A decade after the Cold War was resolved in a consensus for materialist globalization, the central new debate that has emerged is over how to include the poor majority in the promise of prosperity without destroying the environment. Can poverty best be reduced by manufacturing exports for the global middle class, or by delinking from the competitive imperatives of open markets that undermine local livelihoods and upset the ecological balance?

This special issue of NPQ publishes excerpts of a memorandum on this debate sponsored by the German Heinrich Böll Foundation and edited by one of the clearest-minded environmental thinkers today, Wolfgang Sachs.

The memo, entitled Fairness in a Fragile World, is aimed at influencing the United Nations World Summit on Sustainable Development in Johannesburg, South Africa in September, but stands alone as the manifesto of an alternative development model. Wolfgang Sachs and his colleagues have rigorously made the case for a transition from development economics to livelihood politics and pondered the revolutionary implications.

Clearly, this is a radical document. But, when facing the inexorable momentum of conventional development thinking, the authors are no doubt right that idealism is the only realism.
De-Industrializing Desire

Critics of globalization argue that it marginalizes the majority while exacting too high a toll on the environment. "Sustainable development" is said to be the antidote to this state of affairs. If only the poor were let into the global economy and the rainforest left out the world would be a better place.

Yet, if more aid, debt relief and the opening of rich markets to the exports of the poor leads down the same path of industrial development that brought consumer democracies to their present prosperity, the Earth's resources will be exhausted, not sustained.

True as it is unjust, the fact remains that the poor majority may admire, envy or resent the rich, but to replicate their lifestyle would be ecocide. "Sustainability" may be compatible with "development" in the shifty realm of politics, but not within the natural limits of the biosphere.

The ecological imperative, is, politically speaking, distinctly impractical: The consumer classes will have to downsize their appetites while the aspiring must de-industrialize their desires. To enhance well-being while bringing the Earth into balance, the globalized middle class will have to reduce their footprint while the advancing steps of the localized poor will have to become greener. And, much like the logic of nuclear non-proliferation, what the have-nots are willing to give up will rely entirely on whether the haves restrain themselves.

The point of convergence between these two is what the authors of the Heinrich Böll Foundation memo excerpted in this NPQ call "fair wealth in a fragile world."

Above all, write the authors, a new paradigm of development is required that secures "livelihood rights" rather than promotes an export-led strategy to reduce poverty. "Poverty," the authors write, "derives from a deficit of power rather than a lack of money. Far from being needy
persons awaiting provisions, the poor must be seen as citizens who are constrained by lack of rights, entitlements, salaries and political leverage. Any attempt to mitigate poverty will have to be centered on a reinforcement of rights and opportunities. This is particularly true of women who are often legally marginalized.

"A livelihood-centered perspective," their argument continues, "is at odds with the export-led poverty reduction strategies. A strategy of creating industrial jobs, which under the condition of a borderless economy must be competitive on the world market, is soon likely to run out of breath...Under a free trade regime, agriculture and industry in most countries of the South cannot be simultaneously competitive and job intensive." Rather than dream of the global consumer paradise they've glimpsed on the village TV, in other words, the poor must make do with a more ecologically benign local subsistence. No McDonalds, only lentil soup.

Is all this just pie in the ozone layer? Didn't China just join the World Trade Organization, thus mobilizing its billion people to gloriously pursue a refrigerator for every kitchen by making trinkets for Toys R' Us and shoes for Sports Chalet? Absent the totalitarian ?st, is it likely that the Chinese will give up the icebox and return to the small-is-beautiful backyard furnaces of Mao's Great Leap Forward-a policy they have spent the past four decades reversing?

Conversely, can the rich West succeed in portion control any more than the perpetually backsliding dieter? Outside the monastery, is there any case in history in which "homo economicus" has voluntarily sacrificed expectations of more?

Conceivably, as the authors suggest, underdevelopment might prove to be an asset that enables "leapfrogging" over capital-intensive infrastructure, toxic dumps, clogged roads and oil refineries to catch up with the post-industrial retreat from overdevelopment. By linking up people with information technology in a post-fossil fuel age, the quality
of life can be enhanced without passing through the destructive stages of industrial development. Think of the "cell phone" ladies in Bangladesh who have become their own "utility" by purchasing a cell phone with microcredit, then selling calls in their villages.

