). The core-periphery dynamic of the world-system represented for example by core-sponsored developmental strategies such as export-oriented manufacturing exacerbates ecological degradation in peripheral areas.¹⁹⁹ And third, the core can export their waste to peripheries. Capitalists externalise the environmental costs of their activities; governments in the core are reluctant to squeeze their profits – therefore they try to buy time by dumping the waste in the South.²⁰⁰

¹⁹⁵ Hornborg, A. 1998: Ecosystems and World Systems: Accumulation as an Ecological Process. In: *Journal of World-Systems Research* <http://jwsr.ucr.edu/> 4(2), p. 170.

¹⁹⁶ Roberts, J. T., Grimes, P., and Manale J. L. 2003: Social Roots of Global Environmental Change: A World-Systems Analysis Of Carbon Dioxide Emissions. In: *Journal of World-Systems Research* <http://jwsr.ucr.edu/> 9(2), p. 286.

¹⁹⁷ Bunker, S. 2005: How Ecologically Uneven Developments Put the Spin on the Treadmill of Production. In: *Organization and Environment* 18(1): 38 – 54.

¹⁹⁸ Wallerstein, I. 1997: *Ecology and Capitalist Costs of Production: No Exit*. Keynote address at PEWS XXI, "The Global Environment and the World-System," Univ. of California, Santa Cruz, Apr. 3 – 5 1997.

¹⁹⁹ Chew, S. C. 1997: For Nature: Deep Greening World-Systems Analysis for the 21st Century. In: *Journal of World-Systems Research* <http://jwsr.ucr.edu> 3(3), p. 388.

²⁰⁰ Wallerstein, I. 1997: *Ecology and Capitalist Costs of Production: No Exit*. Keynote address at PEWS XXI, "The Global Environment and the World-System," Univ. of California, Santa Cruz, Apr. 3 – 5. 1997. For a

Bio-physical accounting

An almost classical observation of the bio-physical accounting pioneer, Mathis Wackernagel, is that global equity along Western standards of living would require three additional Earths.²⁰¹ In other words, the only way how to keep the global consumption in the limits of the planet's ecosystem, is to prevent the peripheral countries from rising to Western levels of consumption. How this is made possible? One explanatory observation in this tradition of research is that international trade monetary balance masks the fact that the core countries are generally natural resources net-importers and consumers, whereas the rest of the world thus *must* only be net-exporters.²⁰² To reveal and see these relations clearly, some scholars propose to ground the notion of capital accumulation in the physical realities of ecology and thermodynamics, rather than in monetary statistics.²⁰³ There are several ways how to carry this task out – measuring the *real* exchange, as opposed to the *monetary* one, is possible by 1. material flow analysis (tonnes), 2. energy metrics (goods measured in terms of how much energy is required to provide them), 3. human appropriation of net primary productivity (annual biomass appropriated by humans), and 4. ecological footprint – measures biologically productive land area (bio-capacity needed to maintain the flow).²⁰⁴ Bio-physical accounting statistics alone are a neutral tool. However, they are often used to support the thesis that ecological unequal exchange is happening.

Environmental justice and ecological unequal exchange

The concept of environmental justice refers to an ideal situation when environmental burdens either do not exist or – in case they do – are born equally by all the present individuals and future generations, both on the global level. In reality, of course, this is often not the case and ecological unequal exchange is just one example here. Classical *Ricardian arguments* of 'benefits of trade' or 'trade specialisation' do not seem to work – according to some cross-national studies, a large proportion of the less developed

case study of how this mechanism works, see Frey, R. S. 2003: The Transfer of Core-Based Hazardous Production Processes to the Export Processing Zones of the Periphery: the Maquiladora Centers of Northern Mexico. In: *Journal of World-Systems Research* <http://jwsr.ucr.edu/> (9)2: 317 – 354.

