

Joost PLATJE
Opole University (Poland)

WHO IS INTERESTED IN WHAT KIND OF SUSTAINABLE DEVELOPMENT? TIME-HORIZONS AND STAKEHOLDER INTERESTS

1. Introduction

The concept of sustainable development has quickly gained importance during the last two decades. It has been recognised that economic growth that is achieved at cost of environmental deterioration will not last forever. Furthermore, economic growth does not solve many social problems. For example, income inequalities on a world scale have increased during the last four decades [Todaro, 1997, 42]¹, also the problem of social exclusion within and between countries seems to be becoming a bigger and bigger problem [Castells, 1998].

The aim of this short article is to discuss some theoretical issues of sustainability which are important for achieving sustainable development. First, the importance of knowledge to sustainable development will be discussed. Then, the relation between stakeholder interests, time-scale and sustainable development is elaborated. Finally, some thoughts on the question “sustainable development of what” will be presented.

2. Who knows what sustainable development is?

An important issue for sustainable development is whether people understand what sustainable development is in relation to their priorities.

¹ Based on: United Nations Development Program, *Human Development Report*, New York, 1992, 36; United Nations Development Program, *Human Development Report*, New York, 1994, 35.

Different groups of people have different aims and different interpretations of what sustainability is. For example, business may interpret sustainable development as economic sustainability, focusing on profit, while environmental non-governmental organisations may interpret it as ecological sustainability. Making clear what interpretation of sustainable development different stakeholders use and what their priorities are, facilitates eventual negotiation and co-operation aimed at achieving sustainable development.

Knowledge on sustainable development is, in itself, a factor of development. On the one hand, education and a low rate of illiteracy is an indicator of development, while on the other hand it is a condition for development. The level of illiteracy is important to the means of communicating issues of sustainable development between different stakeholders. For example, when people can read and write, it is easier for the government to inform them about policy, while on the other hand stakeholders can more easily get involved in the process of achieving sustainable development.

The level of education and illiteracy rate differ significantly between so-called developed and developing countries.² When people can read and write and are educated, this may facilitate the spread of information, which is a significant issue in achieving sustainability. However, a question remains as to whether education is accompanied by an increasing awareness of the importance of sustainability and whether awareness is related to behaviour that stimulates more sustainable patterns of consumption and production. Assuming there is a positive relationship between the percentage of the population that can read and write, the average number of years of education and sustainable development, it can be argued that developed countries should be more involved in sustainable development. However, this depends on the type of education and many other factors. It may be more important that education not only makes people more aware of the issue of sustainable development, but also facilitates their participation in public discussion and defence of their own rights.

This problem needs deeper research and in this context it may be useful to pose some important questions. First of all, as discussed above, an important question is whether people can read and write. However, even when they can read and write, how many really understand written and spoken messages. But even when people are able to understand written and spoken messages, how many really try to understand these messages?

² See <http://hdr.undp.org/statistics/data/indicators.cfm?x=20&y=1&z=1> and <http://hdr.undp.org/statistics/data/indicators.cfm?x=7&y=1&z=1>, accessed on 12 July 2006.

Economists would argue that the expected benefit of trying to understand a message is important, together with the opportunity costs, since the process of listening/reading, interpreting and understanding takes time which can be used for other purposes. In other words, there are opportunity costs of understanding messages. Another question is whether people have an interest in understanding what sustainable development is. Ideology, religion and culture may facilitate or hamper the understanding of such issues. Furthermore, a question remains as to whether people have an economic interest in sustainable development and what type of sustainability is most important to them. For example, economists and businesses may be more inclined to be interested in economic sustainability, an ecologist may rather focus on eco-development, while socially aware and poor people may focus on social aspects of sustainability. This is a point for research on knowledge and priorities among different groups of stakeholders.

Within this context it is important to ask ourselves the following question: When scientists and students have difficulties in understanding the complex nature of sustainable development, can we expect policy makers and „normal people” to understand the issue? Is such an understanding essential for achieving sustainable development? Knowledge and education are important for finding solutions to current and future problems. However, each coin has two sides. Do education and sustainability go together, or do education and science create new opportunities to exploit other people and to produce and consume more with all the negative social and environmental consequences? [see Woźniak, 2000] Our way of thinking and mental models may be more important to achieving sustainable development [Meadows, 1999]. A quote of Albert Einstein emphasises this point: “Without changing our patterns of thought, we will not be able to solve the problems we created with our current patterns of thought [e.g. see Wittkuhn, 2004].”