Among the global consumer class, new technologies also promise to radically reduce wasteful inputs. For example, in the rich West, where petroleum is mainly a transportation fuel, hybrid cars will surely become cooler as terror related to the oil states of the Middle East heats up. Even before September 11, the former Saudi oil minister Sheik Ahmed Zaki Yamani warned that oil prices would plummet in the coming decades as consumers turn to hybrid technology. In the United States SUVs could well go the way of smoking.

How to jumpstart the transition from development economics to livelihood politics is the historic calling of the World Summit on Sustainable Development in Johannesburg in September.

Nitin Desai, the secretary general of that meeting, hopes that a new vision will emerge in Johannesburg that embraces neither the bottom-line globalization of "Davos Man" nor the rejectionist mentality of the "Porto Alegre" protestors.

During the age of superpower unilateralism, one should not expect too much from a United Nations conference. But if it even suggests a new direction for civilization that might bring fairness to this fragile world, then it is welcome indeed.

Nathan Gardels, editor, NPQ
Neither "Davos Man" nor "Porto Alegre Protester"

Nitin Desai is the UN undersecretary general for economic and social affairs. In that capacity he is chair of the UN's World Summit on Sustainable Development.

New York - The impact of globalization on the environment and development has been debated heatedly for years in the streets and in salons from Davos to Porto Alegre. My hope is that a new synthesis will emerge as a result of dialogue between these different visions as a result of the World Summit on Sustainable Development that convenes in Johannesburg, South Africa in September.

Of the major UN conferences in the 1990s, none captured the world's imagination like the Earth Summit held shortly after the end of the Cold War in Rio in June 1992. Nearly 10 years later, however, many of the commitments made there to balance environmental protection with development have remained unfulfilled.

There has been progress, of course. The public is more generally aware of environmental issues. Gains have been made in life expectancy and certain areas of health. Above all, there has been a decline in the world population growth rate.

While the overall poverty rate worldwide has declined, however, it has increased in some countries, and the gap between rich and poor has widened considerably. Energy use is up even though global growth is down. Global warming remains a significant threat. Deforestation, desertification and the number of endangered species continue to rise.

In short, the key concerns of Rio persist.

For this reason measures adopted in Johannesburg will have to be taken not just by governments, but by all stakeholders-corporate leaders, trade unionists, farmers, local authorities, community organizations, NGOs
and activists.

This will require a shared vision of how development should proceed. "Davos Man" [the name Harvard professor Samuel Huntington coined for the global business and political elites of the World Economic Forum who meet each year in Davos, Switzerland-ed.] sees a globalized world with open borders and a liberal market economy as the route to prosperity. But even "Davos Man" has doubts about how to deal with the global poverty and disease as well as the alienation, social stress and threats to order that emerge from these. As a result corporate leaders seek a dialogue with critics to find new answers.

By contrast, protest movements and dissenting academics who gather annually in Porto Alegre, Brazil, are deeply skeptical about the benefits of the globalized market economy. They give precedence to the local over the global and hence are not convinced that liberalization and the opening of borders are the route to prosperity for all. For them, the world is becoming globalized not because the average person has opted for it, but because effective power is in the hands of the few. But in Porto Alegre, too, there is a move from protest toward dialogue.

The vision we seek to embody in the form of the "Johannesburg activist" is different from both Davos and Porto Alegre.

The Johannesburg activist is enough of an economist to respect the need to compare costs and benefits and to recognize the potential of a properly managed market system to save us from the excesses and perversions of public control. He or she is enough of an engineer or technologist to recognize that the right sort of development requires not just tweaking of the market, but a systematic effort to promote alternative technologies that are less aggressive in their use of natural systems.

The "Johannesburg activist" is an ecologist who recognizes that the inputs and outputs of cost/benefit analysis need to be evaluated with a
full understanding of the complex pathways through which local, national and global ecosystems are affected. He or she recognizes that development requires empowerment, and that means democracy and decentralization.

In all these, the "Johannesburg activist" is guided by the principle that the real test of development is what it does to the self-respect, dignity and well being of the poorest person in society.