²⁰¹ Wackernagel, M. *et al.* 1997: *Ecological Footprints of Nations*. Centre for Sustainability Studies, Universidad Anáhuac de Xalapa, Mexico.

²⁰² Giljum, S. and Eisenmenger N. 2003: *North-South Trade and the Distribution of Environmental Goods and Burdens: a Biophysical Perspective*. SERI Working Paper Nr. 2. Vienna: Sustainable Europe Research Institute.

²⁰³ Hornborg, A. 1998: Ecosystems and World Systems: Accumulation as an Ecological Process. In: *Journal of World-Systems Research* <http://jwsr.ucr.edu/> (4)2, p. 170.

²⁰⁴ Moran, D. 2007: *Embodied Ecological Footprints in International Trade*. LUMES Master's Thesis. Available at: http://www.lumes.lu.se/database/alumni/05.07/thesis/Dan_Moran.pdf.

countries exhibit footprints *below* their bio-capacity per capita.²⁰⁵ Alf Hornborg lists several characteristics of ecological unequal exchange:

- objectively asymmetric transfer of value embodied in the productive potential of energy and natural resources
- recognizable in biophysical terms but hidden through exclusive reference to monetary indicators
- made possible through the illusions of normatively neutral exchange through market mechanisms
- misconstrued as reciprocal exchange between economically unbalanced partners
- market prices are a crucial mechanism through which the core appropriates ecological value and exports waste to the periphery
- consequence of the neoclassical economics tendency to equate exchange value with utility – ecological unequal exchange conceptualised only by recognizing that exchange value and use value do not necessarily coincide.²⁰⁶

The monetary undervaluation of natural resource exports from the periphery as described above is shaped also by *exogenous factors*, such as external debt obligations, austerity requirements of structural adjustment programmes, import protectionism within industrialised countries, the inability to diversify into non-primary product exports, and low revenue capture. To meet these demands, peripheral economies engage in increased resource exploitation.²⁰⁷ And while these extractive economies are pressed to overexploit nature, the landscape in industrial nations is instead liberated from the imperative to yield a profit and rather becomes the object of *conservation programmes* (see Hypothesis 2 in the empirical section).²⁰⁸

IV. European Investment Bank

I have chosen the European Investment Bank (EIB) as a case study in this paper. Right at the beginning, I would like to say a word of discretion. Although I use EIB as a test to the

²⁰⁵ Jorgenson, A. K. and Rice, J. 2005: Structural Dynamics of International Trade and Material Consumption: A Cross-National Study of the Ecological Footprints of Less-Developed Countries. In: *Journal of World-Systems Research* <http://jwsr.ucr.edu/> (11)1, p. 71. This observation closely relates to the one stated above, namely that the core countries are generally net-importers of natural resources, whereas the rest of the world belong to net-exporters.

²⁰⁶ Hornborg, A. 2001: *The Power of the Machine: Global Inequalities of Economy, Technology, and Environment*. New York: Altamira Press; and Hornborg, A. 2003: Cornucopia or Zero-Sum Game? The Epistemology of Sustainability. In: *Journal of World-Systems Research* <http://jwsr.ucr.edu/> 9(2): 205 – 216.

²⁰⁷ Arden-Clarke, C. 1992: South-North Terms of Trade, Environmental Protection, and Sustainable Development. In: *International Environmental Affairs* 4(2): 122 – 38.

²⁰⁸ Hornborg, A. 2003: Cornucopia or Zero-Sum Game? The Epistemology of Sustainability. In: *Journal of World-Systems Research* <http://jwsr.ucr.edu/> (9)2, p. 211.

theory presented so far, in no way do I consider it being at historical roots of the situation or contributing to it in the most massive scale. In terms of time, the processes described have been lasting for centuries, whereas EIB functions only fifty years; in terms of impact scale, there are probably more powerful global actors in the core than EIB (transnational corporations, private banks, other financial institutions, national governments, sovereign funds, industrial lobbies, global criminal groups, etc.). Therefore, potential confirmation of the hypotheses related to the EIB activities could not serve as an ultimate confirmation of the theoretical model validity; on the other hand, should the results of the test stand against the theory, it does not necessarily mean the theory is wrong.

