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Faulty Shades of Green

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At the World Summit on Sustainable Development (WSSD) in 2002, powerful interests were conspicuously keen to wrap themselves in a mantle of environmentalism as a way of rendering their market-based solutions to environmental problems more acceptable. This appropriation of environmental moral authority is a well-worn tactic. Each capitalist adoption of environmentalist rhetoric is slightly different—the political economic hue of co-option changes with the color of the prevailing political climate—but if we look at official international environmental discourse during the past thirty years, we can see that there have been some remarkable continuities.

At the three key international summits on the state of the environment, in Stockholm (1972), Rio (1992), and Johannesburg (2002), a central feature has been the casting of the environmental problem as a hybrid of free-rider and externality problems. To clarify, the definition of a free rider is a person who receives the benefit of a good but avoids paying for it. This is different from an externality, the uncompensated impact of one person's actions on the well-being of a bystander. The link between these two stems from rivalry, nonexcludability, of the environment. Everyone wants clean air, for example, but if you can befoul it for free (because it is nonexcludable), even if everyone suffers from your using it thus (clean air is rival), and if someone else is so agitated that they are going to clean it up, why bother paying (why not free ride)? The narrow economic spectrum through which the environmental summits see the permutations of public policy, however, tells us something uncomfortable about the color of contemporary politics.

The problems presented at environmental summits are, according to many environmental advocates, not only irreducible to economic calculation but also the sad outcome of precisely such reductionism (Starr 2004). Policy makers at international environmental sum-

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Author's Note: The author is a postdoctoral fellow at the Centre for Civil Society at the University of KwaZulu-Natal. This article is based on a version published in *The Voice of the Turtle* (Patel 2001), and its remaining faults persist despite sound and invaluable criticism from Isabella Bakker, David Barkin, Chris Brooke, Nicola Bullard, Mandinder Kahlon, and Ajit Sinha.

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mits seem almost pathologically unable to appreciate this. Not only does the rhetoric of the official representation of environmental problems persist in its patterns of misunderstanding, but it is also becoming increasingly amnesiac both about the capacity of orthodox economics to deal adequately with complex environmental problems and about the possibility of alternative approaches to conceptualizing and living within complex ecosystems. In other words, the spectrum of possible policy choices being presented to the public is becoming smaller and smaller, even as the range of problems recognized as environmental ones becomes broader. More worrying, this kind of economic hegemony licenses an elite politics that depoliticizes democracy.

The principle concerns of the first Earth Summit (the World Conference on the Human Environment, held in Stockholm in 1972) were the "limits to growth": the constraints set by the environment on both economic and demographic expansion. The Club of Rome's experts had updated Malthus's argument on population limits, announcing that humans were about to use up nonrenewable resources and that resource-shortage catastrophe was imminent (Meadows and Club of Rome 1972).

Although the rhetoric of imminent population catastrophe dominated, the policy advanced at the conference belonged not to Malthus but to A. C. Pigou (1920).[1] In 1972, the possibility of public and active state intervention was alive if not entirely well, and the conference spawned a cluster of resolutions giddy with the possibility that international agencies could tame the externalities involved in industrial capitalism through the flow of information and good will alone. The Pigouvian vision was to provide information on the difference between the social and market costs of goods, so that individual states would impose taxes accordingly. It was at the time a politically viable solution to the inevitably political category of *environmental problem*. As a result, the United Nations Environment Programme was started and provided a home to Earthwatch, the UN's harmonization and information-disseminating system. Even if, at the time, it was an outcome that contained no enforcement mechanism, it seemed possible that member states could conceive of compliance. In the light of what was to follow, however, this seems a hopelessly naïve remedy to international environmental problems.

For then, there was silence. During the two decades after Stockholm, major international environmental initiatives were quieted. The "lost environmental decade" may be explained by the facts: the UN was in crisis, Reaganism prevailed in the United States, the Cold War was becoming considerably colder, and governments deprioritized international environmental concerns, even as the symptoms of ecological distress became harder to ignore. Organizations such as Greenpeace forced environmental politics back onto Northern governments' national agendas, and along the way Green parties became powerful forces in European politics. In 1992, the Earth Summit (in Rio), the biggest UN conference in history with 15,000 people, became a celebration of diversity, a carnival of beads and sandals.

