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Redistribution as social justice within the intersection of global governance and climate change mitigation

Andrew M. Fischer

International Institute of Social Studies (ISS)
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Abstract

This conceptual paper addresses the intersection of social justice, global governance principles and climate change mitigation policies from a macro-structuralist perspective, emphasising that the global governance of climate change mitigation must be accompanied by a massive scaling up of redistribution from rich to poor countries as a foundation for substantive social justice. This scaling up must go far beyond the meagre levels witnessed in today's aid system, which has basically failed at instituting any significant degree of global redistribution (which is a different point than right wing critiques of the aid system that are essentially attacks on the principle of redistribution). Instead, what is required is a far more ambitious agenda for genuine redistribution on a global scale. This case is argued in three sections. First, maximising the potential for climate mitigation or, even more radically, for decarbonisation, while also allowing leeway for national development strategies of accumulation and poverty alleviation in poorer countries, requires constructing a capital infrastructure in these countries that would tend to be very import-intensive. Hence, it would require external financing or else risk running aground or being perverted through balance of payments constraints. Second, there is already a tendency in the global economy of siphoning of resources from South to North, in particular through the increasing control over flows of value and wealth by Northern corporations from their commanding positions within international networks. Southern productivity needs to be contextualised from this perspective given the risk that current climate negotiations lock-in the subordination of Southern countries within these global networks, rather than seeking ways for Southern producers to leverage more value for the output and carbon emissions they are already producing. Third, population and labour transitions in the South place relatively greater pressure than in the past on employment generation in tertiary (service) sectors, in which distributive and redistributive processes play essential roles in bolstering labour demand. The neglect of global redistribution could undermine the capacity of Southern countries to face these broader development challenges, which are already immense even in the absence of climate mitigation concerns. Indeed, these structural considerations underlie the concerns expressed and positions taken by many developing countries in current climate negotiations, and also provide an important lens into many of the intractable political economy tensions that are inherent to development processes. A key challenge is how to organise global redistributive transfers in a manner that does not continue to subordinate Southern populations to Northern interests, and that respects national ownership and self-determination. This challenge is particularly daunting in light of the past several decades of neoliberalism and financialisation, which have exacerbated these structural dimensions of global development. The challenge is to forge a political will for redistribution that is motivated by climate change and social justice rather than geopolitics.

Introduction

The need for climate and development finance in order to face the combined challenges of both climate mitigation and development is widely recognised, as affirmed by the two major conferences dealing with these issues in 2015: the Third International Conference on Financing for Development in Addis Ababa in July, and the COP21 conference in Paris in December (which dealt with climate finance under the broader rubric of climate change mitigation negotiations). However, despite this recognition, the broader issue of global redistribution is generally glossed over, from across all political hues of the academic and policy literature. This is understandable from the right, given that their critiques of international development assistance have drawn from a broader critique of welfare and other redistributive policies, which are presented as market-distorting, creating perverse incentives and subverting the crucial (market-led) innovations that are required (in their view) to address the challenges of both climate change and development. For instance, a good example of these arguments with respect to aid can be found in the work of Bill Easterly. However, perhaps somewhat counter-intuitively, the left exhibits a similar caution with respect to redistributive solutions. This is partly inculcated by the traditional Marxist wariness of social democratic liberal traditions, such as those represented by Keynesian welfare states, as at best providing merely temporary fixes for underlying capitalist contradictions, or at worst, as buying off working class and other potentially revolutionary mobilisations from demanding deeper radical transformations required to deal with capitalist contradictions. Some have argued that Foucault shared similar predilections, and an implicit anti-statism definitely pervades much of the post-structuralist and post-development literature. Indeed, from more structuralist perspectives, there is a shared assumption on both sides of the political spectrum that the few successful experiences of ‘late development’ in the post-war that we have to examine, e.g. South Korea, Taiwan and China, are to be understood primarily, if not exclusively, in terms of productionism, that is, that these countries figuratively pulled themselves up by the bootstraps in largely self-reliant and nationally-owned development strategies, within which redistribution playing a marginal role.

From the climate side, a good example of the dismissal of redistribution with radical proposals to address climate change can be seen, for instance, in a recent manifesto by Stephen Marglin (2013).¹ He makes a powerful and urgent call for a profound transformation of our economies in order to face the challenges of sustainability and climate change. However, despite the call for a social justice approach in which the claims of the poor (residing chiefly in the South) take precedence over those of the rich (residing chiefly in the North), the focus on the practicalities of bringing this about is mostly discussed from a Northern as well as productionist perspective, and he more or less dismisses redistributive approaches as neither transformative (in terms of changing the structure of Northern production and employment), nor realistic (from the perspective of politics in Northern countries).

