

Access to Resources and Resource Rents

Topic: Addressing Resource Challenges in a Globalized Economy I

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Decisions impacting the worldwide economic system reflect rules of global multilateral institutions such as the World Bank and the IMF, regional multilateral and bilateral arrangements such as the European Union and NAFTA, and unilateral actions taken by individual nations. In these early years of the 21st century, the need for cooperative solutions for three emergent sources of global instability becomes clear: preventing financial crises and containing their spread, reducing pressures on resources and ecosystem services, and moderating highly skewed distributions of income and wealth. The meso-level relationships that characterize input-output economics make it uniquely well situated to help understand and address these challenges. The first step is articulating the new kinds of questions that need to be investigated and representing them as scenarios embodying potential solution concepts. It is these questions that need to drive the necessary conceptual extensions to analytic input-output frameworks and the identification and systematic incorporation into input-output databases of supplementary sources of information. This paper addresses three sets of incentive, regulatory, and intervention structures, intended to discourage trade imbalances, reduce environmental footprints, and help weaker parties negotiate the sharing of scarcity rents on resources. The idea is to create simple and transparent blueprints of how such actions might be implemented, ones that could be applied in tiers to countries at different stages of development. These would provide the material for scenario formulation.