

The Fate of Sustainable Development Under Neo-liberal Regimes in Developing Countries

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ABSTRACT. Due to an enhanced global environmental awareness reinforced by dramatic environmental events, international conferences on the environment and development, as well as academic research and publications, have increasingly shifted the developmental discourse toward the concept of “sustainable development.” In developing countries, however, the realization of the notion of sustainable development has come under challenge due to the emergence of neo-liberal regimes and their pro-market policies. The current article addresses the following issues in this context: the origin, meaning, and problems of sustainable development; the major features and policy orientations of neo-liberal regimes in developing countries; and the critical implications of neo-liberal policies for the environment and development. The article also offers some recommendations with a view to overcoming the contemporary challenges to sustainability and ensuring a more genuine and effective mode of sustainable development.

Introduction

During the last quarter of this century, there has been an increasing global concern for rethinking development, reexamining the traditional mode of development based on the logic of industrialism, reviving public interest in the uncertain future of the natural environment and nonrenewable resources, and reinforcing the focus on the question of sustainability. Due to increasing environmental challenges to widespread industrialization, there has been a considerable shift in developmental thinking toward a mode of development termed “sustainable” or enduring. However, the mainstream theories and models, which still represent the dominant paradigm in the developmental field, are relatively indifferent toward environmental issues related to the question of sustainability. Most of these theories and models emphasize the prevailing national and international concerns—such as economic growth and stagnation, market competition and market failures, political stability and

conflict, inter-class exploitation and alienation, and unequal international exchange and dependency—while overlooking issues such as resource depletion, environmental pollution, and ecological predicaments that tend to weaken the very foundation of human progress.

More specifically, the classical, neoclassical, Keynesian, and post-Keynesian theories of economic growth (Adam Smith, Ricardo, J.S. Mill, Jevons, Walras, Keynes, Friedman, Samuelson) are primarily concerned with the continuity of economic growth and accumulation based on market competition, and express apprehension about potential economic stagnation and market failures. Radical theories of social progress (Thompson, Hodgkin, Marx, Engels, Luxemburg, Hilderfing, Lenin, Gramsci) emphasize, on the other hand, the alienation and exploitation of the working class caused by capitalist production, and predict a cataclysmic crisis in the capitalist system and its eventual collapse leading to the emancipation of the working class.¹ Neither of these traditions of developmental thinking devotes serious attention to problems related to the environment and sustainability.

With regard to development in Asian, African and Latin American countries, there has emerged a separate set of developmental theories and models—including various reformist economic-growth theories such as the theory of dualism (Boeke and Lewis), big-push theory (Rodenstein-Rodan), vicious-circle theory (Nurkse), and stages of growth theory (Rostow), and different versions of modernization framework (Almond, Powell, Pye, Huntington, McClelland, Hagen)²—which attempt to address concerns such as economic backwardness, poverty and unemployment, lack of private entrepreneurship, weak political institutions, and the need for rapid economic growth and nation-building.³ There are other reformist developmental approaches, especially the so-called “basic needs” approach (ILO, 1976; Streeten, 1979), that tend to address the problem of extreme income inequality and emphasize the provision of certain basic needs for the underprivileged or destitute sections of the population. On the other hand, the proponents of dependency theories (Prebisch, Furtado, Sunkel, Cardoso, Frank, Marini, Wallerstein) focus mainly on the colonially inherited world-capitalist system, characterized by unequal exchange between the center and the periphery, as the main cause of underdevelopment in developing countries (Ruccio and Simon, 1986; Bloomstrom and Hettne, 1984; Chilcote, 1984). From this brief description, it is evident that the major theories of development and underdevelopment do not have much concern for the issues related to environmental degradation and resource depletion that constitute a formidable challenge to sustainability.

Since the early 1970s, however, there has been a worldwide expansion of environmental consciousness due to alarming environmental events, the growing concern for resource depletion, and human impact on the global ecosphere (Brown, 1990; Korten, 1990; Hempel, 1996). There has also occurred (as documented elsewhere in this issue) a major institutional transition at the level of international organizations, whereby the notions of environment and development have recently incorporated the rhetoric and politics of “sustainable development.” The past ten years have seen the launching and dissemination of the Brundtland Report; the convening of the Rio Earth Summit and other high-profile international conferences devoted to environmental issues; and the adoption of essential international agreements such as the Rio Declaration, Agenda 21, and conventions on climate change and biodiversity.

The central thesis of this article, however, is that the effectiveness of these significant global events and changes has been seriously undermined in developing countries by the impact of their contemporary pro-market reforms and programs.

Following the recent neo-liberal ideological shift toward more market-intensive policies in advanced capitalist nations such as Britain and the United States, most Asian, African, and Latin American countries have adopted similar market-oriented reforms (Donahue, 1989; Wise, 1990; Haque, 1996b). During the post-independence period, there emerged a form of developmental state in these countries which adopted various state-centered, interventionist development plans and programs to reduce foreign ownership, enhance economic self-reliance, redistribute income, develop infrastructure, and promote the overall living standards of the people (see Cowan, 1990; Martin, 1993). But since the late 1970s, largely in the name of stabilization, efficiency, productivity, and competitiveness, these statist development programs have increasingly been replaced by market-oriented policies, including privatization, deregulation, and liberalization, under the emerging neo-liberal regimes in developing countries (Babai, 1988; Smith, 1991). During the past two decades, the state-centered paradigm of development came under attack, and was eventually overwhelmed by the advocacy of market-oriented policies (Chaudhry, 1994: 1). It has been observed that in Latin America, “a neo-liberal ideology came to challenge (and in part replace) old views of development centered around the notion of an economically powerful state. By the late 1980s state-led developmentalism had suffered a major blow” (Espinal, 1992: 33).

This fundamental ideological and paradigmatic shift in development thinking from a state-centered to a market-driven perspective has a significant impact on the prospects of sustainable development. This is mainly because the priorities of neo-liberal policies are to expand market forces, facilitate open competition, enhance mass production, reduce the state’s anti-poverty programs, attract foreign investment, and maximize consumption. In effect, such neo-liberal policies are likely to expand industrialization (causing environmental pollution); globalize consumerism (encouraging consumption of environmentally hazardous products); multiply the emission of CO₂ and CFCs (worsening the greenhouse effect and ozone layer depletion); over-exploit natural resources (depleting nonrenewable resources); increase the number of urban poor and rural landless (forcing them to build more slums and clear more forests); and, thus, threaten the realization of sustainable development objectives.

