

environmentally sound and sustainable behaviour. So many of the measures that now motivate our economic life were conceived of to meet other policy objectives and have the practical effect of providing incentives for unsustainable behaviour.

It is fully in accord with market economy principles that each product or transaction should internalize the costs to which it gives rise, including environmental costs. Internalizing environmental costs has special implications for international trade. When we in the industrialized world import products from developing countries at costs that do not reflect the destruction of their natural capital, we are exacting an environmental subsidy from them, which impoverishes their own resource base and contributes to global environmental deterioration.

Yet, when we unilaterally impose restrictions on their imports to meet our environmental requirements, we are inflicting immediate and often critical damage to their vulnerable economies. These dichotomies can be resolved only by international agreement, not by unilateral action.

All of this would add up to some very profound changes within our national economies. But these must be accompanied by equally far-reaching changes in the system of arrangements that guides the world economy, particularly with respect to the position of developing countries. For the poor and the weak, interdependence is not an unmitigated blessing in many cases it exacerbates their vulnerabilities.

A new economic regime must be designed to help developing countries gain access to additional flows of financial resources, both private and official, and to industrialized countries' markets and technology, which they require to revitalize their economies on an environmentally sound and sustainable basis.

Also, as Rio reminded us, the majority of the world's people continue to live in conditions of poverty that are an affront to the moral basis of our civilization and a threat to its future. A secure and sustainable economy cannot be achieved under these conditions. That is why so much emphasis is given in Agenda 21 to measures designed to address the root causes of poverty.