

Limiting Growth or Promoting Sustainable Development: A Critical Appraisal

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"There are...no limits to the carrying capacity of the earth that are likely to bind any time in the foreseeable future. There isn't a risk of an apocalypse due to global warming or anything else. The idea that we should put limits to growth because of some natural limits, is a profound error and one that, were it ever to proven influential, would have staggering social costs" (Lawrence Summers 1991).¹

Abstract: *This paper analyses sustainable development as neoliberal agenda. Proponents of sustainable development propose sustainable development as panacea to the problem of poverty. According to them, multifold economic growth across the globe is doubly effective for both poverty reduction and the environment. This paper mainly refutes statement of Lawrence Summers (1991) that there is no carrying capacity of the earth and putting limit on growth will cause staggering social costs. The scientific truth is that there is limit to the carrying capacity of the earth. Disastrous effects of global warming are taking heavy toll on the lives of people all over the world. Poverty is not the only problem rather problem of global income inequality is acute and it should get more emphasis in development strategies. Actually, in the name of reducing poverty and sustainable development, developed countries and their supranational organizations widen their scope of further business and more profits.*

Keywords: *Carrying Capacity, Growth, Inequality, Poverty, Sustainable Development*

I. Introduction

Debate between economic growth and environmental degradation has become much talked-about issue in development discourses since 1970s. Widespread poverty and inequality are serious problems in the developing world. Alleviation or eradication of poverty requires accelerated growth in the production. It also requires dispense of justice in distributing national income. In solution to the problem of poverty, the proponents of free-market ideology came up with the concept of sustainable development which envisages multifold increase in global output. However, there is a great concern among the environmentalists with the sustainable development in meeting environmental sustainability.

Lawrence Summers, a professor of economics at Harvard University and then the chief economist at the World Bank severely criticized the environmentalist's position of limit to growth. This pro-market economist dismissed the fear of carrying capacity of the earth and advocated for accelerated growth. Even he denied the proven negative effects of global warming. According to him if limit on growth is put in the name of natural limit the social cost would be enormous. This paper tries to discuss whether there is a limit of carrying capacity of earth. Whether there is environmental degradation associated with unbridled production and consumption. Finally, the paper will look into the debate of sustainable development then to delve into Lawrence Summers' position of growth.

Limits to Growth

After the publication of "The Limits to Growth" report by Meadows et al. (1972) there was a great reaction among environmentalists and capitalists. The authors conclude that if the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next one hundred years. The most probable result will be a rather sudden and uncontrollable decline in both population and industrial capacity. (Meadows et al. 197: 23)

With this publication, discourses relating to carrying capacity of the earth came to forefront among the environmentalist. Their concern was that the mother earth no longer would be able to provide sustenance to huge population and to absorb the waste associated with unbridled consumption. And this concern is getting momentum now as the nature is taking revenge on us in terms of its unexpected behavior--natural calamities.

¹At that time Lawrence summer was the chief economist of World Bank.

Carrying Capacity

According to ecological definition 'carrying capacity' is the capacity of the ecosystem that can support population of a given species indefinitely in a given habitat without deteriorating the supporting ecosystem. And in the case of human beings 'carrying capacity can be interpreted as the maximum rate of resource consumption and waste discharge that can be sustained indefinitely in a given region without progressively impairing the functional integrity and productivity of relevant ecosystems' (Rees, 1992:125). It is pertinent to shed some light on the ecological footprint to discuss carrying capacity of the earth. Ecological footprint is defined as A measure of how much area of biologically productive land and water an individual, population or activity requires to produce all the resources it consumes and to absorb the waste it generates, using prevailing technology and resource management practices (GFN 2014)

According to ecological footprint network "today humanity uses the equivalent of 1.5 planets to provide the resources we use and absorb our waste" (Ibid). Actually, overproduction is impoverishing the nature and its diversity. "As the world becomes full of us and our stuff, it becomes empty of what was here before" (Daly, 2005:102). It means that we have already crossed the limit of our optimal carrying capacity of the earth. As a result, nature has started taking heavy toll on our lives in the form of natural disaster.

Capitalist Expansion and Environmental Degradation

Capitalist expansion has brought catastrophic change in the world through accelerated growth in production. Undoubtedly, the world has witnessed phenomenal development in last hundred years i.e. in the 20th century. The world economy grew by 14 times, industrial output increased by 40 times, fish catch increased by 35 times (McNeill 2000:360). More than 24000 dams were constructed during this century; industrialization and paper consumption has increased tremendously. Revolution in agriculture increased usages of chemical fertilizer. Further, during the last one hundred forty years the average per capita GDP has increased by tenfold (Steffen et al., 2005). In this process of production and consumption the profit-motivated capitalist used human knowledge and invention to the maximum. The production process has taken control over the nature through extracting fossil fuels, innovating genetically modified food, changing the course of river and so on. The huge supply is converted into demand through capitalist led consumerism. In the words of Karl Marx:

"The bourgeoisie in its reign of barely a hundred years, has created more massive and more colossal productive power than have all previous generations put together. Subjection of nature's forces to man, machinery, application of chemistry to agriculture and industry, steam navigation, railways, electric telegraphs, clearing of whole continents for cultivation, canalization of rivers, whole populations conjured out of the ground – what earlier century had even an intimation that such productive power slept in the womb of social labor?" (Communist Manifesto, as cited in Berman, 1991)

On the flip side, fossil fuel based production releases huge amount of carbon dioxide in the atmosphere. Carbon dioxide emission leads to global warming. Global warming causes climate change, sea level rise, extreme weather, natural calamities such as flood cyclone etc. In the 20th century emission of carbon dioxide has increased by 17 times. Chemical fertilizer use increased by more than ten times (McNeill 2000). Both of them cause environmental degradation. In between the year of 1950 and 2000 Ozone depletion increased by 60 times. Decadal great flood frequency has tripled from 1750AD (Steffen et al., 2005). In the last hundred years, twenty percent of Amazon was cut down (Marsik et al. 2011). Beyond doubt, these developments have far-reaching negative consequences on the human being. Further unchecked production in the name of sustainable development will aggravate the current problem. If little attention is paid to environmental degradation and the costs of pollution are successfully externalized by industry, the benefits may never outweigh costs, and the victims of development may keep appearing for generations to come (Adams 2009:378).

Sustainable Development

Sustainable development as a concept emerged in response to the limiting-growth literature (Pearce & Warford, 1993 as cited in Castro 2004:196). Shouldering on the concept of Environmental Kuznets Curve (EKC)--with the growth in income, environmental degradation first deteriorates and after a certain limit it starts to improve--the free-market proponents find the solution to environmental problem in the expansion of economic growth. Actually, sustainable development is a neoliberal agenda, further expansion of capitalism, promoted by United Nations and the World Bank. They believe that poverty is a cause of environmental degradation. Castro (2004) emphasized the role of supra national agencies in accusing extreme poverty as the main reason behind global environmental degradation and henceforth emphasis has been given to further economic growth. If steady growth in periphery economies is maintained through trade liberalization and free market then the environmental sustainability will be achieved. If multifold economic growth takes place globally, with increased income poverty will reduce at the same time environment will degrade but after

sufficient increase in the level of income environmental degradation will improve as in the long run much capital will be formed to invest in environment. With the increase in income green technology will be developed which will save environment as well. The Brundtland report says:

“Poverty is a major cause and effect of global environmental problems. [...] If large parts of the developing world are to avert economic, social and environmental catastrophes, it is essential that global economic growth be revitalized. In practical terms, this means more rapid economic growth in both industrial and developing countries, free market access for the products of developing countries, lower interest rates, greater technological transfer, and significantly larger capital flows, both concessional and commercial” (1987:89)

Standing on Partial Truth and Ambiguity

Several studies have shown that EKC hypothesis does not hold for carbon dioxide, the main culprit of global warming. The EKC hypothesis is valid only for local pollution like, air and water pollution, smog etc. (Common and Stagl 2005, Stern 2004). With the growth in income, ‘local environmental degradation’ first deteriorated and after a certain limit it started to improve only in the developed countries for a couple of reasons. Firstly, the consumption preference of people in the developed country has been changed towards services, which do not pollute environment. Secondly, most of the pollutant manufacturing unit from north has been shifted to the south, for example, industry of iron, steel cement, chemical, extraction of minerals etc. (ibid). Thirdly, north dumps their waste to south. For example, toxic ships, electric waste are sold to poor countries like India, (Alier 2009) Bangladesh and the used appliances are sold to developing countries. Because of this change in consumption preference and pollution shifting strategies the developed north keep their environment clean to some extent. But what does happen to the developing world?

This neoliberal proposal is not well accepted; even the more conservative mainstream environmental economists do not think that the free market will promote environmental sustainability (Daly, Pearce & Warford, as cited in Castro 2004:198). The World Commission on Environment and Development (1987) defined sustainable development as the development that “meets the needs of the present without compromising the ability of future generations to meet their own needs”. The commission put emphasis on meeting intergenerational need. However, needs among different generations and cultures will be different. And economic growth itself may influence and shape future ‘needs’ as well (Redclif 2007:67). Then the question about the determination of needs of future generation and who will determine it enter into the debate.