The main purpose of the present article is to present a critical assessment of these adverse impacts of neo-liberal policies on environment and sustainability in developing countries, so as to establish an alternative perspective on the future direction of sustainable development. More specifically, the article addresses the following issues: (a) the prevailing interpretations of sustainable development, the problems of sustainability, and the causes of such problems; (b) the basic features of neo-liberalism and the policy orientations of neo-liberal regimes in developing countries; (c) the adverse implications of neo-liberal policies for environment and sustainability; and (d) the alternative policy measures for mitigating challenges to sustainability posed by neo-liberal policies and the prospects for achieving a more genuine sustainable development.

Sustainable Development: Diverse Meanings and Major Challenges

Meaning and Significance

According to the Brundtland Report, sustainable development is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987: 8). Since the adoption of this term by

the Brundtland Report in 1987, there has emerged a considerable amount of literature in which sustainable development has been variously construed—as a pattern of transformation that optimizes socioeconomic benefits in the present without jeopardizing the potential for similar benefits in the future; as a process of development that emphasizes intergenerational, interspecies, and intergroup equity; as an economic development that is complementary to environment and society; as an improvement in current living standards without jeopardizing future living conditions; and as a process of ensuring environmental services on a very long-term basis (see Noman, 1996: 8–9; Barrow, 1995: 372).

What we find common among these various interpretations is the multidimensional nature of sustainable development. It has been increasingly recognized that a comprehensive approach to sustainable development should encompass environmental sustainability (requiring development to be based on biotic capacity and minimal nonrenewable resources); economic sustainability (implying the impossibility of never-ending economic achievements based on natural resources and the need for incorporating environmental costs into consumer prices); social sustainability (highlighting the need for citizens' participation in environmental governance); and cultural sustainability (emphasizing the changes based on core cultural values and the acceptance of cultural differences) (see Estes, 1993: 10; Reed, 1996: 33; Hempel, 1996: 41). The Earth Summit also highlighted these four major dimensions of sustainability.

On the other hand, there are scholars who attempt to identify more specific measures or indicators of sustainable development. In this regard, the list of sustainability indicators presented by Kadekodi (1992: 75–76) is quite comprehensive, and it briefly includes the following: (1) land and water related measures, such as soil quality, moisture, salinity, sedimentation, forest–land ratio, waste land, ground-water level, soil erosion, deforestation, and number of surviving plant species; (2) natural resource related indicators, including per capita fossil fuel extraction, stock of available resources, efficiency in energy use, and degree of substitution for nonrenewable resources; (3) population and quality of life measures, such as the density of population, population growth rate, infant mortality, life expectancy, per capita drinking-water supply, literacy rate, and expenditure on health care; (4) environmental indicators, including temperature, rainfall, carbon dioxide, lead oxide, sulfur dioxide, other harmful gases, acid rain, urban garbage, and smog and dust; (5) welfare and living standards indicators, such as security, stability, peace, per capita income, per capita consumption, income inequality, degree of industrialization, employment rates, social unrest, and crime rate; and (6) institutional and legal indicators, including property rights, rules and regulations, social norms, type of markets, media and information sources, degree of people's participation, and so on.

Despite such complexity, multi-dimensionality, and multiple measures of sustainable development, the most crucial issue of sustainability has predominantly been related to environmental or ecological concerns: (a) the rapid depletion of resources challenging future generations, (b) the excessive accumulation of wastes compromising the future use of the biosphere, (c) the rapid decline of biological diversity threatening the varieties and future human use of biological species, (d) the undesirability and redundancy of many of the goods and services currently produced in the name of economic growth, and (e) the internal and international inequalities (resulting from the existing modes of development) causing adverse environmental outcomes (Dovers, 1989: 33). With regard to these environment-related

concerns of sustainability, there are three major perspectives, including the contamination perspective, which considers environmental problems to be a matter of biochemical contamination of water, air and soil; the eco-simplification perspective, which explains environmental destruction in terms of the simplification of complex ecosystems by destroying various species and reducing biodiversity; and the natural-resource-consumption perspective, which focuses on environmental damages caused by the use of narrow consumption-values to evaluate natural resources (Hempel, 1996: 55–56).

In sum, there are diverse interpretations of sustainable development, various measures of sustainability, and different concerns and perspectives related to the environment. One way to comprehend these diverse and varying interpretations and overlapping analyses is to separate the major *problems* of sustainability that are mostly related to natural resources and the environment (e.g., resource depletion, deforestation, land degradation, water and air pollution, global warming, ozone-layer depletion) from the basic *causes* of such sustainability problems related to social, economic, cultural, and even intellectual factors (e.g., poverty, inequality, consumerism, inappropriate policies, and distorted development thinking). For the purpose of the present analysis, the focus is mainly on the major causes underlying, and seemingly producing, the widely documented problems of the environment and sustainability.

Major Causes of Sustainability Problems

One of the primary causes of environmental crisis, resource depletion, and the sustainability problem in general is the expanding global burden of population pressure. Increases in the world's population expand the volume of consumption and production, which, in turn, tends to aggravate various forms of sustainability crises, including depletion of natural resources, pollution of air and water by toxic wastes, degradation of lands due to over-cultivation and over-grazing, destruction of forests to expand cultivable lands, production of hazardous chemicals, and decline of plant and animal species—to mention only the most obvious problems. World population increased from 2.5 billion in 1950 to 5.6 billion in 1994 and, at an estimated growth rate of 91 million per year during the 1990s, it may reach nearly 12.5 billion by the year 2050, with about 90–97 percent of this population growth occurring in the developing world (see Brown, Flavin, and Postel, 1990: 175; Rensberger, 1994: 1; UNDP, 1994: 175, 1997: 195). This colossal expansion of population poses a serious challenge to sustainability due to its threat to the existing stock of nonrenewable resources, and to the condition of environmental health and ecological balance. Furthermore, since a sizeable proportion of the additional population will be urban dwellers, there is likely to be a massive increase in the number of over-crowded cities, leading to further expansion of environmentally detrimental slums and health hazards.

Second, the prospect of sustainable development is undermined by extreme poverty and economic inequality within and between nations. For example, the affluent nations and classes, due to their excessive consumption, contribute to the rapid depletion of resources, especially nonrenewable natural resources such as fossil fuels and various minerals. Extreme international inequality is evident in the fact that industrial countries represent 22 percent of the world's population but produce approximately 83 percent of the global GDP and consume 80 percent of the world's goods, whereas developing countries represent 78 percent of the world's

population but account for only 17 percent of the global GDP (Durning, 1991: 153; World Bank, 1991: 1; UNDP, 1997: 195–201).