The purpose of this paper is to address and challenge the inertia of these views, and to argue that the global governance of climate change mitigation must be accompanied by a massive scaling up of redistribution from rich to poor countries as a foundation for substantive social justice. This scaling up must go far beyond the meagre levels witnessed in today’s aid system, which has basically failed at instituting any significant degree of global redistribution (which is a different point than right wing critiques of the aid system that are essentially attacks on the principle of redistribution). Nor have current proposal for climate finance come close to address this imperative, in particular because most of the finance conventionally proposed does not involve transfers as such, but rather involves the facilitation of investment, which is best not understood as redistribution, insofar as it constitutes the purchase or creation of domestic assets, which are then owned by foreigners (along with their future streams of income). Instead, what is required is a far more ambitious agenda for genuine redistribution on a global scale.

¹ This paper draws from Fischer (2014), which discusses Marglin’s manifesto at greater length, together with a set of other authors in a special issue debating his ideas.

There are three central reasons for why this redistributive imperative is crucial for an agenda of global decarbonisation. First, the construction (or reconstruction) of a capital infrastructure in the South that would maximise the potential of current technologies to substantially reduce the carbonising effects of economic growth would necessarily require a redistributive transfer of wealth from North to South in order to externally finance the import-intensity of such an effort. Second, the increasing control over flows of value and wealth in the global economy by Northern corporations via their commanding positions within international production, distribution and financial networks (or the re-assertion of such control, in view of the legacy of colonial trading companies) implies that the dominant flows of wealth in the global economy are currently regressive rather than progressive, from South to North. A focus on Southern productivity needs to be contextualised from this perspective. Lastly, the redistributive imperative is reinforced by global population transitions, in particular urbanisation and the increasing share of Southern populations working in tertiary (service) sectors, where notions of productivity become vague and value-added is largely determined by distributive and redistributive dynamics within local, regional and global political economies. These points need to be addressed as a crucial point of departure if the global decarbonisation agenda is to be based on a social justice approach.

Balance of payments implications of global decarbonisation

On the first point, it is useful to revisit the principle known as ‘contraction and convergence’ (Meyer, 2000). This principle means that the socially just way of addressing carbon emissions at a global level is to allow per capita emissions to rise in poorer countries for a certain period of time in order to provide them the space to develop, towards a convergence with contracting levels of per capita emissions in richer countries. After convergence, all continue to contract at equal levels of per capita emissions.

This principle is based on the understanding that development and poverty reduction in poorer countries will necessarily require rising levels of material consumption. (It has become a truism that poverty is not only about incomes and material consumption, but a large part of it is, especially in poorer countries still dealing with relatively high levels of ‘absolute’ poverty and malnutrition). Rising per capita incomes and consumption imply rising labour productivity, however measured (or, shall we say, rising labour value-added, with a portion of the increase going to labour through wage increases). Given existing technologies and techniques of production, rising productivity implies more carbon emissions and other forms of pollution. Even improvements in the efficiency of technologies and techniques of production would generally constitute relatively marginal offsets to the much greater increases in productivity required for the scale of material consumption in poor countries to reach levels that might be deemed as socially just.

Even if we accept that such increases in consumption cannot simply happen through transfers of Northern wealth to the South, some degree of redistribution will nonetheless be required in order to achieve the alternative of raising Southern (value added) productivity. This is especially true if rising productivity is to take place through more efficient technologies and techniques of production that maximise the potential to reduce the carbon emitting effects of growth. The logic is the same as with the foreign exchange constraints faced by late industrialising countries, as articulated by some of the seminal pioneers of development economics in the immediate post Second World War era, particularly those who associated themselves with a structuralist theoretical position.²

According to this logic, developing countries attempting to ‘catch up’ to the industrially advanced countries – in the face of increasingly large technological gaps and an increasing dominance of large oligopolistic transnational corporations based in these advanced countries – face structural foreign exchange constraints because such late industrialisation is so import-intensive and import-dependent.

² Examples include Paul Rosenstein-Rodan, Ragnar Nurkse, Gunnar Myrdal, Alfred Hirschman, Hans Singer and Raúl Prebisch. Arthur Lewis apparently avoided the appellation of being ‘structuralist’ although, like many structuralists, his modelling was classically inspired.

