

### Capitalism and Sustainable Development.

About 20 years ago, witnessing the end of the Soviet Union and the east European communist regimes, I entered in a phase of intense personal questioning. Now that communism ideology failed, are we left with a unique societal vision? Is there alternative to Capitalism and free markets to drive societies toward well-being? My study at UC Berkeley helped me to structure this reasoning. Capitalism has multiple forms. It resists – so far – all other forms of societal arrangement and conquests almost all the countries of the World precisely thanks to the tremendous adaptations and modifications it went through since Adam Smith. Still the question remains, is Capitalism the best way to bring durable well-being over population? In the first part of this essay, I define the notion of *sustainable development* according to different scholar approaches. The focus of the second part is to see with concrete examples what should be changed in Capitalist to reach a sustainable form of development.

What is sustainable development?

There is no precise and concise definition of the world *development*. Depending of the field of focus, the same word is tinted with different tone, from economic, social, historical or scientific point of views. Peter Evans, professor of Sociology at UC Berkeley introduces his lecture Soc172 – Globalization and Development - with the following paragraph that demonstrates the multiple concepts imbedded within the same word.

*“Development can be defined in many ways – some positive, others negative. Regardless of their evaluation of the effects of development, all of those who study it would agree that there is an inter-related set of historical processes, which have, for better or for worse, revolutionized human society over the course of the past 300 years. The increased productivity resulting from transformation of agriculture and the subsequent growth of industry have created vastly increased capacity to satisfy human needs. They have also created a frightening potential for inequality, exclusion and environmental degradation. Economic transformation has been accompanied by an expanded scale of social organization, epitomized by the emergence of the nation state and global corporations. Like increased productive capacity, large-scale social organization increases the potential for freedom and satisfying human needs and wants, but also increases the potential for injustice and oppression.”*

It is possible, however, to distinguish from Evans' lecture four different dimensions. The first part of the word *development* is about studying an historical process that has transformed human society. The second dimension is focused on economy and intends to measure the increase of productive capacity (GDP) as indicator of this social change. This approach sees *development* as a process of industrialization that brings economic development and creates well-being among populations. The third approach of development is one that has been proposed by Amartya Sen, the famous Indian economist who won the Nobel price in 1998. Sen redefines development as an expansion of human capabilities and the ability of people to lead the lives they value. Sen's approach is one that is the result of centuries of economic and cultural domination from the North over the South. The fourth way to see *development* emerged from global South militants like Gustavo Esteva. For him, *development* is an hegemonic way to expand the Western way of live over the global South for the benefit of the North and the expense of the rest of the Globe.

The definition of the word *sustainable* is less dependent of the context. According to Longman dictionary the general definition is "*able to be maintained at a certain rate or level*". A note regarding the meaning in ecology adds, "*conserving an ecological balance by avoiding depletion of natural resources*". Compiling the two words and their definition, we are left with a complex set of ideas to define sustainable development. However, the main point is to set-up a context for social, economic, and cultural development with an emphasis on future generation. Current economic, social, and cultural progress should not be done at the expense of the future generations. Under sustainable development approaches, stock of natural resources have to be maintain, and the impact of human activity have to be controlled to limit definitive effects on ecosystems.

Example of faulty classic capitalist development.

At the global level the most visible failure of capitalist development is Africa. Despite years of post colonialist pro-development policies through the World Bank and the IMF, many countries in Africa did not get their share of development, whatever indicator is used to estimate it (life

expectation, GDP...). The reasons are multiples, and various from countries to countries. However, it is possible to distinguish a pattern of Western domination that had a counterproductive final result, impoverishing Africa. The repayment of loans with large interests strangle its economy, intellectual property (WTO) benefits the most to Western countries, educated people from the global South often move from their original countries to Western countries (vaccines, drugs, industry...), and ultimately industrialization of the West creates Global Warming that victimized the global South. In short what has been done in Africa for decades is more about resource deprivation than development, despite the initial will for improvement. For Martin O'Connor it is certainly an expected situation. He sees Capitalism as a system based on rationality where, "*The cost-benefit valuation logic is internal to and derivative of the instrumental, egotistical, competitive logic of capitalism*" (145). Moreover, he adds "*In dog-eat-dog market society, winners use and use-up losers and the losers include individuals...collectivities, communities, and indeed whose societies, ecosystems and species*" (146).

In his book, *Confessions of an Economic Hitman*. John Perkins explains with picturesque examples how during his whole career, he was in charge to design oversized electrical grid structures in countries like Panama. By "selling" huge industrial projects - based on the Western loans - to local authorities, U.S companies were instrumental in global politics and certainly helped the economic dominance of the United States. Perkins worked for years in "quasi-markets" where decisions were made by members of "predatory states" who valued their personal success more than the well-being of their people. In fact, the industrial expansion of the U.S was done at the political cost of supporting number of dictators and despots.

When in France, salads producers stop deliver their goods to local mega-retailer chains, claiming they buy their products just at the producing cost and they do not get any benefit from their labour, it is possible to see another example of the capitalist crisis Marx predicted. More important, how in this context of tight prices, salad producers can escape to produce without being involved with high level of fertilizer, though high level of soil and water pollution. From these cases, it can be argued that Capitalism and the quest for rationality is in fact reinforcing the likelihood of pollution and resource depletion.

In these two very different and concrete examples, it is possible to see the failure of Capitalism as described by Marx. However, it can be argued that in real situation of free competitions and free markets, French salad producers would be able to sell their products at the correct price to other distributors. Also, if Panama had been a democratic country with checked and balanced institutions, the sale of oversized project would not been possible. In the real Capitalist world, the two situations are real, so solutions have to be implemented.

The real concern in these two examples is the impact on nature of electricity over-production in Panama and intensive salad culture in France. Would it be possible, within a capitalism framework, to reduce the natural damages by implementing the additional costs for clean methods of production? The French salad producers may use less fertilizer and get a lower productivity if they were able to sell their salads at a higher price. In Panama, how the polluting cost of electricity production can be implemented to customers that already struggle to pay back the loan to build the infrastructure?

Post Marx sociologists often attribute the stability of Capitalist societies to its tremendous capability to adapt and change according to the people will, through democratic processes and the development of regulations. The rise of state welfare policies, everywhere in the West, is a perfect example of the adaptability of Capitalism. As O Connor concludes, even if sustainable development is by nature almost incompatible with Capitalism, "*Abstractly, this problem of coexistence probably defies satisfactory solution. In practice, solutions have to be, more or less unhappily worked out*" (146). In other words, French distributors would have to give salads producers a higher price when the end customers are going to understand the consequences of the production/process thanks to the media. Panama, as well as worldwide electricity consumers would eventually pay for the hidden costs of electricity production due to pollution. This extension of Capitalism to accounting for natural resources as well as human depletion of nature is going to establish a different price tag for development and human activity. Sustainable development is a complex set of methods that eventually would slow consumerism, but stimulate markets. The question remains: Is it possible to fix what Capitalism, and classic development has done to Nature, by extending the same system to pollution management and resource use? In absence of

credible alternative, sustainable development is a patch on a semi flat tire that may actually work well and help maintain our planet safe.

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