The diversity overflowed from the NGO tent to the policy rooms, with ideologies coming into conflict. Within a discursive context that also spawned the *Third Way* (Giddens 1999), a resolution was sought to resolve the tension between a Northern, neoliberalist,

1. Pigou's intellectual legacy has yet to fade even if, as Aslanebegui and Medema have suggested (1998), he might wince at the work being done in his name. The decline of Keynesian economic policy and the concomitant acceptability of state intervention have, however, shifted the domain of Pigouvian intervention from the public to the private sector.

minimal statist approach and a vestigial and largely Southern-led faith in benign state interventionism. In these schizophrenic times, it was appropriate that the Earth Summit was coordinated by Maurice Strong, self-described as "a socialist in ideology, a capitalist in methodology." The rhetoric of Rio was given an appropriately bold sheen: "the human environment" became "sustainable development," the concerns of the South (particularly in terms of international transfers to facilitate sustainable development)[2] were placed on center stage, and palliative rhetoric hued the Rio declaration.

Just as the Malthusian rhetoric of the first conference was underwritten by Pigouvian policy, so the proto-third-wayism of the Rio summit had its economist. This time, it was Ronald Coase who considered that transaction costs involved in getting governments to counter externalities were significantly underestimated. His solution to the problem of public goods was to let market mechanisms attend to them as far as possible.[3]

Thus, together with the Rio declaration came the encyclopedic and diverse Agenda 21 plan of action. It was a creature of its time, variegated with concepts like *subsidiarity*, *decentralization*, and a very odd interpretation of *sustainability*. Crucially, chapter 2, section 1 of Agenda 21 reminds us of the following:

> The development process will not gather momentum if the global economy lacks dynamism and stability and is beset with uncertainties. . . . The international economy should provide a supportive international climate for achieving environment and development goals by . . . inter alia, promoting sustainable development through trade liberalization. (UN Division for Sustainable Development 2004)

It was this seed that blossomed at the 2002 World Summit on Sustainable Development (WSSD). Just as the first summit had Pigou as its offstage ideologue, and Coase owned the soul of the second, the third had its own: the late Professor Mancur Olson.

To coincide with the WSSD, the World Bank presented its vision of "sustainable development," *Sustainable Development in a Dynamic World*, offering solutions for environmental problems, global and local, and it wanted an appropriately civilized "civil society" to play along. At the heart of the *World Development Report, 2003* (*WDR*) lies an Olsonian analysis, analysis that, by its currency, ought to give us pause.

Olson had one Big Idea. "Rational, self-interested individuals will not act to achieve their common or group interests" because of the free-rider problem. Yet free riding does not happen all the time. Having established that members of big groups will want to free ride, Olson (1971) noted that for sufficiently small collectives, if the benefits to the small group can be localized, there is every incentive for them to profit from the collective inaction of the majority. As a bonus, because the group is small, free riding is easier to detect and pre-

2. *Sustainable development* was given new wings by the Brundtland Report (World Commission on Environment and Development 1987) and, as Sachs noted (1992), has provided an empty but progressive-sounding signifier for those keen to fill it with their own content.

3. Motivated more by concerns of equity, Coase rarely thought about the wider social context. When he did, his thinking was along these lines: "In general, I believe that the reduction of pollution benefits those who are better off educationally and financially and harms the poorer members of our community" (Coase 1970). As the Coase citation suggests, it is not that Coase's economic ideas were new in 1992. Rather, they served as a useful legitimating rhetoric to parse and present environmental policy within a broader hegemony.

vent. Small numbers of people are able to punch above their weight because they are small groups.

It is the sort of elegant observation in intellectual history that one feels pleased that someone has codified, but from which one would normally think of moving on. To be sure, it is a helpful point of departure in starting to think about environmental politics. Consider industrial lobbies. These small, well-organized groups want to avoid paying for costly environmentally friendly change by lobbying for changes in public policy. One need look no further than the home of the WSSD for an example: Johannesburg has been on the front lines of privatization in South Africa, and the case of water provides ample evidence of its dangers.[4] The joint venture between Johannesburg Water and Suez-Lyonnaise, for instance, resulted in cholera deaths caused by substandard water in townships such as Alexandra, where the levels of contamination are growing and the poor pay more than the rich (Feris 2003). Yet the people from these townships were barred from the WSSD by both the cost and a large police cordon. The Bank itself, in a rare moment of lucidity, is sensitive to this:

> The lag times between basic research and large-scale commercial deployment are sobering. Private industry is not willing to undertake the necessary basic research in areas such as fusion, geological carbon sequestration, high-efficiency coal combustion, or high-efficiency building technologies for tropical climates. Moreover, there is at least anecdotal evidence of high returns to government funding even in relatively applied research. For instance, a $3 million public investment in technologies for efficient windows is projected to yield $15 billion in energy savings through 2015—in the United States alone. Yet public funding for basic energy research has declined in Europe and the United States. (*WDR*, quoted on http://www.dynamicsustainabledevelopment.org/showsection.php?file=chapter8d4.htm)

