

LE MONDE *diplomatique*

> August 2004

DO WE REALLY WANT DEVELOPMENT?

Growth, the world's hard drug

Is development - that is increased wellbeing and the fulfilment of potential - possible in a non-market framework? Development doesn't have to mean growth in the current sense of more merchandise, more energy use and ever-greater inequalities.

BY JEAN-MARIE HARRIBEY

SUSTAINABLE development, the official doctrine of the United Nations, is defined as development that meets the needs of the present without compromising the ability of future generations to meet their needs (1). It is a lifesaver for governments that advocate and pursue intensive agriculture, for heads of multinational corporations that waste natural resources, pour waste into the environment and charter dustbins, for intergovernmental organisations that no longer know what to do and economists proved ignorant of natural constraints.

The sustainable development programme is fundamentally flawed, since it portrays indefinite economic growth as compatible with the main tenance of natural equilibria and the solution of social problems. The Brundtland Report argues that “what is needed now is a new era of economic growth - growth that is forceful and at the same time socially and environmentally sustainable” (2). But this rests on two shaky premises.

The first is ecological. It is the claim that growth can continue because the quantity of natural resources required for one unit of production decreases with technological progress and that it will therefore be possible to produce more goods with fewer raw materials and less energy. Unfortunately, the reduction in the intensity of raw material consumption will be greatly outweighed by the overall increase in production. It is clear from the UN Development Programme report for 2002 that pollution and the drain on natural resources are increasing: “Around the world, goods production has generally become more energy-efficient in the past few decades. But the increased volume of global production means that such improvements are far

from sufficient to reduce world carbon dioxide emissions” (3).

The International Energy Agency (IEA) is alarmed at the slowing reduction in energy intensity (4), which fell by an average of 2.5% a year in the IEA countries from 1973 to 1982, by 1.5% a year from 1983 to 1990, and by only 0.7% a year since 1991 (5).

The second dubious premise is social: the claim that economic growth can reduce poverty and inequality and strengthen social cohesion. Capitalist growth necessarily generates inequality, which it requires in order to stimulate frustration and new needs. Income inequality has increased explosively over the past 40 years despite the considerable growth in the wealth produced throughout the world. The income ratio of the poorest to the richest 20% was 1:30 in 1960. Today it is 1:80. That is not surprising, since the transition to a system of financial accumulation upsets all the mechanisms for the distribution of produced value. The demands of the capitalist classes for higher rates of remuneration, especially higher dividends, force down the added value distributed to wage earners as direct wages and social welfare benefits.

The World Bank already admits it will fail to meet its target of halving the numbers living in extreme poverty by 2015 (6). More than 1.1 billion people worldwide still live on less than a dollar a day. The latest report of the UN conference on trade and development shows that the poor countries least open to globalisation have progressed most in per capita income, whereas the most open countries have been victims of their openness (7).

The main defect in the official discourse on sustainable development is the inability to imagine the future except in terms of permanent economic growth. Despite the social and environmental damage that growth causes, no political or economic leader is prepared to dissociate growth from development. This works like a hard drug. A strong dose maintains the illusion that growth can solve all society's problems, most of which are in fact caused by growth itself. Hence the feeling that the stronger the dose, the healthier society will be. A weak dose produces painful withdrawal symptoms - and there is no detox treatment.

Underlying the “anaemia of the economy” is the growth of anomie (8) in societies undermined by liberal capitalism, which is incapable of giving any meaning to life other than consumerism, waste, hijacking natural resources and economic income, and worsening inequality. Karl Marx, in his critique of merchandise in the first chapter of *Das Kapital*, predicted this. Growth is the new opium of the masses: the destruction of their cultural references and collective solidarity has cast them into a bottomless pit of consumerism.

The prevailing dogma is well illustrated by the writer Jacques Attali, who claimed this January that he could detect fabulous growth prospects for 2004 that could be undermined only by non-economic factors, such as a further outbreak of the Sars virus (9). The blind ideologists of growth ignore the relationship between human beings and nature. For them, ecology does not

exist. Economic activity is conducted in a vacuum outside the biosphere.