In other words, industrial and urban growth (when the latter occurs through the extension of modern urban infrastructure rather than slums) involves capital-intensive technological requirements, which for most developing countries are supplied by industrially advanced countries, including the foreign exchange to finance these imports. These requirements are also largely inelastic, in that they are based on the technological and input characteristics of production (and consumption). Hence, the requirements are 'structural' and cannot be overcome through either market clearing prices or macroeconomic demand management, both of which might even exacerbate the problem. Moreover, such dependence intensifies the more a country is a late-comer given increasing lags from the technological frontier, or else the more a country is late in the demographic transition, which generally results in more rapid population growth and subsequent urban growth. The more critical structuralists also further emphasised that the entrenched, peripheral and subordinate integration of most poor countries into the world economy accentuates these constraints by exacerbating terms of trade declines or outflows of wealth at the expense of import capacity.³

According to this perspective, countries attempting late industrialisation have a chronic tendency to run trade deficits. When supplies of foreign financing dry up, they then have a tendency to experience balance of payments crises, such as with the swath of currency crises that occurred in many so-called 'emerging economies' in 2013 and 2014, merely on the suspicion of, or slight gesture towards, tapering by the US Federal Reserve. Alternatively, if these countries run trade surpluses, they often do so through import austerity, as was the case in the immediate aftermath of the Latin American debt crisis in the early 1980s.⁴ The option of using trade surpluses rather than deficits to drive rapid industrialisation (through augmented external demand rather than net financial inflows)⁵ has been a relatively new phenomenon among developing countries and is part of the China puzzle to this question. However, even in the case of China, we must be cautious with the presumption that a solution has been found to this dilemma of peripheral late industrialisation, rather than certain problems being transformed into others.⁶ It is also questionable whether other countries would be able to repeat the same strategies now.

This understanding of foreign exchange constraints is, in fact, historically informed. The experience of the Marshall Plan in the post-war reconstruction of Europe epitomised the constraint, although it was related to reconstruction rather than to development *per se*. Nonetheless, the Marshall Plan was instituted in 1947 following severe balance of payments problems in Europe and the risk that Europe would fall anew in financial crisis, as in the 1920s and 1930s. The root cause was that reconstruction was hugely import-intensive, especially for capital-intensive inputs from the USA. The experience of South Korea provides for a more developmental example: despite being known as an export-oriented success story, the country had in fact run very large trade deficits right up until the 1980s, and it was able to do so because of a generous supply of aid, followed by a generous supply of preferential loans. This example (along with that of Taiwan) obviously involved heavy doses of geopolitics, although this point should not detract from the importance of the principle that international redistribution strategically supported the broader development strategies of these countries.

Such a perspective is vital to the question of reducing the carbon intensity of growth in developing countries because the logic is the same. The needs of newly constructing (or reconstructing) the capital infrastructure of developing countries in a manner that could maximise the potential for efficiency gains in energy inputs and carbon and other polluting outputs follows more or less the same logic as with late industrialisation. The technologies (and the knowledge of techniques of production) involved

³ This is based on a summary of Fischer (2009).

⁴ As argued in the seminal post-mortem analysis of the debt crisis by Carlos Diaz Alejandro (1984), Latin American governments were able to generate substantial foreign exchange surpluses very quickly within a year of the 1982 crisis by simply sending their countries into crushing contractions. Thus strong pro-cyclical economic policy applied in the midst of a sharp economic downturn temporarily fixed the external problem for long enough to remove international creditors from any major danger of default. We were then delivered a new monetarist consensus from Washington to clean up the resulting internal mess.

⁵ See a discussion of these two alternatives in Kregel (2008).

⁶ For more discussion on this point regarding China, see Yu (2006 and 2013), Fischer (2010).

are predominantly owned and/or controlled in Northern economies (with some exceptions such as with the impressive development of the photovoltaic industry in China). Hence a path of ‘catching up’ to these technologies, or else simply adopting them without producing them, would have a structural tendency of being very import-intensive, and hence of requiring external financing to sustain such investments in building a ‘new economy’ in the peripheries (as opposed to ‘central’ Northern economies, where much of this can be sourced and financed domestically). Moreover, the extra resources would have to be in addition to existing foreign exchange needs, rather than substituting for them and thereby causing austerity in other dimensions.

Reversing regressive flows in the global economy

A social justice approach to sustainable development must also embrace North-South redistribution because the global political economy is already skewed against redistribution towards the South. Indeed, a fundamental problem with the focus on productivity is the assumption that wages in sectors of physical production are somehow related to labour productivity, which in turn can be measured in non-problematic real terms despite the reliance on value-added data. (Value-added data include wages hence the suggestion that productivity measures based on value-added data can predict wages amounts to a tautology; see Felipe and McCombie, 2001, 2013; Fischer, 2011).

