



Sustainable Development: Theory & Policy

Week 2 Evolving Conceptions - Causes & Consequences

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1. Basic Ideas – Core Concepts
2. Perspectives on Political Economy
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4. Analytical & Empirical Challenges

2.1 Basic Ideas – Core Concepts

Paradigm Shifts on Growth & Development over Time

Concepts of the Market
Matters of Rationality



Models for Social Behavior

(Extending Ostrom: Chapter 1, *Governing the Commons*).

1. The tragedy of the commons: Hardin
2. The prisoner's dilemma .
3. The logic of collective action
4. Centralized control
5. Binding contracts
6. Other



The 'Rest' - Development & development economics and politics

- **After the Second World War, the poverty and backwardness of some of the world countries became extremely conspicuous.**
- **The purpose of development economics has been mainly to study the phenomenology of underdevelopment, and to prescribe appropriate policies to eradicate it**



Evolving Conceptions of Sustainability

- **Foundations of Sustainability**
- **Emergent Conceptions of Social & Distributional Equity**
- **Governance Matters & Matters of Governance**
- **Institutional Imperatives**



Drivers of (Un) Sustainability

- Framing the Sustainability Contentions
- Human Domination of the Earth's Ecosystem
 - Driving Variables
 - Dynamics of Interactions
 - Changes in Driving Variables – unevenness

2.2 Perspectives on Growth & Development

Three Dominant
Traditions





Common features

Political and economic organizations have a common set of key features:

- 1. Both are devised to maximize wealth by exploiting the gains from trade as a result of specialization**
- 2. Both involve constraints on behavior due to rules and regulations**
- 3. Both have a set of procedure to detect deviations from and enforce compliance**
- 4. Both articulate a set of moral and ethical behavioral norms to reduce enforcement costs. Issue of rules and regulations**



Government & Governance

- **A government is distinguished by from other institutions within the modern state by its ability to call on physical force:**
 - possesses actual force at its disposal that is overwhelming in relation to that which is commanded by any other group
 - Has a near monopoly of the legitimate use of force
- **Insurgent groups know that they understand this interconnection when**
 - they devote as much attention to undermining the government's legitimacy in the eyes of the population,
 - they use this interconnection as a way of legitimizing their own use of force in combating government

2.3 Property Rights

The New Issue – A
Reminder





Discussion of legal & economic notions of property rights

- **Property rights are not absolute, but can be changed.**
- **All governments play a major role with regards to property rights; they also maintain legal rights to various properties etc. and participate directly in the economy.**
- **When will new rights be created?**

2.4 Analytical & Empirical Challenges

Generic Dilemmas





A Purely Economic Model

Comments:

- Visualizing basic production function
- Note nature of variables
- Note nature of relationships
- Note the system boundary

Image removed due to copyright reasons.

Please see:

Pezzey, John. "Economic Analysis of Sustainable Growth and Sustainable Development." *Environment Department Working Paper*, no. 15. Washington, DC: World Bank, 1989.



The Ecology-Economy Model

Comments

- Note system Boundary
- Note temporality
- Note complexity

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Please see:

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Challenges of “Sustainability Theory”

- Nature of Challenge
- System Boundary
- System Components
- System Behavior
- Time Horizon
- Normative Underpinnings

Convergence:

Sustainability Dilemma of West & Rest

Generic Dilemmas

National & International Linkages