More specifically, the 22 percent of the world's population residing in industrial countries consumes approximately 70 percent of the world's energy; 75 percent of its metals; 46 percent of its timber; 81 percent of its paper; 80 percent of its fertilizer; 92 percent of its cars; and 74 percent of its electricity (see UNDP, 1994, 1997; Ullrich, 1992; Sachs, 1992; Reid, 1995: 8). This excessive consumption by the affluent nations not only reduces the availability of natural resources for future generations, but also causes various forms of environmental degradation. The affluent societies and classes also account for the massive consumption of other environmentally hazardous industrial goods such as air-conditioners, aerosols, foams, and refrigerators, which are largely responsible for the production of ozone-depleting gases.

Within developing nations, there are significant inequalities in land distribution, which also cause problems for sustainability in terms of the clearing of forests by destitute landless farmers. Approximately 80 percent of all agricultural land in the developing world is owned by only about 3 percent of landowners. At the regional level, 40 percent of all rural households are near-landless in South Asia; 75 percent have no access to even 4 percent of the land in Africa; and only 1 percent of landlords own more than 40 percent of arable land in Latin America (Trainer, 1989: 9–17; George, 1977: 14; Durning, 1990: 141). Thus, in addition to population growth that reduces the size of the land-holdings, this extreme inequality in land distribution implies that a massive number of landless farmers in developing countries are left with no choice but to clear virgin forests to obtain firewood and foodstuffs for survival (see Postel and Heise, 1988: 86).

Third, the prospect of sustainability is also threatened by the dominant mode of development thinking that emphasizes a growth-oriented industrialization in order to multiply the volumes of production and consumption. Under both the capitalist and socialist perspectives of development, industrialization represents one of the most crucial indicators of progress. In advanced capitalist countries, the objective of mass production, largely guided by the motives of profit and accumulation, has led to the intensive industrialization of almost all economic sectors to produce, preserve, and transport varieties of goods and services. This massive industrialization remains a major factor responsible for environmental catastrophes such as global warming, ozone-layer depletion, deforestation, soil erosion, resource depletion, and so on.⁴ Furthermore, the industrialization process is becoming more extensive due to increased global market competition, whereby the pursuit of greater profit margins leads to more intensive exploitation of natural resources (e.g., croplands, minerals, forests, water resources), which, in turn, leads to ecological and environmental degradation (see Routh, 1975).

Related to this profit-driven production and growth, there is also the diffusion of consumerist values and life-styles. The spirit of consumerism—implying a direct correlation between maximum consumption and maximum happiness (Itty, 1984: 24)—encourages an excessive consumption of industrial goods (for example, automobiles, refrigerators, air-conditioners) and mechanized agricultural products (for example, processed and packaged foods), which represent the major causes of greenhouse gases, chlorofluorocarbons, and non-biodegradable wastes. As succinctly summarized by Ramphal (1992): “The question of consumption is central to the environmental crisis. It is the human impact that is endangering the planet's capacity to sustain life.”

It is against this background of the problems and causes of *un-sustainable* development that we now turn to the recent neo-liberal changes in state policies and programs in developing countries, which have considerable implications for the issue of sustainability. In this regard, however, it is necessary to begin the discourse by identifying the basic features of neo-liberalism and examining the policy orientations of neo-liberal regimes in developing countries.

Neo-liberal Regimes in Developing Countries: Programs and Policies

Basic Features of Neo-liberalism

In general, neo-liberalism is an ideological position based on strong beliefs in the promotion of the general good by following the principles of free market and open competition, limited state intervention and welfare, individualistic self-interest, rational utility-maximization, and comparative advantage in free trade (King, 1987: 8; Toye, 1991: 321). Theoretically, the assumptions of neo-liberalism are in line with the principles of neoclassical economics, except for the fact that the former purportedly pays less attention to market failures (Colclough, 1991: 21). Contemporary exponents of neo-liberalism include scholars such as Hayek, Balassa, Krueger, Schultz, Becker, Scitovsky, Little, Buchanan, Tullock, Bhagwati, and Srinivasan (see Colclough, 1991: 6–8; Kabeer and Humphrey, 1991:79; Toye, 1991: 322). Although there are variations among these scholars in terms of the intensity of their beliefs in various neo-liberal assumptions or principles, they have numerous common predispositions.

One of the most prominent common features of neo-liberal thinking is its emphasis on maximizing the role of the market and minimizing the interventionist role of the state (Walton and Seddon, 1994: 170; Sargent, 1990: 97–99). Regarding this extreme pro-market stance, Kabeer and Humphrey (1991: 80) mention that “neo-liberal thinkers have constructed a theoretical framework which explains and justifies their case for private property and the free market at every level of society, from individuals to the global economy.” For neo-liberals, the market is “the optimal space for the production and distribution of wealth and as the optimal vehicle for social mobility . . .” (Espinal, 1992: 32). In the case of developing countries, neo-liberal ideology (often propagated by the IMF, the World Bank, and international economic experts) requires the replacement of the interventionist developmental state by a more non-interventionist state, and encourages the expansion of market forces by undertaking various market-friendly policies (Walton and Seddon, 1994: 335–338).

Second, related to this relatively anti-state and pro-market position is the neo-liberals’ advocacy of policies such as deregulation and privatization. Under the dominant neo-liberal ideological persuasion, almost all nations have been engaged in selling state enterprises, deregulating the agricultural and industrial sectors, and contracting out government services (Fitzgerald, 1988; Haque, 1996b). This has become a global policy stance in recent years.

Third, neo-liberals strongly believe in the principle of comparative advantage and free trade, while opposing protectionist policies for domestic industry and tying economic growth more closely to export expansion (Colclough, 1991: 8–12). This belief in free international exchange, strongly advocated by the major international agencies, has replaced the previous protectionist tradition in most developing countries.

Fourth, this belief in the principle of comparative advantage is more concretely evident in the liberalization of trade, facilitation of foreign investment, and elimination of export controls and import licensing (Harvey, 1991: 138). Since the early 1980s, free-trade policies have become a dominant trend all over the world. Such policies in favor of free trade have significant implications for the integration of world markets, globalization of the capitalist system, and expansion of export-led production and import-led consumption.