Olson seems, on the surface, an eminently appropriate theorist. The environment is a public good. Money needs to be transferred from those who have it to those who do not. Industrial interest groups threaten the environment, and they need to be stopped. But, because Olson's theory is so monochromatic, it can be bent in a number of ways. An example: Wilfred Beckerman (1995) was able to suggest that the solution to the public-good problem of air pollution is to privatize air. By creating a delineated regime of property rights over air, those who own it will be more inclined to look after it properly and take more active measures against those who despoil their property by belching toxins into it. Given the absence of a world government to prosecute free riding on other states' clean air, and with a central place given to the high transaction costs inevitably occasioned by regulatory mechanisms, the market provides the most efficient answer to the need to internalize the externalities of global atmospheric pollution. The selective privatization of air is, then, an eminently Olsonian solution.

The World Bank's *WDR* does not quite go this far. Its spin on Olson's analysis was more subtle, although in many ways more dangerous. The Bank's solution to Olson's problem of small interest groups is one that revises the original debate in a strange light. The 2003 *WDR* notes that public goods, such as environmental goods, tend to be underprovided. Pigou and Coase's insights are rehearsed here. And then Olson is introduced. The Bank

4. Those wishing to know more might visit Queen's University's excellent Municipal Services Project Web site (Queen's University 2005).

noted that "small groups" can often interfere with the provision of public goods. Again, in the case of industrial lobbying organizations, one can plainly see the evidence. This is, however, a very slippery slope. But because Olson's analysis is not concerned with power prior to group size, the Bank was able to make a dangerous generalization. Small groups interfere with the provision of public goods, and they do so not because of their politics, power, or relationship to the economy, social movements, or the physical environment, but because they are small. Small is not just stupid, according to the Bank. It is also environmentally harmful.

If one was to charitably interpret the Bank's thinking on the underprovision of public goods, one would recall that there is a radically egalitarian streak in neoliberal economics. Central to neoliberalism is the intuition that a competitive market can redistribute rents away from oligarchic producers and funnel it to the masses, to consumers. Here is an example of thoughtfully self-critical, neoliberal thinking at work:

> §8.82: Currently, the price of gasoline is set at one quarter of the world price; kerosene sells at 8 percent and fuel oil at 6 percent of the world price. The Iranian government spends an astounding 18 percent of GDP on these subsidies. One aim is to help the poor. But if the government discontinued the subsidies, sold the oil on world markets, and simply divided the revenue equally among its citizens, then the income of the poorest decile of rural households would triple, and that of the poorest urban households would double. Indeed, on average, every decile in the income distribution would gain. But, energy-intensive industries would experience severe output contractions, and their workers would presumably suffer unless part of the subsidy savings was devoted to assisting them in shifting to the expanding sectors. (*WDR*)

Both the Bank's blanket generalization of group size and its unconditional support for free markets, however, suggest that a charitable explanation might be unwarranted. There are two processes at work here. First, in demanding the dismantling of the protection of domestic markets, the Bank can be read as actively disciplining national bourgeoisies. The interests of the owners of capital in different developing countries are not necessarily harmonious. Their unity in the exploitation of their respective domestic working classes does not, by itself, provide a reason why they should all get along in the international domain. Goods are, after all, in competition in the international market, and profit margins are threatened by different international rates of exploitation. Olson predicted that to counter the threat of reduced profits through international trade competition, domestic bourgeoisies will form protectionist trade groupings to safeguard high rents. Given the commitment to "an open international trading system to promote the environment," the Bank was vociferous in denouncing protectionist comprador bourgeoisies in the name of efficiency (although it was largely silent about their replacement and sometimes found ways to accommodate their transition into different kinds of oligarchy). Again, one sees economic reduction at work, a discursive example of Ferguson's *The Anti-Politics Machine* (1990) in which the technical demands of the development project shrink the boundaries of possible politics.

The second reason to be suspicious of the Bank's motives comes from the Bank's own antipathy to criticism (Engler 2003). Recall that the couching of environmental problems as a battle between small and big groups is not explicitly about politics; size is the important factor here. Thus, small groups such as the Environmental Defense Fund or Greenpeace, their massive subscriber bases notwithstanding, count as special interest groups. And, given their status as small groups, they come in for the same policy prescription, the same leveling discipline. Having diagnosed that only size matters, the Bank presented its cure: deepen the international policing of domestic politics to mitigate the effect of small groups' interference with the provision of public goods. Because Olson was so vague about what size means, his critique of small groups provides a license to fight not only the small but immensely powerful industrial interest groups, but also the small and much less powerful groups that constitute civil society.