Nevertheless, I believe there are good enough reasons for choosing EIB as a case study in this paper and I also believe the results of the test will have some implications. EIB is the biggest globally operating public lender – it invested EUR 53 billion in 2006. It is true that most of its financing still ends up in the EU (app. 87 % in 2006), as it was originally set up in 1958 under the Treaty of Rome to finance regional integration and development in the less developed regions within the EU. However, according to some statistics, EIB is the biggest public financier also in the so-called developing countries.²⁰⁹ It started being active outside of the EU already in 1960s and then continued financing in these regions under various European Council decisions. The first global mandate was given to the EIB by the Council in 1997; the mandate I focus on in this paper was issued in 2000 and covered EIB operations outside Europe until 2007; the present mandate covers the period 2007 – 2013. The volume of EIB financing outside the EU is increasing and is likely to increase in the future. What is more, the developmental role of EIB might significantly increase after the potential merger with the European Bank for Reconstruction and Development.²¹⁰

The magnitude of the EIB financing outside Europe, as well as its increasing development mandate, make it a proper case study for this paper. And there is one more reason why I believe this is a good choice. Unlike organisations that are ‘developmental’ by definition, such as EU’s DG Development or UNDP, EIB combines economic (financial) aspects with political (developmental) ones and, therefore, it represents a truer

²⁰⁹ Wright, C. 2007: *European Investment Bank: Promoting Sustainable Development “Where Appropriate”*. Available at: http://bankwatch.org/documents/EIB_where_appropriate.pdf, p. 55. This statistics does not take the World Bank Group as one institution. Instead, it is split into its individual financial institutions – IBRD, IFC, IDA.

²¹⁰ EBRD’s original mandate to finance market economy and democracy development in the post-communist Europe and Asia will be close to be over in 2010 when it will stop investing in all eight of the Eastern European countries that joined the EU in 2004. Media reported that a document discussing the merger of EIB and EBRD was circulated among the EU finance ministers in March 2008. See for example the Financial News coverage: <http://www.efinancialnews.com/assetmanagement/content/2449987106>.

and sincerer vision of development by Europe.²¹¹ Therefore, the ultimate goal of this paper is to see whether EIB fits the model described above and illustrates it or not.

To see how EIB supports (or challenges) the theory, I have formulated the following three simple and testable hypotheses (such as would be formulated in the world-system research tradition for any core financing institution with impacts on sustainable development)²¹²:

1. *EIB investments into extractive industries and promotion of fossil fuels will be disproportionately higher²¹³ outside the EU.* Extractive activities (mining, extraction of oil, gas, and coal) are too often associated with great negative environmental and social impacts. Furthermore, the use of fossil fuels in production creates pollution. The logic behind this hypothesis is that Europe wants to profit from these activities but at the same time prefers them to happen elsewhere, so that they do not damage the environment at home.

2. *EIB investments into renewable energy will be disproportionately higher in the EU.* A mirror reflection of the previous hypothesis: the Europeans want to protect *their* environment and do not care too much about the environment elsewhere.

3. *EIB investments into services will be disproportionately higher in the EU.* The presented theoretical model presumes that developed economies (represented by Europe in this paper) move materially intensive activities elsewhere to be able to engage in value-added, clean, and human-capital-intensive activities.

I will use the database of EIB projects compiled by the CEE Bankwatch Network to test these hypotheses.²¹⁴ I will analyse the project portfolio in the period 2000 – 2007.²¹⁵ To test the first hypothesis, I take the whole of investments to the energy and industry sectors both within and outside the EU and see what proportion is channelled to the subsectors of mining, oil, gas, and coal. To test the second hypothesis, I am taking the whole of investments to the energy generation sector and see the proportion assigned to

²¹¹ Organisations focused purely on development are staffed by experts in the issue – they are thus likely to be positively biased. In that sense, they are not representative of the whole European impact on the area of development (trade deals, investments, extraction activities etc.).