Fifth, in opposition to the major objectives of structuralist thinking—such as economic development, income distribution, and poverty alleviation through state intervention—the neo-liberals tend to place an overwhelming emphasis on economic growth, in some instances even endorsing inequality as a prerequisite for growth (Colclough, 1991: 6; King, 1987: 3). This preference for economic productivity and growth, with a disregard for issues such as income distribution and equality, is evident in policy preferences to reduce welfare subsidies and abolish anti-poverty programs. The neo-liberal advocates of pro-market policies thus wish not only to revive market forces, but to dismantle the basic economic and welfare rights of citizens such as in education, economic security, and health provision (King, 1987: 3).

In sum, neo-liberal beliefs in market principles, a minimalist state, comparative advantage, and economic growth are evident in and expressed through concrete policy preferences such as the privatization of state enterprises, deregulation of state controls, liberalization of trade, elimination of import restrictions, encouragement of foreign investment, withdrawal of subsidies, and reduction of welfare programs. These pro-market policies are often advocated in the name of efficiency, competitiveness, innovation, individual freedom, deficit reduction, revenue generation, and so on (Halachmi and Holzer, 1993). In the advanced capitalist nations, these neo-liberal assumptions and policies have come to constitute the basic policy agendas of governing parties (regardless of their previous politico-ideological positions) in the United Kingdom, the United States, and Canada (Martin, 1993: 2).

Neo-liberal Regimes in Developing Countries

More recently, neo-liberal inclinations have also come to represent the dominant ideological position of various Asian, African, and Latin American regimes. The global trend toward neo-liberal economic reforms has affected almost all developing countries (Walton and Seddon, 1994: 333). In Asia, the shift toward a neo-liberal policy stance can be found in countries such as India, Pakistan, Bangladesh, Sri Lanka, Malaysia, Indonesia, Singapore, Thailand, and the Philippines. Although the major economic success stories of East Asia (for example, Taiwan, South Korea, Thailand, Malaysia, and Singapore) were originally based on a state-centered perspective (Xing, 1995), they have increasingly moved toward a more neo-liberal, pro-market approach. In the case of Africa, the neo-liberal perspective, involving a reduction in the role of the state and its welfare functions, has gained prominence, especially in countries such as Ghana, Nigeria, Tanzania, Zaire, and Zambia (Walton and Seddon, 1994: 165; Harvey, 1991: 133). Most African regimes have adopted neo-liberal reform packages, primarily to ensure the availability of external assistance (Shaw, 1991). Similarly, in Latin America, neo-liberal principles are being increasingly endorsed by various groups, including the old left intelligentsia (Espinal, 1992). There has been a considerable shift from pre-election, state-centered agendas to post-election, neo-liberal reforms (usually packaged as structural adjustment) in the

cases of Carlos Menem in Argentina, Jaime Paz Zamora in Bolivia, Carlos Andres Perez in Venezuela, and Alberto Fujimori in Peru (Torre, 1993: 105).

However, the more concrete features of these newly emerging neo-liberal regimes in developing countries are their pro-market policy options. First, under the influence of international institutions such as the IMF and the World Bank, most of the current regimes in Asia, Africa, and Latin America have adopted the so-called "structural-adjustment programs" derived from neo-liberal theories (Manor, 1991: 312). The neo-liberal foundation of these programs is visible in their central policy prescriptions, including a reduction in the role of the state by privatizing and contracting out government enterprises and services; the weakening of the state's economic management by deregulating controls over pricing, marketing, investment, and finance; and the liberalization of trade and investment by reducing import tariffs, subsidizing export-led production, attracting foreign investors, and exempting foreign companies from taxes and labor codes (see Martin, 1993: 76; Smith, 1991).

Second, the nature of neo-liberal regimes in developing countries can be illustrated by an assessment of the scope and extent of their preferred neo-liberal policies such as privatization, deregulation, and liberation. Privatization, for example, has been adopted in countries such as Argentina, Costa Rica, Chile, Mexico, Kenya, Nigeria, Tanzania, Sri Lanka, Malaysia, Thailand, and the Philippines (Donahue, 1989; Estes, 1988; Fitzgerald, 1988; Linowes, 1988). The scope of privatization transactions encompasses varieties of sectors such as telecommunications, power and water supply, railways, ports, airlines, hotels, shipping companies, subways and highways, natural gas, the oil industry, petrochemicals, and so on. The total number of annual privatization transactions in developing countries increased from 26 in 1988 to 416 in 1992, and the total revenues derived from privatization increased from \$2.6 billion in 1988 to \$23.2 billion in 1992 (Cook and Kirkpatrick, 1995; Sader, 1993). In a country such as Mexico, privatization has been so extensive that the number of state enterprises declined from 1155 in 1982 to only 285 in 1990 (Bello, Cunningham, and Rau, 1994: 40).

Another indicator of the neo-liberal position of these regimes is their active role in enhancing trade liberalization, attracting foreign investment, and promoting new public-private partnerships. Encouraged by international agencies and influenced by the conditionalities attached to structural-adjustment loans, most regimes in developing countries have liberalized trade, especially by withdrawing a considerable percentage of import tariffs and by financing export-led industries. There is an increasing participation of foreign investors in privatization transactions and in expanding foreign ownership of privatized assets in developing countries (Cook and Kirkpatrick, 1995: 14-15). Under the neo-liberal regimes in Latin America, the privatization of telecommunications, airlines, and electricity has encouraged various foreign companies to pour \$70 billion into foreign direct investment between 1990 and 1994 (*The Economist*, 1995: 5). In terms of public-private relations, while liberalism prescribes a clear boundary between the public and private domains (Lafferty, 1984: 123), under the neo-liberal regimes, such a boundary has become blurred due to the growing public-private partnership. For instance, in Latin American countries such as Argentina and Brazil, there is an increasing partnership between the state and foreign capital, especially multi-national banks (see Pai, 1994: 175).

Another neo-liberal feature of the current regimes in developing countries is their tendency to reduce state subsidies, withdraw welfare programs, and introduce user fees for various services. In numerous instances, provisions for education and

health-care for the poor have been cut back (see Martin, 1993: 77–128). In sub-Saharan Africa, for example, governmental expenditures for health have declined in most countries, and the expenditure for primary-school education has fallen in 21 out of 23 countries (Walton and Seddon, 1994: 138–139). Between 1980 and 1985, governmental spending on social welfare declined by 26 percent for the region (*ibid.*, p. 139). There have been severe cuts in health and education expenditures and food subsidies in countries such as Zimbabwe, Zaire, Swaziland, Lesotho, and Uganda (see Tevera, 1995: 83–183).