3. Sustainable development, time-scale and interests

The aims of sustainable development should be set within a certain time scale [Rao, 2000]. It may first be useful to put the aims and priorities of sustainable development in the context of the development of mankind and civilizations [see Toynbee, 2000; Mannion, 2001]. Mankind in its “current form” has existed for about 300,000 to 400,000 years, while the earth has existed for some 5,000 million years. Mankind “globalised” some 70,000 years ago, *i.e.* humans had spread out all over the planet by that time. The first known civilizations developed 5,000 to 10,000 years ago, while the rise and fall of civilizations take centuries. For example,

Toynbee describes how the Egyptian empire was in decline for centuries before it disappeared. Compared to this, the life of a human is very short (50–100 years). A new generation appears every 20 years or so.

An important issue that deserves deeper research is who is interested in what. An economic way of reasoning is that we are rather interested in what immediately touches us. One can distinguish types of individual preferences: self-regarding, other-regarding and process-regarding preferences [Ben-Ner and Putterman, 1998, 6–7]. Self-regarding preferences mean that an individual's utility is determined by his/her own consumption, activities and outcomes of this. Other-regarding preferences mean that an individual's utility function is influenced by other peoples' consumption, activities and outcomes of this. Process-regarding preferences are related to the way in which individuals and society behave and the way in which outcomes are achieved. This concerns mental models, ethics, culture, values, etc.

Economists would argue that self-interest gives the strongest incentives for productive and consumptive behaviour. Following Ben-Ner and Putterman's characterisation of preferences, it can be argued that economic reasoning has much in common with evolutionary biology [Ben-Ner and Putterman, 1998, 5–6]. Human beings are rather interested in their own utility and creating a material base for their own life and the life of their offspring. In other words, generally speaking, self-regarding preferences seem to provide the strongest incentives for productive and consumptive activity, followed by other-regarding preferences. The closer the relation to another person, the stronger the preferences. This idea is simple. I have more utility from the meal I eat than I have from the meal you eat. I receive more utility from feeding my own children than from feeding children I do not know. I am more interested in the development of my own town, region or country than the development of a poor African country. This is of course a simplification of complex social interactions, but remains an important basis for analysing the priorities of different people and groups. However, the strength of process-regarding preferences, which is similar to the notion of informal institutions that is used in New Institutional Economics [see North, 1981, 1990; Platje, 2004], should not be underestimated. For example, religion, ideologies, values etc. may play an important role in the sustainability of human economic activity and, as was argued before, may be essential in achieving a more sustainable way of production and consumption.

Now what is the time-scale we take into consideration when we talk about sustainable development? It may be that the care of human beings for themselves and their spouse gives the longest time span. When we take the interest of our children into account, the time-horizon may be

a few decades. The disintegration of family life in many developed countries may shorten mankind's time horizon. Of course it is not said that traditional families automatically lead to sustainable development, as they may focus on economic wellbeing for themselves, rather than paying attention to environmental and social issues, but it is a factor that cannot be ignored. Firms tend to look at next year's profit and many small companies may worry about how to survive the next three months. The long-term for a company may be 2–5 years in the case of strategic planning and investment. Business is likely to look at the economic sustainability of their own activity and it is a challenge to introduce environmental and social issues into the factors that are taken into consideration in decision-making processes. The time horizon in politics in a democracy is probably longer than in business. Political parties want to survive the next election. Thus, when elections are held every four years, parties in power may implement new policies during the first two years, while no real changes are to be expected in the year before an election. Their "political business cycle" may even negatively influence economic sustainability, as governments may give presents before elections to certain groups in society, in order to obtain their votes [Begg et al., 1994]. Thus, in general, the longest time horizon that society takes into consideration is 4–5 years. Can we talk about success when this period is, say, 20 years? A question remains as to whether this is not too short when taking into consideration the complex and unpredictable effects of human activity on the environment?

4. Sustainable development of what?

Looking at history, one can argue that it is a process of human interaction on an ever increasing scale. Is it a long process of globalisation that has speeded up rapidly during the last few centuries and, in particular, during the last few decades? Sustainable development at different levels of territorial scale (*e.g.* local, regional, national, global) should be put within this context.

Putting it simply, sustainable development may be interpreted as a concept that broadens economic development, adding environmental and inter-generational aspects to socio-economic issues. Economic development itself is a broader concept than economic growth. It seems that the essence of any discussion on development is the paradigm of growth. Human history seems to be one of a struggle to conquer nature, in order to free mankind from oppression and to guarantee a proper supply of food [see Toynbee, 2000; Mannion, 2001]. Economic growth may be considered as a necessary condition for improving the quality of life. However, cur-

rently the world is theoretically able to feed all of its inhabitants, while many people are starving and the majority of the world's population live, according to "western" standards, in extreme poverty.

