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FAULTY SHADES OF GREEN

An Environmental Looking Glass

The world's environmentalists are bracing themselves for the upcoming World Summit on Sustainable Development (WSSD) in Johannesburg later this year. Among the tree-huggers, guerrilla gardeners, and jaded policy wonks, urgent pictures about resource depletion, inequality and ecosystem damage will be painted. In this spectrum, though, some of the colours are aiming to become primary. There's no novelty in this; with every season in history, capital has changed its stripe.

There have been large international conferences on the state of the environment on two previous occasions now. Each of these summits generated its own spectrum of paper-work, proclamations, declarations and critique. For each summit, the hue of environmental crisis has been slightly different, and the choice of ideologues has been coloured by contemporary politics.

A central feature of these summits, and the Johannesburg summit is no exception, is the casting of the environmental problem as a hybrid of free-rider and externality problems. The link between these two stems from the rivalry, but non-excludability of the environment. For example, everyone wants clean air; but if you can befoul it for free (because it is non-excludable), then even if everyone suffers from your using it (thus clean air is rival), and if someone else is so agitated that they're going to clean it up, why bother paying (why not free-ride)?

When Johannesburg hosts the WSSD, it will, in fact, be hosting three conferences: one for official delegates, one for "civil society", and one for those unable or unwilling to pay the US\$165 registration fee to qualify for membership of "civil society". The three-tiered arrangement of the conferences tells an uncomfortable story of bureaucratic power, control and resistance, one that is very much of our time.

At the WSSD, the World Bank will be presenting its vision of "sustainable development" – and it wants an appropriately civilised "civil society" to play along. The Bank and its friends are now getting ready to strut their stuff on the world stage, and they'd very much like to have a docile audience. So before the show begins, let's study the latest script carefully and prepare to heckle loudly. Then we can walk out of the theatre.

The Uses of Mancur Olson

The latest WDR uses the ideas of Mancur Olson. Although largely unknown outside the academy, his work continues to loom large in economics and Anglo-Saxon social science. Since these are the academic disciplines from which the Bank seems to draw its inspiration, it's worth having a look to see what he said. Olson's influence stems from one "Big Idea", which he advanced in his *Logic of Collective Action*. He noticed that, while incentives for free-riding are legion, sometimes, people actually get together

and cooperate. Having established that members of big groups will want to free ride, he brings out the “big gun”. He notes that for sufficiently small collectives, if the benefits to the small group can be localised, there’s 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 prevent. Small numbers of people are able to punch above their weight *because* they’re small groups.

There’s another way of putting this: size matters. Not relations to the means of production, although this may result in small groups. Not history, although its contingencies may expose one group more than another to the fates of minority existence. Armed with the hammer of his logic, most problems in society and politics became, for Olson, the same nail. His monomania for finding asymmetries of group size, and explaining political phenomena as a result, put him firmly on the road to a Nobel Prize, which many of his peers believed he would have received were it not for his death in 1998. His spirit, however, lives on. The World Bank has wheeled him out to fight for the environment because a very specific applicability in the politics of public goods.

Consider industrial lobbies: They are able to have their wicked ways because they are small, well organised, and have every incentive to fund their activities in order to avoid having to pay for costly environmentally-friendly change. One need only look to the Bush administration’s current repose in the money-lined pockets of the energy industry in the US to find evidence. The Bank itself, in a rare moment of lucidity, is sensitive to this. Here’s a quote from their Report:

“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.”

So What’s Wrong With That?

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 don’t. Industrial interest groups threaten the environment, and they need to be stopped.

Trouble is that because Olson’s theory is so monochromatic, it can be bent in a number of ways. Not all of these ways are progressive. An example: Wilfred Beckerman, economist and iconoclast, is able to suggest in his *Small is Stupid* that the solution to the public-good problem of air pollution is to privatise 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 that air has no national affiliation, a single-state-based solution to the problem is unlikely to be successful (although few would regret a unilateral decision by the United States to curb its disproportionate atmospheric pollution). 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 internalise the externalities of global atmospheric pollution. The selective privatisation of air is, then, an eminently Olsonian solution.