Critical Implications of Neo-liberal Policies for Sustainable Development

The current neo-liberal policy atmosphere has clearly contributed to a significant shift in development thinking. In the 1970s, the primary development concerns were to undertake state-initiated programs to achieve redistribution with growth, to ensure the satisfaction of basic needs, to enhance people's participation, and so on (see UNDP, 1996: 47). Since the early 1980s, this mode of "human-centered development" has been replaced or overtaken by neo-liberal programs such as stabilization and structural adjustment (*ibid.*, p. 48). During the past two decades, neo-liberalism has increasingly established itself as the dominant paradigm of development (Onis, 1995: 97). In line with this neo-liberal theoretical shift, there have emerged practical neo-liberal policies which have serious implications for sustainable development in developing countries. This section is devoted to an analysis of how the neo-liberal programs and policies undertaken have produced outcomes—including increases in poverty and inequality, decline in state capacity, an upsurge of export-led production and foreign investment, and an expansion of industrialization and consumerism³—which have serious implications for both environment and sustainability.

The Expansion of the Market

As discussed above, under neo-liberal regimes in developing countries, the role of the state has diminished, and market forces have increasingly taken over the dominant socioeconomic role. The critics of neo-liberal policies maintain, however, that market forces are not only inappropriate for sustaining the environment, but are, in fact, a major cause of environmental destruction (see Stokke, 1991: 17; Hempel, 1996: 83). The detrimental impact of the market system on nature is largely due to intensive competition among market forces for further profit and accumulation. In Weaver's view (1973: 109): "Each firm must pollute in order to compete with other firms, and each nation must pollute in order to compete with other nations."

More importantly, under the neo-liberal (pro-market) state, as the role of the state in anti-poverty programs and welfare subsidies has diminished, there have been worsening conditions of poverty and inequality in many developing countries (especially in Africa and Latin America), and these negative changes have had adverse effects on environment and sustainability (as outlined above). According to Hempel (1996: 75–76), poverty often leads to various forms of environmental destruction, including the overexploitation of natural resources, degradation of land, and diminishment of various species, because the rural poor often have no choice but to use forests for food and firewood and over-cultivate croplands. At the same time, increases in the urban poor cause overcrowding and the contamination

of water. Many of these effects are directly attributable to neo-liberal policies of stabilization and structural adjustment, under which governments adopt austerity measures, reduce subsidies, lay off workers, and withdraw welfare benefits.⁶ During the period 1980–92, a period when neo-liberal policies were in ascendance, the number of people in poverty in Latin America rose from 136 million to 266 million, while in Africa the number increased from 270 million in 1986 to 335 million in 1990 (Veltmeyer, 1993: 2083–2084; Sharma, 1994: 202). Even in the economically “successful” Asian countries, the extent of poverty remains quite significant.⁷ The overall standards of living have dropped in most African and Latin American countries due to adjustment-related reductions in social services, increases in food prices, decline in real wages, and reduced access to health and education facilities (Leftwich, 1994: 367; Smith, 1991: 33). In the developing world as a whole, more than 25 percent of the population today lives in poverty, and almost 34 percent lives on an income of less than one US dollar per day (UNDP, 1997: 3).

This increased level of poverty under neo-liberal policies has a critical impact on the environment, particularly due to a further dependence of the poor on unexploited natural resources (Bello, Cunningham and Rau, 1994: 57). In the case of Africa, due to growing poverty and increasing dependence on imported food, there has been a considerable increase in over-cropping, over-fertilization, and overgrazing on new lands (James, 1996: 3). In countries such as Cameroon, Mali, Zambia, Tanzania, Pakistan, and Vietnam, the reduction of government subsidies for fertilizer adversely affected small farmers who had to intensify agricultural production by expanding agricultural lands, thereby accelerating deforestation and soil degradation (Reed, 1996: 314).

In addition, reductions in subsidies and the withdrawal of welfare and anti-poverty programs have increased inequalities among various income groups, which has worsened the poverty situation even further. Beyond poverty, economic inequality implies the expansion and further enrichment of the more affluent classes, which leads to excessive consumption and environmental degradation. In Latin America today, after a decade of neo-liberal policies, the top 20 percent of the population earns 20 times the amount earned by the poorest 20 percent (Bello, Cunningham, and Rau, 1994: 52). In Chile, one of the earliest and most ardent followers of neo-liberalism, while the income of the richest 10 percent of households increased from approximately 36 to 47 percent (as a percentage of national income), the income of the poorest 40 percent of households decreased from 19 to 13 percent during 1979–89 (Veltmeyer, 1993: 2083). Such an increase in the income of the affluent elite is likely to strengthen the desire for an over-consumption of nonrenewable resources, automobiles, building materials, and other luxury items and foodstuffs, which may have adverse impacts on the environment (Hempel, 1996: 79; Simonis, 1990: 13).

Deregulation and Privatization

Neo-liberal policies of deregulation and privatization can also have an adverse impact on environment and sustainability. First, due to deregulation and privatization, the prices of goods and services that are essential to low-income families, have (in the short run at any rate) increased, placing greater pressure on natural resources and the environment. The prices of agricultural inputs such as fertilizer, for example, have increased in developing countries such as Cameroon, Mali, Zambia, Tanzania, Pakistan, and Vietnam, reducing the capacity of small farmers

to effectively use these inputs and forcing them to expand agricultural production by cultivating marginal lands (Reed, 1996). In addition, as deregulation leads to an increase in the prices of commercial fuel, low-income families begin to use more firewood for heating and cooking, resulting in further deforestation in countries such as Cameroon (Reed, 1996: 69).

Second, deregulation and budget cuts have reduced the capacity of the state to enforce laws related to environmental protection. Similar to the United States' experience of a diminishing regulatory capacity of the Environmental Protection Agency caused by a 50 percent reduction in its budget under the Reagan administration (King, 1987: 158), there has been a significant decline in the administrative capacity of environmental agencies or institutions in developing countries. For example, in El Salvador, due to budget cuts, the capacity of the directorate for renewable natural resources has declined and its monitoring function has been suspended; in Jamaica, the public sector has lost its capacity to regulate industries and enforce environmental standards; in Venezuela, a reduction in public spending has weakened state institutions such as the ministry of environment; and in Cameroon, budget cuts in the forestry service have weakened government supervision over logging, worsening the degradation of forests (Reed, 1996: 69, 169, 210).