What should the focus of sustainable development be? We often talk about achieving a "good life" for the current generation, while leaving behind at least similar opportunities for the development of future generations. Economic goals should be reconciled with environmental and social goals. Earlier in this article it was argued that people are more likely to care about themselves and their offspring than about people who are "farther away". This may imply that, for example, rich countries care more about themselves and future generations in these areas than about poverty in *e.g.* Africa, while the latter is officially an important issue on the development agenda. Another question is whether developed countries would obtain more utility from reducing poverty in developing countries or from protecting the environment and biodiversity. It might be argued that biodiversity is more important to them, as more utility is expected from the environment and biodiversity than from reducing other people's poverty. This is an issue for deeper analysis, but this idea is related to the fact that biodiversity creates opportunities for developing new medicines, which may be useful to developed countries and that the environment is more crucial to their survival than the fate of poor people. An important issue in this context is the relation between poverty, civil wars and the so-called "war against terrorism". When poverty becomes a source of terrorism, then it may become an important point on the development agenda, as it directly influences the utility of people in developing countries. However, solving the problem of poverty may imply the opening of *e.g.* agricultural markets and markets for processed food in the EU and USA, which is contradictory to their economic interests.

As Toynbee [2000] observes, societies often see their own civilization as the unit of interest and as dynamically developing. We see complex dynamics and subtle differences within our own world. Other societies are often "barbarian" and one-dimensional. To a European, China, Vietnam and other Asian countries may seem to be very similar. Africa seems to be one standardised unit. Often we assess these countries according our own standards and mental models. But can we decide what is important for these countries using our own value systems, while their value systems may be completely different. Do we realise that in other parts of the world people may see Europe as one unit, not comprehending the differences between *e.g.* Scandinavia, Romania and Spain? Even within Europe people often simplify. In Poland many people may not see the differences between the Netherlands, Denmark and Germany, while being a Dutchman myself, I see a lot of differences between regions within the

Netherlands. It is difficult for Polish people to understand that for many Dutch people there may be little difference between Poland, Estonia and Bulgaria. Only communication and open-mindedness can reduce this problem and create mutual understanding, which is essential in achieving sustainability on a larger territorial scale.

When talking about sustainability, one issue is whether we can influence development processes ourselves, or whether there are more general forces at work which limit these efforts? I will not pretend to give any answers, but only provide a few ideas for discussion. First of all, will societies/people who adapt to the challenges and changes in their environment survive and develop? Thus, is adaptive efficiency, the ability of a system to adapt to changing conditions [Platje, 2004] (in fact a type of resilience of a social system), a necessary condition for the survival of that system? [see North, 1990] Yet another question is whether societies that do not have any incentive to develop and expand survive in the long run? Challenges faced by human beings may be the basis of human development. First it was the challenge of mastering nature. Now nature is mastered, it seems that mankind faces the challenge of dealing with the depletion of natural resources, while climate change is a new challenge posed by nature, probably resulting from the long-term effect of people's consumption and production.

In other words: is a society that is in „equilibrium” with nature, reproduces itself etc. sustainable? Or does a society without incentives to expand stagnate? Can a society be sustainable in the long-run? Or is sustainable development about incentives for the continuous movement of a civilization – to develop, while not creating too many internal social contradictions and environmental problems that threaten civilization? However, what civilizations are we speaking about? As Toynbee asks, is it about human society as a whole, as Plato and Aristoteles argued, or about individuals' happiness?

It may be that the current globalisation is a “natural process of expanding markets”, being a reflection of many societies' expansionary nature. The basis of western-driven globalisation may lie in the expansion of private property that started centuries ago and an important issue for analysis is to what extent globalisation is imperfect and drives out other “ways of life”.

5. Concluding remarks

In this article some issues related to the question “who is interested in what kind of sustainable development” were discussed. It was argued

that in general people care about themselves and their offspring. Furthermore, people often assess development processes in other regions of the world according to their own mental models. Another issue is that business and politics use rather short time-horizons in the decision-making processes. In short, the general conclusion is that questions such as: Who is interested in what? How do people perceive the world? Do they look at the short-run or long-run effects of their actions? etc., are factors that influence the success of strategies for sustainable development and need to be thoroughly studied.

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