The World Bank's WDR doesn't quite go this far. Its spin on Olson's analysis is more subtle, though in many ways more dangerous. The Bank's solution to Olson's problem of small interest groups is one that recasts the original debate in a strange light.

The Bank never explicitly talks about power, largely because it's such a difficult idea to define, but also because, one feels, they wouldn't really know it if it beat them about the head. Rather than broach the difficult questions about power, and complicity, that a more nuanced enquiry might demand, the Bank has another solution. The Bank sees the free-rider and small group problems as technical ones. And the way to answer these technical problems is through technocracy, not politics. If we can manage the problems of unrepresentative power of small groups, we'll be better able to manage the under-provision of environmental public goods — or so the argument runs.

Have a look at that again, though, as this is a magnificent piece of “blamestorming”. The Bank is able to use Olson to tar both industrial interest groups and small progressive organisations with the same brush, not because of their politics, power or relationship to society or the natural environment but because they are both *small*. Small isn't just stupid, according to the Bank. It's environmentally harmful.

In the new WDR, the interests of protected industries in developing countries are explored at some length. Two interpretations present themselves, one charitable, the other less so, both valid.

Let's start with the charitable version. There is a radically egalitarian streak in neoliberal economics that is worth acknowledging, because its intentions (though they pave the road to hell) are good. The radical idea in neoliberalism is that one takes from those small groups of producers who have power, and gives to the masses, the “consumers”. Here's an example of radical, and 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.

This is potent stuff. Progressive even. At least, that's the sympathetic way of reading it. The less generous, and more useful, way of understanding this is that the Bank is trying to create an international bourgeoisie. It's important to understand why this needs to happen. The interests of the owners of capital in different developing countries are not necessarily harmonious. Their unity in the exploitation of their respective do-

mestic 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 differential international rates of exploitation. Olson predicts that, in order 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”, this is precisely the sort of national bourgeois bloc that the Bank wants to get rid of. In its stead, a new bloc.

The Italian Marxist Antonio Gramsci reminds us that there’s nothing automatic about harmony within the bourgeoisie – different elements of it can find themselves in positions of hegemony at different times. The same is true internationally. Thus a protectionist comprador bourgeoisie is being challenged by a bloc that is happier with the idea of international trade, with the deindustrialisation and feminisation of the unskilled labour market in the global South. This is a battle between two kinds of bourgeoisie, between a bourgeoisie with a penchant for exploiting its people under the guise of nationalism, and one that does the same under an international flag. The predominance of the international bourgeoisie is not something that happens naturally – it takes ideologies like this, interventions like this, and commitment from groups like the Bank, in order to make it happen.

Back to Olson again, now, because there’s a flip side to the Bank’s use of his logic. Recall that the couching of environmental problems as a battle between small and big groups isn’t explicitly about politics – size is the important factor here. Thus, small groups such as Environmental Defense or Greenpeace, their massive subscriber base notwithstanding, count as special interest groups. And, given their status as small groups, they come in for the same policy prescription, the same levelling discipline. Having diagnosed that only size matters, the Bank presents its cure: *deepen the international policing of domestic politics*. Because Olson is 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. And this strikes at the heart of democracy.

Before continuing, it’s important not be naïve about this. Not all groups from what is called ‘civil society’ are ones to which radicals, or even progressives, would lend even their qualified support. 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 organisations 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 to challenge them.¹ Hence the three tiered structure of the upcoming Johannesburg summit – 1. the multilaterals, 2. (co-opted) civil society at US\$165 a throw, 3. everyone else.

The selectivity of the interpretation of Olson gives licence to reinforce existing power arrangements, by failing to draw attention to them. Thus, conspicuously absent from the discussion are issues of eco-racism and patriarchy. It may seem unfair to expect Olson to explain this – he’s talking about public goods after all. But this is precisely the

point. The exclusion of key areas of social experience, by transforming the problem of sustainable development into a technocratic management of special interest groups, shows that the Bank's concern with the environment is, at best, superficial. Those instances where technocratic solutions have improved women's lot, increased spending on girl-child education for example, have been compromised by the Bank's insistence on cost-recovery.