²¹² Of course, these hypotheses do not fully exhaust the impact Europe (or even EIB alone) has on sustainable development. They are rather stated with respect to availability of data on the EIB investments.

²¹³ Comparisons between the investments within and outside the EU are done in relative, not in absolute terms. The reason is, as already stated, that a majority of total EIB investments stays in the EU.

²¹⁴ The database draws data from the official EIB annual reports. The only change to this official statistic is reclassifying the sectors to which individual projects belong. The EIB categorisation is often too vague and general. The Bankwatch database specifies more sectors and subsectors which can tell us more about particular projects.

²¹⁵ This period was chosen for two reasons. First, these years represent the first big seven year global mandate given to EIB by the European Council. And second, the latest agreement between the EU and ACP countries (African, Caribbean and Pacific) – the Cotonou Agreement – was signed in 2000. EIB invests under this agreement and the region of Africa is crucial for studying developmental impacts of investments.

the renewable energy subsector. To test the third hypothesis, I am taking the whole of total EIB investments and see the proportion going to the subsectors of education, environment, health, postal services, and telecom.²¹⁶ The core-periphery dynamic is exemplified in this case study by division into investments within the EU versus the investments outside the EU.²¹⁷ The results are presented in the following figures.

Figure 2 EIB extractive industries and fossil fuels investments as a proportion of total industry and energy investments in and outside the EU (2000 – 2007)

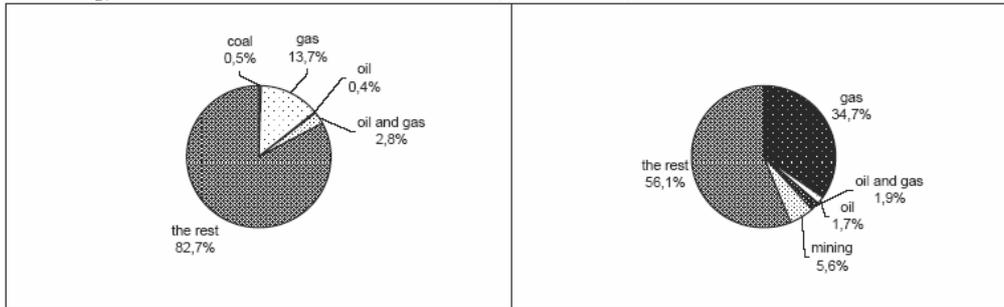


Figure 3 EIB renewable energy investments as a proportion of total energy generation investments in and outside the EU (2000 – 2007)

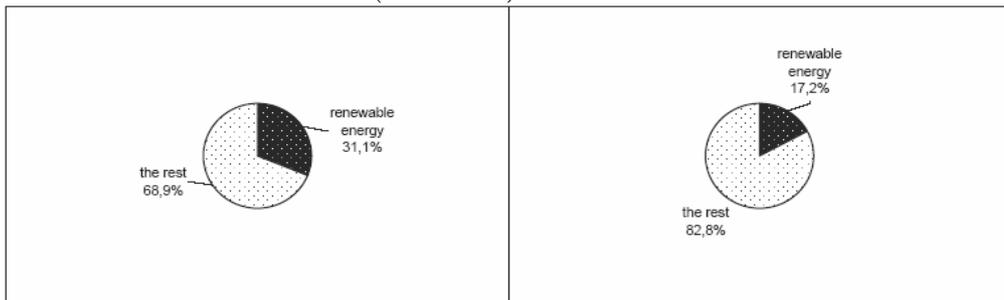
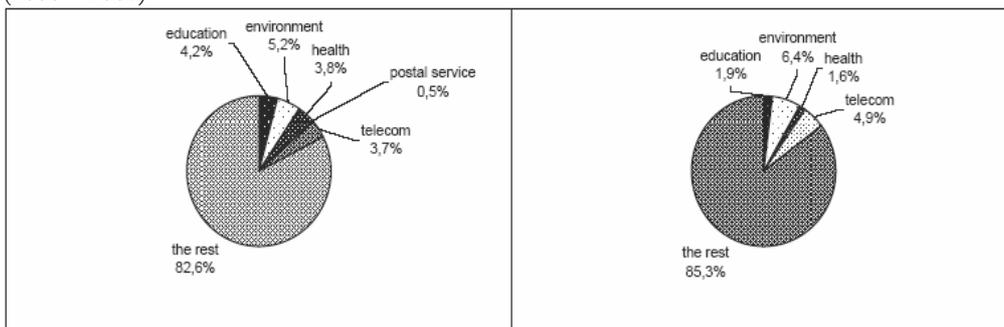