They also ignore the fact that economic activity is entropic - it constantly degrades energy. Although the Earth is an open system that receives energy from the sun, it is nevertheless a whole within which human beings cannot exceed the limits of the resources and space available. The ecological footprint (the area required to sustain all human activity without disrupting ecological equilibrium) is already 120% of that available on Earth. Considering the great disparities in development, four or five planets would be needed if the whole population of the world consumed as much, and produced as much waste, as the inhabitants of the United States (10).

In these circumstances the economist Nicholas Georgescu-Roegen's advocacy of downscaling (11) has been welcomed by some environmental and anti-globalisation activists. Some have called for the total abandonment of development, arguing that it inevitably involves growth that will ultimately prove fatal. They reject any modifying description, such as "humane" or "sustainable", that tends to rehabilitate development. In their view, development cannot be other than what it has always been: a force for the West's domination of the world. The political scientist Gilbert Rist claims the word development has become a fetish (12), while the foremost French theoretician of downscaling, Serge Latouche, says that "sustainable development" is an oxymoron. Since we share their critique of the productivism (the ideology that measurable economic productivity and growth is the purpose of human organisation and perhaps of life itself) implicit in the dominance of commodity production, why are we not convinced by their rejection of development?

It is politically unfair to impose equal downscaling on those who have more than enough of everything and those who lack the basic essentials. Poor people are entitled to a period of economic growth and the idea that extreme poverty is just a reflection of western values or a particular attitude is unacceptable. Schools will have to be built to end illiteracy, medical centres are needed to provide care for all and networks must be created to make clean drinking water available to all.

It is perfectly legitimate to continue to apply the term development to the process of providing all of Earth's inhabitants with access to potable water, a balanced diet, medical care, education and democracy. Defining basic needs as universal rights does not mean endorsing western cultural domination or adhering to the liberal belief in natural rights such as private property. Universal rights are a social construct derived from an emancipatory political project. That project is contributing to the emergence of a new universalist ethics that cannot be reduced to the "universalist discourse of natural rights" that the social critic Cornelius Castoriadis complains about (13).

But it is unreasonable to oppose economic growth (which capitalists have elevated to an end in

itself) with downscaling (also elevated to an end by anti-developmentalists) (14). The concepts are symmetrical errors: while economic growth tends to increase production indefinitely, downscaling must logically reduce it to zero if no limits are set. Serge Latouche is aware of this: “The main purpose of downscaling as a slogan is to mark clearly the abandonment of the insane objective of growth for growth’s sake, which is driven only by unbridled search for profit for the holders of capital. Obviously, the slogan does not imply downscaling for its own sake. Downscaling is not negative growth, which is an absurd contradiction in terms that testifies to the dominance of growth ideology” (15).

So what does downscaling mean if not a reduction in production? Latouche tries to get round the difficulty by explaining that he wants “to replace the growth economy by a downscaling economy”. So would production continue to increase? In which case the term downscaling makes no sense. Or would it be kept under control? In which case there is no disagreement between us. Latouche agrees that downscaling is not an appropriate slogan for all the world’s inhabitants. “This aim does not really apply to the Southern countries: though they are affected by the growth ideology, they are not, for the most part, growth societies” (16). But the crucial question remains unanswered: should poor societies be allowed to increase their production, or must non-growth societies remain poor?

Anti-developmentalists always blame the failure of development strategies on the fundamental flaw that they claim is inherent in all development. They never attribute it to the balance of social forces that, for example, deprives peasants of access to land through discriminatory property structures. Hence their uncritical praise for the informal economy, forgetting that it often exists on scraps from the official economy. Hence, too, their definition of the abandonment of development as withdrawal from the economy on the grounds that the economy can only be what capitalism has made of it. Economy, in the sense of economising on the work or natural resources that go into the production process, is equated with cost- efficiency: profit. So any increase in productivity is condemned as productivism.

