

CHAPTER 1

ECONOMICS AND ECOLOGICAL POLICY

1 ECONOMICS AND THE PROBLEM OF SUSTAINABILITY

In a certain respect, industrial economies are performing very well nowadays. Economic growth is in many Western countries about 3 %. Despite this (monetary) success story, the ecological performance of our economies is worrisome. Pezzey recapitulated the general ecological (and social) tendencies of ongoing industrialisation as follows:

- a) rapid depletion of renewable natural resources (e.g. forests, fish, land and sea mammals);
- b) rapid depletion of known reserves of non-renewable energy and minerals, although new discoveries and new extraction techniques have *so far* avoided any decline in availability;
- c) rapid depletion of non-renewable stocks of genetic diversity (see Wilson 1988) and soil;
- d) severe problems of local, transient pollution in industrialising countries;
- e) steadily growing problems of cumulative pollution, both regional and global, principally acid rain, ozone depletion, and the
- f) accumulation of greenhouse gases such as CO₂ which are likely to cause global warming (Cline 1991);
- g) wide, and recently growing, inequalities between rich and poor nations (UNDP 1992); and greatly increased rates of change in most areas of life [...] (Pezzey 1992, 330-331).

A growing concern about these ecological tendencies found expression in the concept “sustainability”. The concept came into existence in the eighties. It cropped up for the first time in the document *World Conservation Strategy; Living Resource Conservation for Sustainable Development* that was published by a group of private environmental organisations, the International Union for Conservation of Nature and Natural Resources (Nelissen *et al.* 1997, 261-263). It got great political power of expression on a national and global level since its incorporation in the Brundtland report *Our Common Future* (1987). In this report the concept “sustainable development” is defined as development that

meets the needs of the present without compromising the ability of future generations to meet their own needs.

Since its introduction in the Brundtland report, many discussions have taken place concerning the precise meaning of sustainable development. In the report itself development is understood as a linear process of economic growth.

We see [...] the possibility for a new era of economic growth, one that must be based on policies that sustain and expand the environmental resource base. And we believe such growth to be absolutely essential to relieve the great poverty that is deepening in much of the developing world (WCED 1987, 1).

This interpretation dominates prevailing discourse. Critics have labelled this interpretation as an illustration that the Western world succeeded once again in presenting its cultural paradigm as a model for the whole world (Peeters 1997, 53). In this book, I start from an interpretation of sustainability that is more abstract than the Brundtland interpretation. I interpret sustainability as a “guiding idea” reflecting our striving for intergenerational justice in the way we go about with the ecological dimensions of earthly life. The concept “guiding idea” refers to an ideal that guides our political actions, but that remains without concrete, static content. Its ever provisional, concrete meaning takes shape in historical, political processes. The concept of intergenerational justice refers to our responsibility with regard to future generations. We are responsible for the ecological impacts of our present economic activities on the lives of future generations. We should make sure that these ecological impacts are compatible with the idea of intergenerational justice¹.

Sustainability as responsibility towards future generations presumes that we are able to manage the ecological performance of our economies. This interpretation of sustainability as “responsibility presupposing manageability” offers those who prefer to forget about sustainability as soon as possible an easy shot. They can argue that if the ecological performance of our economies shows to be unmanageable, there is no further reason to feel responsible about it. I consider this as too easy a way of reasoning. Present-day ecological problems are no natural problems, as are (some) earthquakes or impacts of meteorites. Present-day ecological problems are caused by humans. This human origin suffices for justifying human responsibility. And if we experience the ecological performance of our economies as unmanageable, our first task as responsible humans then consists of trying to make it manageable again.

The list of general ecological tendencies mentioned above does not show much evidence of the ecological manageability of our economies. On the contrary, the tension between these general tendencies and the idea of sustainability is growing, despite increasing political and technological efforts to avert these tendencies. This latter conclusion gets reaffirmed again and again. Consider, for instance, the results of the Earth Summit in Rio (1992) and of the Kyoto Summit (1997)

¹ This more abstract interpretation resembles the concept “sustainable future” proposed by the Dutch Committee for Long-Term Environmental Policy in its publication *The environment. Towards a Sustainable Future*. Consider the following quotation: ‘[...] a sustainable future is a basic principle; a guiding idea concerning a desirable future; a notion to describe the will of existing people to take care for the future of new generations. The concept of sustainable future has ethic aspects; it emphasizes the need for responsibility of the present generation for the world of future generations’ (DCLTEP 1994).

(www.oneworld.org/guides/kyoto/front.html). In Rio, rich industrial countries agreed in principle to stabilise emissions of greenhouse gases at 1990 levels by the year 2010. This agreement – though insufficient according to the best scientific understanding – was, however, non-binding. In the period between the Earth Summit and the Kyoto Summit the level of greenhouse gas emissions has actually risen in most of the rich nations. In Kyoto, a division emerged between the US and the EU. The US stated that it would be more effective for rich nations to invest in new technology in developing countries in order to cut overall global emission. The Europeans accused the US of trying to wriggle out of its responsibility to put its own house in order. Finally, the North has committed itself to *some real* reductions. If we compare this commitment to the results mentioned in the Environmental Balance Sheet 1998 of the Netherlands' National Institute of Public Health and the Environment, possible hope soon gets lost (www.milieubalans.rivm.nl/inl_samen/sheet.html).

Growth in production and consumption has led to higher energy use, greater mobility and more waste. [...] CO₂ emissions increased by about 2% in 1997. [...] The reduction targets for greenhouse gas emissions, acidification and eutrophication will not be met even after implementation of the measures contained in the National Environmental Policy Plan 3 (NEPP3). These measures cannot fully compensate for the increasing environmental burden of the growing economy. [...]

This conclusion, namely that we turn out not to be able to manage the ecological performance of our economies so far, burdens economic science with a special task. Economics, as the science that has economies as its domain of research, should investigate *reasons for the unmanageability* of the ecological performance of present economies. A science that is not able to provide *reasons*, cannot be expected to inspire fundamental solutions. It can at most contribute to solutions by accident.

We can recapitulate the ecological performance of our economies as showing a growing use of energy, a decrease in bio-diversity and a growing appeal on the assimilative capacity of ecological systems. Such performance causes problems that are often global in space, long-term in time and characterised by many uncertainties and possible irreversibilities. This performance turns out to be characteristic of our industrial era. Ongoing industrialisation involves an ever more roundabout production structure and an ever growing circulation velocity of commodities. The former implies that the means by which final demand requirements are met become more indirect, that the scale of the production chain of all kinds of commodities increases (Common 1988, 25). It also implies that through the expansion of intercontinental trade (and developments in information technology; MD) production chains combine (resource, knowledge and capital) inputs of all over the world (Pezzey 1992, 328-329). Economic activities represent global rather than local dimensions. The latter implies that the lifetime of many commodities becomes ever shorter. Both tendencies of ongoing industrialisation ask for ever increasing inputs of material and energetic resources and for continuous technological innovation in order to overcome problems of exhaustion and pollution (as, for example, the replacement of coal for wood, of gas for oil, and of nuclear energy for gas, oil or coal). Given this statement, namely that typical characteristics of present-day

Economics as a Political Muse
Philosophical Reflections on the Relevance of
Economics for Ecological Policy

Deblonde, M.K.

2001, VIII, 221 p., Hardcover

ISBN: 978-1-4020-0165-9