This vision is grounded in a large number of local projects that have combined social, economic and environmental imperatives into a single whole. It is a vision based on the potential of new technologies to promote decentralized development that works with, not against, the local environment. It rests on a notion of solidarity and responsibility—not only with regard to each other but to future generations.

Our great hope is we can unite the community of concern that ties the multinational corporate executive to the village family not only into a consensus but into action.

Vendors of the Earth

It took just two years for the very governments that had presented themselves as stewards of the Earth in Rio to reconvene as vendors of the Earth in Marrakesh. With the establishment of the World Trade Organization in January 1995, they cheerfully accepted obligations whose unintended effects amount to a quicker sell-out of the natural heritage worldwide. While Rio was concerned with the protection and prudent use of natural riches, Marrakesh was concerned with the unconditional access of corporations to natural assets. While Rio promoted the effective authority of states to implement rules in favor of the public good, Marrakesh weakened the regulatory power of states in favor of free corporate mobility. As a result, international politics in the past 10 years has been dominated by relentless attempts to create a borderless world market where capital and goods (but not people!) could
freely move about, driven only by the law of demand and supply. Far from giving priority to sustainability or democracy in running world affairs, elites in both the North and South came to consider the freedom of markets the supreme value in politics. While Rio was good on rhetoric, Marrakesh was fast on implementation. This reversal of priorities has put a brake on any serious progress after Rio, sometimes even reversing the process into a decline.

As neo-liberalism rises as the dominant form of globalization, three impacts can be distinguished. First, it is the professed goal of globalization to expand economic growth in scale and scope. However, with the outflow of investment capital from OECD countries, an historically outdated model of development is spreading to the newly industrializing countries and well beyond. That fateful style of economics which rests to a large degree upon the transformation of nature into commodities, is now expanding to the far corners of the Earth. Growth in national income has historically always been accompanied by growth in resource consumption. However, the latter growth curve only delinks from the former in a post-industrial economy after having reached a high level of unsustainability. Moreover, deregulation occurs within a system where prices do not tell the ecological truth. Therefore any expansion of the market, even with a per-unit efficiency increase, hastens environmental degradation in the end.

Second, the pressure of open markets has forced quite a few Southern and Eastern countries to accelerate the exploitation of their natural treasures. With structural adjustment more or less becoming a permanent affair, fiscal restraint, cuts in social expenditure and export promotion are measures to guarantee a stable playing field for investors and traders. In an effort to stabilize currencies and make payments on foreign debts, speeding up the extraction of mineral and biological resources for export is an easy short-term solution. By throwing larger quantities of oil, gas, timber, metals and other resources onto the world market, countries hope to keep their export earnings from deteriorating. In desperate times, governments have to sell off even the "family silverware." For example,
Russia rushed to sell off the treasures of Siberia, Senegal offered fishing rights to Spain and Japan, Mexico facilitated forest exploitation after the peso crisis, as did Brazil and Indonesia. When a country's standing on the world market is at stake, sustainability is shelved.

Third, under the pressure of the world market, governments often sacrifice the protection of public goods for the commercial interests of private actors. Compelled to provide hospitable conditions for mobile capital, they are unenthusiastic about any new regulation and rather inclined to retreat from rules that exist. As the cost of displacing production units from one country to another drops considerably, transnational corporations are in the position to choose at will the political and institutional conditions they consider most favorable across the globe. Economic power is thus converted into political power, since corporations are now able to play the prospect of jobs and taxes out against the adherence to urban, environmental and social rules. Governments have faced the same dilemma in social as well as in environmental matters: When protection most matters they become less capable of providing it.
Fairness, Not Sacrifice

• The conventional distinctions between North and South are diplomatic artifacts. The real global divide runs through each society - between the globalized rich and the localized poor.

• Excessive use of environmental space withdraws resources from the world's marginalized majority. Fairness demands reducing the ecological footprint of the consumer classes in North and South.

• Poverty is a lack of power rather than of money. Reinforcing rights of the poor is the condition of poverty removal.

• Leapfrogging into the solar age is a chance to turn "underdevelopment" into a blessing. A solar economy holds the prospect for including people and saving resources.

• Poverty talk is common, wealth is taboo. Will the well-off be able to live without the surplus of environmental space they occupy today?