Deregulation and privatization have also contributed to increased foreign direct investment (FDI) in developing countries, which often accentuates environmental problems. In many of these countries, major sectors such as mining and manufacturing have come under direct control of foreign investors, especially due to their acquisition of the recently privatized state enterprises. The outflows of FDI from the United States, Japan, France, Britain, and Germany increased from \$61 billion in 1986 to \$156 billion in 1990, and by 1990 the number of foreign affiliates of transnational corporations reached 147 000 (*The Economist*, 1992: 6–9). The recent upsurge of FDI in developing countries is due not only to the availability of their undervalued privatized assets and cheap labor, but also their minimal environmental standards and requirements: it is much easier and cheaper for foreign companies to marginalize pollution and restoration costs in developing countries in the process of producing industrial goods. There is evidence that the adoption of neo-liberal policies in Tanzania, Zambia, Jamaica, and Venezuela has resulted in significant increases in foreign investment in the mining sector (copper, oil, alumina, iron, gold), with corresponding increases in environmental degradation (Reed, 1996: 307).

The Liberalization of Trade

Under the neo-liberal policy framework, there is a common bias for liberalizing trade and expanding exports to accelerate economic growth (Colclough, 1991: 8). In developing countries, such an export-led economic orientation has led to an expansion of cash-crop production in the agricultural sector. Recently, due to the liberalized trade system, there have been more incentives for rich farmers to expand this export-led production of cash crops, including cocoa and coffee in Cameroon, sesame and soy beans in Tanzania, cotton in Mali, sugarcane in Jamaica, and bananas in Venezuela (Reed, 1996: 309). However, it has been pointed out that the expansion of agricultural exports based on trade liberalization has often been harmful to local ecological systems (Redclift, 1987: 60). In Asia, Africa, and Latin America, under programs of structural adjustment, policy-makers have expanded modern agricultural exports to the detriment of the environment and overall resource balance (Reed, 1996: 17).

For instance, under the auspices of free trade and export opportunities, the expansion of banana production led to deforestation and excessive use of chemical fertilizers in Costa Rica; timber production caused deforestation and unsustainable exploitation of natural resources in Tanzania and Chile; and cassava and rubber production encouraged the elimination of virgin forests and the use of marginal lands in Thailand (Devlin and Yap, 1994; Reed, 1996; Bello, Cunningham and Rau, 1994). Export-led production also includes the mining and manufacturing sectors. For instance, in line with structural adjustment, Jamaica has increased its production of bauxite and cement, worsening the problems of dust pollution (Reed, 1996: 195). The export-led industries in the newly industrialized countries such as Taiwan and Thailand, have created severe environmental problems with respect to industrial waste, water pollution, deforestation, and pesticide contamination (see Devlin and Yap, 1994: 54–55).

Trade liberalization has also contributed to increased international economic inequality between advanced capitalist nations and developing countries. Notwithstanding the neo-liberal attempts to draw public attention away from these growing inequalities in international economic structures (Brohman, 1995: 134), the reality is that by 1992, the average per capita income of the 23 high-income countries reached US\$22 160, while 1.3 billion people in the developing world lived in absolute poverty and another 3.1 billion had an average annual income of less than US\$310 (Reed, 1996: 39). This increasing international inequality is not isolated from neo-liberal policies. Trade liberalization in particular has led to massive transfers of resources from developing countries to advanced capitalist nations (Martin, 1993). This international inequality implies that while people in affluent industrial nations expand their over-consumption even further, people in low-income countries suffer from poverty and hunger, thereby increasing negative pressures on the environment at both ends of the development spectrum (Cooper, 1995).

Over-emphasis on Economic Growth

As previously discussed, it is a primary objective of neo-liberal policy to enhance economic growth and productivity based on the principles of market competition. In conceptualizing development, the neo-liberals tend to over-emphasize economic growth while underestimating the importance of economic equality, environmental concerns, and sustainability. Thus, in its recent report, the UNDP identifies different categories of market-based economic growth—for example, “jobless growth” which indicates a growth path that has failed to expand employment in many developing countries (e.g., Pakistan, India, Egypt, Ghana), and “ruthless growth” which, particularly in Latin American countries, has resulted in increased poverty despite higher growth rates (UNDP, 1996: 57–60). This increased poverty under the facade of economic growth is likely to have adverse impacts on the environment due to an excessive use or exploitation of forests, lands, and other resources.

Second, the spirit of economic growth, as articulated under structural adjustment programs, is harmful to the environment and sustainability, because it tends to justify any programs and projects which enhance growth regardless of their environmental implications. More specifically, structural adjustment programs have failed to “internalize environmental costs associated with production and disposal of commodities and manufactured goods” (Reed, 1996: 17). Redclift (1987: 59) suggests that under structural adjustment programs, “the pursuit of economic growth, unchecked by environmental considerations, can accelerate, among other

things, topsoil losses, the scarcity of fresh water, the deterioration of grassland and deforestation.”

Third, economic growth is often pursued through a rapid expansion of industrialization which, under conditions of weak governmental regulation, leads to the well-known consequences of rapid resource depletion, emission of hazardous gases, and pollution of air and water. French (1990: 104) points out that the establishment of more industries in developing countries is likely to increase the airborne toxic-chemical emissions at a rapid pace. In Taiwan, an impressive rate of economic growth based on massive industrialization has caused serious water contamination and air pollution, and in Venezuela there is an increasing degradation of inland waters due to the expansion of the petrochemical industry (Reed, 1996; UNDP, 1996).

These and similar experiences in numerous developing countries have led to widespread criticism of the growth myopia underlying the current neo-liberal policy. Stokke (1991: 27) views market-based economic growth as “the very root of the ecological crisis,” and, for Redclift, (1987: 56), “resource depletion and unsustainable development are a direct consequence of growth itself” (see also UNDP, 1996: 63; Simonis, 1990: 9.) With regard to the relationship between economic growth and sustainability, Daly (1990: 45) also mentions that “it is precisely the nonsustainability of growth that gives urgency to the concept of sustainable development.” Given the predominance of growth within the neo-liberal value set, the entire debate as to the role of growth and sustainable development must be taken up anew (see Langhelle, this issue).

Globalization of Consumerism

As indicated above, the consumerist culture of industrial capitalism—which has been associated with industrial expansion, mass production, mechanized agriculture, toxic chemicals, and the excessive use of fossil fuels—has been considered one of the main causes of environmental disorders. The spread of consumerism on a global scale constitutes a major ecological threat. Some scholars have made an observation that if the total world population would adopt the Western mode of consumption and industrial production, it would be necessary to have five to six more planets for resource plundering and waste disposal (Ullrich, 1992; Sachs, 1992; Durning, 1991; Haque, 1998).