We are asked to believe that the economy would not exist outside the western ideology that created it. We are told that some cultures have no words for economy or development, although we are familiar with the use of those terms. But even if the words do not exist, then the material reality (production of the means of existence) certainly does. Production is an anthropological category, even if the framework and relations within which it is carried out are social.

The result of this confusion - which is reminiscent of liberal dogma in regarding capitalism as a non-historical universal given - is an inability to conduct a critique of productivism and of capitalism simultaneously. Only the former is pursued, without reference to prevailing social relations. The wish to “exit the economy” (17), combined with the aim of “re-embedding economics in the social realm” (18) is curious.

On a theoretical level, either we hold that there is a difference between growth and development, or we see both as governed by the same logic of perpetual expansion that leads to a dead end. Those who take the second position are easily identifiable: they are advocates of downscaling who are also anti-developmentalists. The first position is taken both by free-market economists and by their opponents. The free-marketeters claim to be pursuing qualitative objectives not confined to material growth, especially since the failure of the IMF/World Bank structural adjustment plans. But the supposed distinction between (quantitative) growth and (qualitative) development is a fraud in the context of liberal ideology, which considers growth as the necessary and sufficient condition for development - a condition that can be met indefinitely.

In view of the social and environmental damage caused by a mode of development that seems indissolubly linked to growth, anti-free market economists with roots in the Marxism, structuralism or the third-world-ism of the 1960s and 1970s find it difficult to argue for a distinction between the two ideas. So it is easy for opponents of development in any form to reject both growth and development, and to deny the possibility of dissociating one from the other.

Can this difficulty be overcome? Capitalism has a vested interest in persuading people that growth and development always go hand-in-hand and that improvements in human wellbeing can be achieved only by constantly increasing the quantity of goods produced and consumed. The task before us is to establish a radical distinction between the two ideas. We must argue that development (meaning increased human wellbeing and the fulfilment of human potential) is possible in a framework other than that of commodities and exchange value (19) - in a system based on the centrality of use value and the quality of the social fabric that results.

Downscaling, if applied indiscriminately to all people and all types of production, would be unfair and ineffective. First, because capitalism is currently imposing a certain downscaling - especially of goods and services for which there is the greatest social need, such as public transport, health, education and support for the elderly.

Second, because not all production necessarily pollutes or degrades the environment. Gross domestic product includes, in monetary terms, the growth of service activities - including non-commodity services - whose impact on ecosystems is usually incomparably lower than that of industry and agriculture. So the nature of growth is just as important as its volume. The urgent need to reduce the ecological footprint does not mean downscaling all types of production without any distinction between them or between the people for whom they are intended.

Use of the world's resources must be organised so as to enable poor countries to begin the growth that is required to meet their basic needs, while ensuring that rich countries become economical. Imposing a specific model on poor countries would inevitably destroy their cultural roots and become an impediment to genuinely emancipatory development. In rich countries

policies would have to be thought of in terms of the envisaged transition - the progressive abandonment of growth and development. That transition cannot be achieved by indiscriminate downscaling, which would be unacceptable to most of the population.

It needs targeted deceleration to begin the transformation of production processes and cultural representations. The first step would be deceleration of growth. That would be followed by selective downscaling, starting with harmful activities, to redirect the economy towards the quality of goods and public services, a more equal primary distribution of income and regular reduction of work time in line with productivity gains (which is the only way to promote employment in the absence of growth). But we must always bear in mind that the present development model can be challenged realistically only if the capitalistic social relations underpinning that model are also questioned (20).

Defining development as the evolution of a society that uses its productivity gains to reduce the work of all its members while sharing the income from economic activity more fairly - rather than continuing indefinitely to increase production that generates pollution, environmental degradation, dissatisfaction, repressed desires, inequality and injustice - is not a return to the past for current development. It does not imprison us within a utilitarian paradigm, provided that the productivity gains are not achieved at the expense of working conditions or the natural environment.

