

THE CHALLENGE OF SUSTAINABILITY:  
A WORKSHOP IN PREPARATION FOR RIO + 20  
CONCEPT NOTE AND TOPICS

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Background

There is a scientific consensus that global warming is a real and present danger. But that is the end of consensus. Does this danger require action today? Or can we wait for years or even decades, when presumably the technologies for mitigation and adaptation, as well as the dangers themselves, will be better understood? What kind of action is required? Relatively modest investment in new sources of clean(er) energy? Or a draconian downshifting, a cap on world output and consumption, certainly on growth and perhaps even a reduction in present levels?

Global warming is the most dramatic of the challenges to the sustainability of the global economy. But if the dangers of global warming could be magically eliminated, we would still face variants of the questions posed in the previous paragraph. Even if conventional sources of energy like coal and oil could be rendered benign in terms of their impact on the environment, in plain fact these energy sources are not available in infinite supply and at the very least are subject to steeply increasing marginal costs of extraction. Energy apart, the material resource base on which the phenomenal growth of the past three centuries has been based does not and cannot regenerate itself to make it available on a like basis for the future.

In short, there is a strong case to be made that the current growth in resource consumption, if continued in the next decades, will result in levels of clogging of natural sinks, pollution and destruction of life-supporting ecosystems. There is also a strong case that the natural resources on which growth has relied in the past are going to be severely and perhaps irreparably depleted. Either, or both, disruption of sinks or depletion of sources, would have significant and increasingly harmful impacts on human welfare globally.

Relative to the magnitude of these problems, the response from mainstream economists has been tepid at best. The *Stern Review*, while firmly rejecting "business as usual" in the form of inaction in the face of global warming, embraces "business *almost* as usual" in the form of a scenario that requires only modest investment to avoid possible climate catastrophes.

Other voices, from outside the mainstream of the economics profession, argue that business *almost* as usual will fall far short of what is necessary to maintain human life as we know it, much less to improve the material lot of the vast numbers of our brothers and sisters who lack the bare necessities of a dignified existence. Some even argue that people in the rich countries would be better off with less stuff, provided that the problems of employment and income distribution can be adequately addressed. A key assumption in this argument is that the focus on ever more economic goods and services is misguided even apart from the ecological consequences of

such a focus, because of the toll taken on human relationships. And spiritual leaders from many traditions have argued that, once an economy is capable of providing the material basis of a dignified life, a continuing focus on material well-being is altogether misplaced in that it deflects attention from spirituality.

The political structure based on national governments and the United Nations system has not changed since Bretton Woods. There is a sense of growing disconnect between the political agenda generated by and through these political structures and concrete actions to change values and consumption patterns that are multiplying at the local level, coming from communities, cities, consumer movements, indigenous peoples, and others. Most national governments appear to have difficulties in following this movement, and even more to stay at its forefront. Is this a short-lived mirage, or has this movement an impetus of its own that will ultimately confirm the obsolescence of national governments as the adequate drivers of societal change? In terms of André Gorz's distinction (*A Strategy for Labor*) between "non-reformist" reforms, those which inspire and even necessitate further reform, and "reformist reforms," those which are self-limiting, are we witnessing a budding non-reformist reform?

There is a starting point for further discussion on which both sides can perhaps agree: sustainability requires that the impact of the economy on fragile ecosystems, necessary not only for the economy but for life itself, be below levels that degrade these ecosystems. "Perhaps agree" because there remains the issue of the extent to which the services of man-made capital can substitute for ecosystem services.

Taking ecosystem integrity as the underlying condition of sustainability leaves many questions open. For ecosystem integrity is a weak principle in the sense that it underdetermines the contours of a society that respects it. Ecosystem integrity does not even answer the question that divides Stern and his critics on both sides: What are its implications for growth and levels of output on a global scale? If this question is answered by saying that draconian downshifting will be necessary, what are the implications for growth? In an interconnected world with many claimants for what will be a more limited pie, whose claims will be honored, who will have to make do with less? How would a downsized economy be managed? What new institutions would be required to supplement or replace the existing institutions of market and state? Given that respect for ecosystem integrity leaves sustainability underdetermined, what ought to be sustained along with the ecosystems on which we depend? What changes are implied in how we know the world, our ethical values, and how we act in the world?

It is on these questions that the proposed workshop series will focus.

## Topics to be discussed during the first workshop

### Day One: Morning (three papers)

1. What are the implications of the principle of ecosystem integrity with respect to growth and levels of output and consumption on a global scale? That is, can ecosystems be sustained by business almost as usual, which is to say, some reduction in consumption but little if any impact on the rate of growth (Stern *et al*)? Subtopics:
  - a. The theory and evidence for absolute decoupling.
  - b. The theory and evidence for natural-resource depletion and the environmental costs of pushing the margin of resource exploitation (in other words the relationship between natural resources extraction and pollution).
  - c. The evidence with respect to the costs of mitigation and adaptation to global warming.

### Day One: Afternoon (three papers)

2. What ought to be sustained? Should the notion of sustainability be expanded to include the idea of an economy that sustains relationships and promotes spiritual values? If so, goods and services themselves, as well as the markets that constitute the delivery systems for these goods and services, would have to be scrutinized for their effects on sustaining networks of human relationships, that is, for their contribution to maintaining and developing communities, and for their impact on the capacities of individuals and communities for spiritual growth, as well as for their effects on individual material well-being. Subtopics:
  - a. The idea of sustainability challenges the premise of standard economics that consumption can be the be-all and end-all of economic life. These challenges are of two kinds: challenges based on the ecological feasibility of unlimited growth, which are being examined in the morning session, and challenges based on the undesirability of boundless growth. Why might consumption be undesirable?
  - b. What are the implications of alternative conceptions of sustainability for the role of markets in the allocation of goods and services? For the way markets are structured? How do we scrutinize goods and services or markets for their effects on community, spirituality, or any other qualities that lie outside a utility calculus? Concretely, are initiatives like fair trade part of the solution or part of the problem? Do such initiatives have the effect of making markets simply work better, or do they fundamentally change the logic of the market?
  - c. Is the market mentality that characterizes capitalism necessary for the functioning of markets? Must individuals and communities accept this market mentality as the price of participating in the larger society? Can market institutions be altered to thrive independently from the values inherent to modern capitalism?

Day Two: Morning (three papers)

3. What are the outlines of a sustainable economy, or perhaps we should say, alternative sustainable economies, under the assumption of ecosystem limits to growth which make draconian downshifting necessary. Possible subtopics include
  - a. The issue of distribution: new relations between North and South, rich and poor.
  - b. Alternative scenarios of output, employment, and income distribution.
  - c. Macroeconomic management: how do we navigate the uncharted territory of managing a stationary, or at best, quasi-stationary economy? Are mechanisms like cap-and-trade necessary? Sufficient? Does the mix of public and private investment change radically? What are the implications of radical changes in the mix of public and private investment? Do we need to envision a radically different institutional structure for the economy? What about money and finance for a stationary or quasi-stationary economy?

Day Two: Afternoon (two papers)

4. How we understand the economy is the basis of how we act in the economy. Subtopics:
  - a. What are the implications of climate change and resource depletion for how we understand the economy? Just as there is a sharp divide between business almost as usual and draconian downshifting, so is there a sharp divide between the view that economics as a discipline is largely unaffected by the climate crisis or the possibility of a resource crisis, and the view that a radical restructuring of economics will be necessary.
  - b. More generally, what changes in the way we know, act, and value the world will be required to respect the principle of ecosystem integrity? Can we envision an economics in which fellow-feeling plays as important a role as self interest? In which compassion plays a role along with profit maximization?