Sustainable development is an ‘oxymoron’ (Redclif 2007, Robinson 2004). Gibson (1991, as cited in Robinson 2004:373) notes three grounds of concern about sustainable development that ‘it is vague; it attracts hypocrites and it likely to foster delusions’. It is vague because it gives different meanings to different people and organizations. This ambiguity of meaning of sustainable development detours it from the path of its true goals. It indulges in green hypocrisy, as many more products are being proclaimed that they are environment friendly although there is no appropriate way of measuring it. It fosters delusions because sustainable development advocates increasing production manifold ignoring the proven limit to growth. It seems that the vagueness in the definition of sustainable development is intentional for supporting the developed economies, the market and the multilateral institutions for ensuring their hegemony whereas their concern for environment is apparent. Doyle (1998:771) claims, ‘Agenda 21 from Rio de Janeiro, the earth summit (1992) has also been successful in selling a concept of sustainable development which continues to promote the enlightenment goals of progress through economic growth and industrialization at all costs.’

Poverty Reduction or Market Expansion?

Although global poverty head count ratio (at \$1.9/day) has been increasing over the year and in 2012 it reached to only 12.73 percent (WB 2016), extreme global income inequality persists. Global Gini coefficient is as high as 0.7. This high value of Gini coefficient indicates that if total income of the world is divided into two halves: one half is taken by the richest 8 percent of the population and the other half is taken by the rest 92 percent. If similar division takes place with US income, the numbers are 78 and 22. Or using Germany, the numbers are 71 and 29” (Milanovic 2013). It, therefore, seems more an issue of unequal distribution than a problem of poverty. Thus, one can assume that we are taking wrong path with development agenda at the centre of strategy, henceforth it contradicts from the poverty reduction proposal of neoliberal market economist and the supranational organizations. So the question we face now is why are we focusing on development? Mwangi, a representative of Kenya based International Youth Environment and development organisation, (as cited in Doyle 1998:772), reflected upon the UNCED a failure in his statement: Those of us who have watched the process have said that UNCED has failed. [...] UNCED has ensured increased domination by those who already have power. Worse still it has robbed the poor of the little power they had. It has made them victims of a market economy that has thus far threatened our planet.

Actually, the proponents of the sustainable development do not want to alleviate poverty rather they want to control market, establish their dominance over the environmentalists. Moreover, they are making

further way of doing business in the name of nature capital. It is echoed in the Beders' word (as cited in Doyle 1998: 774): "Sustainable development is not about giving priority to environmental concerns, it is about incorporating environmental assets into the economic system to ensure the sustainability of the economic system. Sustainable development encompasses the idea that the loss of environmental amenity can be substituted for by wealth creation; that putting a price on the environment will help us protect it unless degrading it is more profitable; that the 'free' market is the best way of allocating environmental resources; that businesses should base their decisions about polluting behaviour on economic considerations and the quest for profit; that economic growth is necessary for environmental protection and therefore should take priority over it."

Concluding Remarks: Limiting Growth or Promoting Sustainable Development

From the above arguments and examples it is evident that there is carrying capacity of the nature. Catastrophic changes are taking place in climate due to global warming. Poor people in the developing countries are at stake, their livelihood is being jeopardized. People living in the coastal areas become environmental refuge which also produces social costs. In neoliberal ideology, Lawrence Summers' stand, multifold production is meant for poverty reduction but it has become a contradiction. Poverty is being created by overproduction and overconsumption. What is the experience of development over the last 50 years? Has the gap between rich and poor, north and south reduced? Is there any guarantee that increase in global production "5 to 10 fold" for the next century will not take the same trajectory that the current production is following? Answers to these questions are much more complex and the replies from free-market supporters are doubtful. In the name of reducing poverty and removing social cost, actually capitalism finds its way of further expansion--more business, more profit. They acknowledged the limit of ecology seeing further avenues of their business in nature in the name of conservation of nature. They propose branding nature--*natureTM incorporated*, to commodify the nature. In this new policy triple wins 'win-win-win' for business, environment and development are suggested. But the conundrum of the policy is profit (Arsel&Büscher 2012)

Excessive pressure on the earth is coming from the unsustainable consumption of industrialized countries and fast growing developing countries (Bennett 2012). This lavish life style will prevent future generation from meeting their necessary consumption because of the adverse effect on ecology. 'Rich must live more simply so that the poor may simply live' (Trainer 1989, as cited in Bennett 2012:983). Thus, for smoothing intra and intergenerational consumption de-growth in developed country is suggested (Alier, 2009). However, "multiple conflicting views of sustainability exist... no single approach will, or indeed should be, seen as the correct one. What is needed, therefore, is a process by which these views can be expressed and evaluated, ultimately as a political act for any given community or jurisdiction" (Robinson 2004:382). As people in the third world experience under consumption, limiting growth there will exacerbate the problem of poverty. To reduce poverty and hunger in the developing countries large scale redistribution from developed countries is advised. There is no denying that technology can solve ecological problem to some extent. Thus, searching for further cleaner and efficient technology is required to ameliorate environment and to reduce energy throughput. Development that does not contradict with the sustainability is highly recommended to ensure inter-generational equity.

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