Figure 4 EIB services investments as a proportion of total investments in and outside the EU (2000 – 2007)



²¹⁶ The final hypothesis on services is only very proximate, as many times, the projects under the five specified subsectors are not direct investments to services, but rather investments to infrastructure that will be only later used to provide services (building hospitals, schools, water supply facilities etc.). However, even through this indirect proxy indicator, one should be able to estimate the degree of support for services as such.

²¹⁷ A methodological point: several countries shift their classification in the EU and non-EU categories as during the studied period the EU enlarged twice, in 2004 and 2007. However, this fact does not seem to have significant consequences for the results of the test in this paper.

According to the presented figures, data support the first two hypotheses and do not support the third one. Figure 2 shows that promotion of fossil fuels and extraction is considerably bigger outside the EU (43.9 vs. 17.4 %). Figure 3 shows that support for renewable energy is almost twice as big in the EU (31.1 compared to 17.2 %). Only Figure 4 suggests that investing in services is very similar in proportion within and outside the EU (17.4 and 14.7 % respectively).²¹⁸

Conclusions

This paper has had an ambition to briefly present a world-systemic thinking on sustainable development, and to apply it very simply on the case of the European Investment Bank. The results of this test were successful from two thirds. EIB fits the model in its extractive industries and fossil fuel investments, as well as in renewable energy investments. However, EIB does not fit the model in its investments into services. It has to be stated that this paper was just an opening test, a minor step in the field of opportunities offered by areas of sustainable development and its global causalities. EIB, too, provides a case that deserves a closer scrutiny because of its increasing developmental impact combined with relative little public and academic awareness about the institution. A systemic, globally contextualised approach in environmental studies has not been elaborated enough so far. However, the current global food crises, climate change and other pressing phenomena which point to the connection between environment and distribution open a lot of normative questions calling for an attention. Although so far not enough applied to these areas, world-systems rooted research has a lot to offer.

Ivan Lesay
Institute of Economic Research, Slovak Academy of Sciences
Šancova 56, 811 05 Bratislava, Slovakia
ekonivan@savba.sk

CEE Bankwatch Network
Benediktiho 5, 811 05 Bratislava, Slovakia
lesay@changenet.sk

²¹⁸ Accounting for this surprising result goes beyond the scope of this paper. However, some discussion points are worth stating. Investments in education and health are low outside the EU. Investing in telecommunications is considerably higher. But what is most striking is the proportion of investment going to the sector of environment outside the EU (6.4 as compared to 5.2 % within the EU). When looking closer at the environment investments outside the EU, we can find out that a significant majority is channelled to the wastewater and water subsectors. One is tempted to hypothesise that in many cases the beneficiary of such a project is a European corporation, and it is often the case. However, this can be only a tip for a further research and for now, this suspicion does not undermine the fact that Hypothesis 3 was not confirmed by data.