Bourgeois economics has a poor track record of addressing issues of race and gender.² Its biases, its blind spots, and its weaknesses in providing tools for social change suffuse the policy it recommends. Thus, the Bank's Olsonian understanding comes with a particular vision of the way democracy should operate. Along with race, class, gender triumvirate, democracy is not something with which the Bank feels terribly comfortable. In the WDR, they note the lack of accountability of interest groups and governments (but, oddly, not international development banks). They then go on to say

“Democracy may be an institutional lever that can help [inequity]. Rulers of England committed themselves [sic] 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.”

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, in which the weak fought the strong. 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 anti-politics of our time cannot, by themselves, redress power balances.

A box about democracy

The WDR puts some of its more interesting ideas outside the body of the text, presumably because they disrupt the parsimony of the argument. In the WDR, we have Box 6.9, in which the transition to democracy in Brazil is feted. In particular, independent social activism, free state-level elections and the elimination of media censorship come in for celebration — the trappings of democracy at their best. Sadly, it is a woefully ahistorical and decontextualised hymn to democracy. Not all transitions to “democracy” have happy endings. In Eastern Europe, the transition to “democracy” has been nothing of the sort – its feet were wiped away from underneath it before there could be any space for opposition to capitalism. In Brazil, they elected the Worker's Party. The Bank cites Porto Alegre as an exemplary democratic city. Oddly, in Porto Alegre, no one I met had a kind word to say about the Bank.

“Partnership”

Olson's magic, therefore, lets the Bank increase surveillance not only over elements of a stubbornly nationalist private sector in the Global South, but over its “civil society” as well, because they're both domains of small, influential and troublesome opponents to neoliberalism. If this interpretation is correct, we might expect to see an increase in the

number of transnational engagements between non-state bourgeoisies, public and civil. The word for this is “partnership”. The International Institute for Sustainable Development (IISD) has already lined up a “partnership for knowledge” with civil society and the Bank. The World Bank’s attempt to run a similar project — the Development Gateway — has already come in for heavy criticism for its lack of transparency, partiality and waste of resources. The IISD’s effort is unlikely to avoid the same traps given the kinds of stakeholders involved. At the Johannesburg summit itself, the (co-opted) civil society secretariat has sourced corporate funding, leading to speculation over whether there will be a Coca-Cola Land Squatting event. 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.

The orgy of partnerships at the WSSD (and almost every other major multilateral event of late) might make us want to think again about Margaret Mead’s oft-quoted soundbite 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.” Although this slogan has been recited as a hard-times mantra by embattled progressives the world over, it’s important to remember that it’s a double-edged slogan. The Bank is, after all, a small group of thoughtful committed citizens. It’s just that their politics are repugnant.

And this is where, perhaps, it might be time to jettison Mead as progressive sloganeer. The wisdom of her insight is thoroughly Olsonian. Nothing wrong with that, perhaps, but it *is* dangerous. It might provide too much succour to those whose tendencies are more centralist than democratic, whose trust in people’s ability to choose action rather than free-riding wavers more than it ought. It is also incorrect – many of the finest moments in history have come not from a group of well organised individuals, but the collective actions of hundreds of thousands. Whether this action has been in the home, in the fields, in the factories, or in the classroom — populism and mass action remain important. Capital is trying to professionalise activism, in the darkest sense. In light of the large-scale mobilisations around the Bank, UN and global capitalism over the past five years, the most appropriate response is also demonstrably feasible: a blaze of mass politics.

Endnotes:

¹ For two fine examples, see Petras, James F. and Henry Veltmeyer. 2001. *Globalization Unmasked: Imperialism in the 21st Century* London: Zed Books., especially Ch. 8, and Choudry, Aziz. 2002. *Whose Beat Should We Dance To?*, available at http://www.voiceoftheturtle.org/articles/aziz_beat.shtml.

² The World Bank’s economics hasn’t done so well at addressing issues of poverty either. Bank economist William Easterly is puzzled by the economic downturn of those countries, previously in fairly rude health, in which World Bank policy has been applied. See Easterly, William, “The Lost Decades: Developing Countries’ Stagnation in Spite of Policy Reform 1980-1998”, *Journal of Economic Growth* (forthcoming), for a case of acute analytic aporia.