Such perspectives have not, however, hindered a considerable expansion of market-oriented consumerism all over the world. The extension of consumerism to developing nations is not isolated from the recent upsurge of trade liberalization and foreign investment under the neo-liberal regimes in these countries. Transnational capital and international trade are inseparable from the global consumption culture. The worldwide expansion of this culture has also been aided by the unprecedented proliferation of global commercial media, due in part to the recent deregulation of media in developing countries.

Today, television media such as MTV Music Television and Murdoch’s Star TV are focusing on millions of Asians, especially teenagers, as potential consumers of various modern commodities (Fuller, 1994). Western patterns of consumption have become nearly the universal indicators of status and success (Hempel, 1996: 80). In India, millions of consumers are replacing their indigenous food items with imported food products, and, in China, during 1982–87, the percentage of people owning refrigerators increased from 1 percent to 20 percent and color televisions from 1 percent to 35 percent (see Durning, 1991; Haque, 1998).

The expansion of consumerism and increases in demands for imported products have been complemented by the recent withdrawal of many import restrictions. For instance, based on the opportunities created by recent trade liberalization, there has been a significant increase in the import of used cars and buses in developing countries such as Tanzania, Zambia, El Salvador, Jamaica, and Vietnam: since there are hardly any emission inspections in these countries, the use of such imported vehicles has seriously worsened urban air pollution (Reed, 1996: 312). An increase in the consumption of other imported foreign goods—encouraged by free trade—may lead to similar negative impacts on the environment.

Ideologically, this expansion of consumerism reflects the agenda of global capitalism, which largely survives and expands on consumerism. Thus, as long as regimes in developing countries are committed to the capitalist neo-liberal policies, it is hardly possible to stop the expansion of ecologically detrimental consumerism. As expressed quite simply by Gotlieb (1996: 11): “Capitalism requires the consumption of nature.”

Conclusions, Implications, and New Directions

The essence of the position put forth is that, despite the articulation of “sustainable development” as a developmental ideal and its worldwide dissemination during the past two decades, the realization of sustainable development today is being seriously hindered by the emergence of neo-liberal regimes in developing countries. After presenting various relevant issues—including the origin and meaning of sustainable development, major problems related to sustainability, and basic features of neo-liberalism and neo-liberal regimes—this article has critically examined how neo-liberal principles and policies (market competition, privatization, deregulation, liberalization, foreign investment, export-led production, growth-led development) have constrained the realization of sustainable development. Based on this analysis and critique, this last section of the article attempts to offer some suggestions for new directions with a view to overcoming these contemporary challenges to sustainability and realizing a more genuine form of sustainable development.

First, it is necessary to reconceptualize sustainable development itself, given the considerable controversies related to the concept. The existing view of sustainable development, largely articulated by the WCED (Brundtland Commission) Report, has come under attack due to its overemphasis on economic growth to promote sustainability (Reed, 1996: 30); its relative indifference toward the implications of such growth for income distribution (Jacob, 1994: 244–245); and its failure to integrate demographic, environmental, and economic issues (Hempel, 1996: 47). It has been pointed out that economic growth not only fails to “trickle down” to the poor, but often causes environmental destruction (Lele, 1991: 614; Jacob, 1994: 244–245). In opposition to these critical remarks, however, some scholars hold more favorable views of the WCED Report for its genuine contribution to the cause of sustainability—including its concerns for the needs of the poor, for economic growth based on less energy-intensive production, and for more equitable distribution and opportunities. Regardless of where the “essence of intended meaning” may lie in the Brundtland Report, it undoubtedly transformed the concerns for the environment and sustainability into a global development agenda. Be that as it may, it is necessary to emphasize that any future study on sustainable development will need to reexamine economic growth as a basis of poverty eradication and environmental sustenance; to consider the implications of economic inequality for environmental

degradation; to emphasize the multiple dimensions (economic, social, and cultural) and levels (individual, class, and national, international) of sustainability problems; and, if needed, to redefine sustainable development itself (Lele, 1991: 618; Estes, 1993: 16–17).

Second, it is important to transcend the neo-liberal beliefs underlying contemporary pro-market policies, insofar as these can be shown to represent an obstacle to sustainable development. In this regard, it is necessary to critically examine neo-liberal assumptions—that there is a strict dichotomy between state and market and the market is more efficient than the state; that the market plays a more effective role in allocating resources and enhancing welfare; and that pro-market reforms would ensure the realization of “market democracy” or “people’s capitalism” (see Haque, 1996a, 1996b). A serious critical study would demonstrate that the state has played a crucial positive role in developing market forces (as in Scandinavian and certain East Asian countries); that the market is not always more efficient than the state sector; that there are sufficient empirical examples of serious market failures; and that pro-market policies often pursued under authoritarian regimes (as in Chile) have led to greater social inequality rather than to populist capitalism (for details, see Haque, 1996b; Manor, 1991: 312; Toye, 1991: 325). More importantly, it is necessary to demonstrate that it is often the vested individual, class, and institutional interests (rather than rational economic considerations), which have led to the adoption of neo-liberal policies. This critique of neo-liberal policies must be reinforced further by a deeper analysis of their adverse environmental implications pointed out in the present article. Such a critique should aim toward enhancing public awareness of the general problematic, and directing more attention toward the environmental problems caused by the neo-liberal policy stance.

Third, it is essential to restructure the existing international conventions and treaties related to the environment, and to adopt more just and effective legal measures. Although the neo-liberals tend to underestimate the importance of international economic order (Manor, 1991: 307), the fact remains that the advanced industrial countries, due to their economic and political power, can disregard environmental responsibilities despite their much larger share in degrading the global environment and depleting the world’s nonrenewable resources. Legal measures should be enforced by relevant international agencies against the over-polluting and over-consuming nations.

Recently, at the Kyoto Conference on climate change (December 1997) attended by delegates from 161 countries, a “legally-binding” treaty (known as the Kyoto Protocol) was signed. It requires developed countries to reduce the emissions of CO₂ and other greenhouse gases on average by 5.2 percent below the 1990 level by the year 2012. More particularly, the treaty prescribes reductions of 7 percent for the United States, 6 percent for Japan, and 8 percent for the 15 nations within the European Union. The new accord does not (at this stage) require developing countries to reduce their emissions (see Lemonick, 1997; Easterbrook, 1997; Naito, 1997).