It is important not to be naïve about this: radicals, or even progressives, would not lend even their qualified support to all "civil society" groups. The Bank and its friends have been making headway into civil society for quite some time. Hence, the Astroturf activism of the oil industry lobby groups, Astroturf of course being a dismal substitute for real grassroots. Hence, the increasing worry over quite how democratic or representative Southern non-governmental organizations actually are. Hence, widespread critique of "snivel society," of that section of co-opted intellectuals and activists whose politics do more to shore up existing regimes than challenge them.

Nonetheless, substantive democracy of any stripe is not something with which the Bank feels terribly comfortable. In the *WDR*, the Bank noted the lack of accountability of interest groups and governments (but, oddly, not international development banks). The report's authors then went on to say,

> Democracy may be an institutional lever that can help [inequity]. Rulers of England committed themselves by strengthening the hand of the nobility through the creation of a parliament. Indeed, democracy (or a dramatic extension of suffrage to new groups) can be a commitment to redistribution. In many states democracy has been extended in response to social tensions—bringing about successive reductions in inequalities. (*WDR*)

This is an odd understanding of the mechanisms of social change, one that puts the cart before the horse. Democracy was the outcome of widespread struggle, not a policy decision. Accountability, of a stripe, was a corollary of the result but certainly on the tail end of a long, bitter, and bloody process. "Transparency," "good governance," and the other talismans of antipolitics of our time cannot, by themselves, redress power balances.

Olson's magic, therefore, lets the Bank increase surveillance not only over elements of a stubbornly nationalist private sector in the Global South but also to its "civil society" as well, because they are both domains of small, influential, and troublesome impediments to the public good. If this interpretation is correct, one might expect to see an increase in the number of transnational engagements among nonstate bourgeoisies, public and civil. The word for this is *partnership*. The Canadian International Institute for Sustainable Development (IISD) has already lined up a "partnership for knowledge" with civil society and the Bank; given the kinds of stakeholders involved, it will inevitably encounter the same criticisms that the World Bank's project—the Development Gateway—has already received for its lack of transparency, lack of partiality, and waste of resources (Patel 2001). The International Chambers of Commerce and the World Business Council for Sustainable Development, for their part, have been exceptionally promiscuous, partnering with the UN, the World Bank, some NGOs, and a smattering of academic institutions to demonstrate that if business is left free of the prophylaxis of state regulation, it can consummate its affairs responsibly.[5]

The orgy of partnerships at the WSSD (and almost every other major multilateral event of late)[6] might make us want to think again about Margaret Mead's oft-quoted sound bite in the activist world: "Never doubt that a small group of thoughtful committed citizens can change the world. Indeed, it's the only thing that ever has."[7] Although this slogan has been recited as a hard-times mantra by embattled progressives the world over, it is important to remember that it is a double-edged slogan. The Bank is, after all, a small group of thoughtful committed citizens, too. It is just that their commitments lie in a different direction from those whom they sue to help.

The wisdom of Mead's insight is thoroughly Olsonian and dangerous. Perhaps it should be jettisoned because it provides too much succor to those whose tendencies are more centralist than democratic. It is also incorrect: many of the finest moments in history have come not from a group of well-organized individuals but from the collective actions of hundreds of thousands. Whether this action has been in the home, the fields, the factories, or the classroom, populism and mass action remain important. Capital is trying to professionalize activism, in the darkest sense. In light of the large-scale mobilizations around the World Bank, UN, and global capitalism throughout the past five years, the most appropriate response is also demonstrably feasible: a blaze of mass politics.

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5. It is interesting to note that many of the showcase efforts are largely English-language and Internet-only phenomena; this might lead us to think that the audience for partnership might hail from a particular class and linguistic background.

6. The partnership approach has infected much of the discourse in the United Nations of late. Hardly a piece of text or speech goes by which doesn't extol the virtues of partnerships. They build upon the concept of 'multistakeholder dialogues' which have become a fixture in modern governance processes. This seemingly benign concept of various 'stakeholders' getting together around a table and hashing out issues has been championed by business groups since the days of the original Earth Summit in Rio. The reason is clear. By institutionalising their role as 'stakeholder' in official fora, corporations gain considerable influence in any outcomes and benefit from an image boost as they are seen to be 'part of the solution'. (Corporate Europe Observatory 2002)

7. Finding a source for this quotation has been usefully fruitless. Although many people are unclear about when or how it first appeared, it seems fairly clear that the quote and Margaret Mead are indelibly conjoined in the popular imagination. See Institute for Intercultural Studies (2001).

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