Once we accept that humanity will not return to pre-development and that productivity gains consequently exist and will continue to exist, the use of those gains must be thought of in terms of, and made compatible with, the reproduction of living systems. We may reasonably hypothesise that the reduction in work time will help rid our mental universe of the fantasy that the possession of more and more goods increases our wellbeing and that the extension of public services, social protection and culture, free from the clutches of capital, will prove to be a source of incomparably greater riches than those favoured by the market. Development raises the question of the ultimate purpose of work and the way towards an economical society based on solidarity.

JEAN-MARIE HARRIBEY

Translated by Barry Smerin

See also : [Tunisia: tourism's trap](#).

* Jean-Marie Harribey is a lecturer at the University of Bordeaux IV, a member of the scientific council of Attac, and editor of *Le développement a-t-il un avenir? Pour une société solidaire et économe* (Mille et Une Nuits, Paris, 2004)

- (1) Gro Harlem Brundtland, *Our common future, report of the World Commission on Environment and Development*, Oxford University Press, Oxford, 1987. This report was the basis for the UN conference in Rio de Janeiro in 1992.
- (2) Ibid.
- (3) *Human development report 2002 : deepening democracy in a fragmented world*, Oxford University Press, Oxford, 2002.
- (4) Energy intensity (and natural resources intensity in general) can be defined as the quantity of energy or natural resources required to produce €1 of GDP.
- (5) AIE, Oil crises and climate challenges : 30 years of energy use in IEA countries, 2004, <http://www.iea.org> [<http://www.iea.org>].
- (6) Statement by Jim Wolfensohn, World Bank president, quoted by Babette Stern in “Les objectifs de réduction de la pauvreté ne seront pas atteints”, *Le Monde*, 24 April, 2004.
- (7) 2004 Unctad Report on least developed countries, quoted by Babette Stern in “Pour les pays les moins avancés, la libéralisation commerciale ne suffit pas à réduire la pauvreté”, *Le Monde*, 29 May 2004.
- (8) Durkheim defined anomie as the absence or disappearance of communal values and social rules.
- (9) Jacques Attali, “Un agenda de croissance fabuleux”, *Le Monde*, 4-5 January 2004.
- (10) See [Redefining Progress](http://www.rprogress.org) [<http://www.rprogress.org>].
- (11) See Nicholas Georgescu-Roegen, *La décroissance: Entropie-Ecologie- Economie*, Sang de la terre, Paris, 1995.
- (12) Gilbert Rist, “Le développement : la violence symbolique d’une croyance”, in Christian Comelieu, ed, “Brouillons pour l’avenir, Contributions au débat sur les alternatives”, *Les Nouveaux Cahiers de l’IUED*, Geneva, n° 14, PUF, Paris, 2003.
- (13) Cornélius Castoriadis, *Le monde morcelé, Les carrefours du labyrinthe 3*, Seuil, Paris, 1990.
- (14) *Silence, Objectif décroissance, Vers une société harmonieuse*, Parangon, Paris, 2003.
- (15) Serge Latouche, “Il faut jeter le bébé plutôt que l’eau du bain”, in Christian Comelieu op cit.
- (16) Serge Latouche, “[The world downscaled](#)”, *Le Monde diplomatique*, English language edition, December 2003.
- (17) Serge Latouche, *Justice sans limites, Le défi de l’éthique dans une économie mondialisée*, Fayard, Paris, 2003.
- (18) Serge Latouche, *Justice sans limites*, op cit.
- (19) Use value is the usefulness of a commodity or service, a qualitative concept that cannot be measured or reduced to exchange value. Exchange value is the ratio according to which two commodities are exchanged for each other using money. To stress this distinction is to refuse to treat everything as merchandise.
- (20) *L’économie économe, Le développement soutenable par la réduction du temps de travail*, L’Harmattan, Paris, 1997 ; *La démence sénile du capital, Fragments d’économie*, Editions du Passant, Bègles, 2nd edition, 2004.