Although the Kyoto Protocol is apparently in favor of developing countries, the critics point out that the conditionalities of the treaty will remain relatively ineffective due to the following: the required reduction in emissions will take effect only from the year 2008; the US Senate and Congress are vehemently opposed to any greenhouse treaty that does not require developing countries such as China and India to reduce their emissions; the major industries from developed countries will shift to developing countries and continue pollution anyway; and the treaty includes no effective enforcement mechanism (Lemonick, 1997; Easterbrook, 1997; Baker and Dewar, 1997).

In order to formulate more effective and comprehensive legal measures, serious consideration should be given to various environmental taxes suggested by Estes—including fossil fuel consumption taxes (on units of oil or coal consumed), pollution taxes (on carbon dioxide and other gases emitted), global commons taxes (on the use of the oceans and space), international trade taxes (on environmentally damaging products sold), global taxes on weapons (on defense expenditures and arms trading), and taxes on selected consumer products (especially energy-consuming household equipment made) (see Estes, 1993: 19). It has been estimated by the UNDP (1994: 68) that if the environment were correctly priced and tradable permits were issued to all countries according to their populations, the industrial countries would have to purchase most of the permits and transfer as much as \$500 billion to \$1 trillion a year to developing countries. The point here is that there should be strict legal measures to ensure environmental justice by obliging various nations to compensate for their own share of resource depletion and environmental degradation. This would not only force the affluent classes and nations to rethink over-consumption and excessive pollution, it would also motivate them to explore less hazardous technologies, discover alternative sources of energy, and reduce waste-intensive production and consumption.

Fourth, in order to effectively enforce the above international rules and regulations related to the environment, it is also necessary to restructure the existing international institutions or create new ones. Currently, there are various programs and institutions (including the United Nations Environment Program, the UN Commission on Sustainable Development, the International Union for the Conservation of Nature and Natural Resources, the World Resources Institute, and the World Bank), which directly or indirectly deal with global environmental issues. But these institutions have not been especially effective in dealing with environmental concerns, which is allegedly due to their endorsement of the mainstream sustainable development model that encourages environmentally unfriendly economic growth and free trade (see Lele, 1991: 611–616). Reid (1995: 231) maintains, for example, that sustainable development “cannot be delivered by any agency that represents a national or international alliance of political and economic power. . . .” More specifically, although the World Bank advocates sustainable development, it has been accused of lending money for development projects (e.g., mineral extraction, large-scale hydropower, and agricultural exports) which are ecologically destructive (Boxill, 1994: 14). There is, in short, a continuing need to improve international mechanisms for enforcing environmental laws, ensuring environmental justice, assisting ecologically sound projects, rectifying environmental violations, and fostering participation of all nations in environmental management.

Finally, if the original goals of sustainable development are to be met, it is important to reorient the current patterns of consumption and life-styles guided by utilitarian consumerism (Simonis, 1990: 15). In this regard, some scholars have recommended a fundamental transformation of the individualistic and expansionist view of progress; of the ecologically maladaptive modernity paradigm; and of the overall vision and values reflecting an anthropocentric (people-before-nature) worldview (Hempel, 1996; Reid, 1995; Barrow, 1995; Gotlieb, 1996). Emphasis has also been placed on the revival of traditional community-based institutions which were previously known for protecting nature and its resources (Hempel, 1996: 85). In bringing about a basic change in the culture of consumerism, the state institutions can play a concrete role by promoting value change through education and the mass media; by disseminating information related to environmental problems

caused by human activities; by penalizing hazardous industries and restricting imports of ecologically unsound foreign goods; by closely monitoring—and, wherever necessary, regulating—various advertising and marketing agencies and local and foreign media.

The proposed new directions for theory and policy to enhance sustainable development are tentative in nature, and merely suggestive of its possible operationalization or instrumentation. The adoption and application of more specific policy measures should depend on the particular problems in question, socioeconomic and cultural circumstances, and relevant national and international forces. The need for identifying and implementing such policy measures has become even more crucial today—six years after the Earth Summit in Rio—due to the increasing endorsement of market-driven, neo-liberal policies by developing countries, especially by the so-called “high performing” economies. Thus, while the Earth Summit, and its follow-up within the UN Commission on Sustainable Development, have expanded the rhetoric of “environment and development” based on the concern for sustainability, the adverse impacts of neo-liberal policies have simultaneously undermined the potential for converting this rhetoric into a reality.

Notes

1. For detailed description of these theories, see Randall and Theobald (1985), and Bloomstrom and Hettne (1984). For a more philosophical explanation of the relative indifference of the Marxist tradition toward nature and the environment, see Hwa Yol Jung (1991).
2. For details, see Chodak (1973), Randall and Theobald (1985), and Kim (1984).
3. In addition, these theories and models of modernization allegedly helped maintain the linkage of advanced capitalist nations with the newly independent developing countries in order to continue the supply of raw materials, and to prevent these countries from being influenced by socialist ideology during the Cold War (see Preston, 1985).
4. Regarding the detrimental effects of industrialization on ecology and environment, Nudler (1986: 61) mentions that “the destructive action of industrialism over the environment has been so convincingly shown that it hardly requires further comment.”
5. Some studies explain the adverse economic implications of neo-liberal reforms in developing countries in terms of the worsening conditions of poverty, unemployment, income inequality, inflation, and external dependence (Heald, 1990).
6. In Tanzania and Zambia, for instance, the government has removed fertilizer subsidies (Reed, 1996: 121, 138). In most developing countries, the austerity measures based on the neo-liberal policy of stabilization required the withdrawal of food subsidies, which then led to an increase in the number of food riots (Walton and Seddon, 1994: 23). In these countries, governments have slashed expenditures on social services, abolished anti-poverty programs, and laid off workers (UNDP, 1996: 101; Tevera, 1995: 83).
7. According to UNDP’s *Human Development Report 1997*, the percentage of people living below the national poverty lines (defined as the percentage of people who cannot satisfy basic minimum food needs) is 16 percent in Malaysia, 41 percent in the Philippines, 13 percent in Thailand, and 8 percent in Indonesia; the percentage of people earning less than one dollar per day is 6 percent in Malaysia, 28 percent in the Philippines, and 15 percent in Indonesia (UNDP, 1997: 53–54). In addition, the percentage of people without access to health services is 10 percent in Thailand, 29 percent in the Philippines, and 7 percent in Indonesia; the percentage of people without access to safe water is 11 percent in Thailand, 22 percent in Malaysia, 14 percent in the Philippines, and 38 percent in Indonesia (ibid).

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