This was precisely the problem that Arthur Lewis addressed in his classic (and often poorly regurgitated) contribution to development economics on growth with unlimited supplies of labour, regarding the question of ‘why tropical produce is so cheap.’ He pointed out that the rate of productivity growth in the sugar industry was unparalleled at the time by any other major industry in the world, and certainly not by the wheat industry, and yet wages in the sugar industry only provided a bare subsistence living standard, whereas those in the wheat industry were among the highest in the world (Lewis 1954: 442). He argued that because wages are set in what he called ‘subsistence sectors’ rather than in capitalist export sectors, the benefits of increasing productivity in the latter accrue chiefly to the (Northern) importers of these exports by way of lower prices. The implication of his argument, which is now usually overlooked in deference to a caricature of his theory of growth, is that wages do not reflect productivity, even in physical production, and that increasing productivity in physical production will not necessarily result in rising wages, at least not under the conditions of an open and poor economy with substantial supplies of labour available to work at given wages in the so-called ‘capitalist’ sectors.

Later in his life, Lewis (1978: 36) similarly predicted that even as developing countries would move into manufacturing exports, these new exports would function in a manner similar to the previous agricultural export commodities. Increasing productivity would simply reduce the prices of such manufacturing exports, and thereby continue to result in declining terms of trade. If we are to believe the evidence regularly presented by UNCTAD,⁷ for instance, this prediction appears to have borne true in the three decades since Lewis’ prediction, at least for the huge increase in Southern manufacturing exports that are integrated into international production networks dominated by transnational corporations. Certain countries such as China have been able to amass substantial value-added in such networks through scale rather than mark-up.

The increasing transnationalisation of production and distribution in the post-war era makes this issue especially pertinent (although it was also very pertinent during the colonial era for similar reasons). Under such circumstances, the value-added and the appearance of productivity of Southern producers integrated into international networks can be undermined by the wide variety of channels of siphoning profits from Southern subsidiaries (often via various offshore financial centres) to the headquarters of transnational corporations located overwhelmingly in the North and that increasingly control the most lucrative flows of value in the global economy. For instance, transnational corporations commonly engage transfer-pricing and equivalent practices as means of transmitting profits from Southern

⁷ See UNCTAD (2007: 11-12) or UNCTAD (2002: 113-138) for more detailed discussion.

subsidiaries to headquarters.⁸ As a result of these practices that have become standard and pervasive in international accountancy, the subsidiary appears less productive and the head office appears more productive (insofar as productivity is measured in value-added terms), even though most of the activities of the headquarters are in services, not in comparable physical production. Ironically, the actual producers of goods – who are increasingly located in the Global South – might well be accused of being inefficient (in value-added terms) and in need of extra structural adjusting. Yet such apparent inefficiency is at least partly the outcome of these accountancy practices, and the producers might otherwise be working very diligently and investing in a whole myriad of ways in order to keep up with the competition. Indeed, Southern producers involved in such networks might also be accused of becoming more carbon profligate, in part because the suppressed value-added equates to higher carbon emissions per unit of value-added (produced in large part for Northern consumption).⁹

These issues also highlight the importance of ownership and/or control over processes of value circulation in monetary economies, and the insidious siphoning of wealth that usually results from a dominance of foreign ownership in the peripheral economies of the Global South. Effective outflows of wealth, whether through licit or illicit capital flows,¹⁰ or else through subtle processes such as transfer pricing, undermine the resources available in these economies that could otherwise contribute towards objectives such as enhancing employment generation and providing comprehensive social policies, let alone investing in more carbon efficient capital infrastructure. In particular, because siphoned resources are in foreign exchange, they also undermine import capacity, as discussed in the first point above.

Raising productivity in the Global South is obviously an important component of poverty alleviation and inequality reduction, particularly if the resulting wealth is used in ways that genuinely improve well being among the poor. For instance, small-scale farmers would obviously benefit from raising their output on both their existing plots of land and, ideally, on enlarged land holdings (which, by implication, would require land reform), at least so long as the costs of increasing their output would not exceed the benefits. However, such self-evident examples are often used to simplify and legitimise the more generalised patterns of inequality in our world today, which are much more obscure in terms of a direct connection between effort or output and poverty.

The underlying fallacy is important to recognise within the discussion of decarbonising the global economy because conventional measures of productivity are, at least in part, the outcome of integrating and subordinating Southern labour and producers into international networks, rather than a starting point from which we must then weigh the costs and benefits of allowing them to become ‘more productive.’ Indeed, a risk in climate negotiations is that they lock-in the subordination that has already occurred, rather than seeking ways for Southern producers to leverage more value for the output and carbon emissions they are already producing. Redistribution needs to play a central role in the latter option by serving as an important corrective to the already skewed nature of current global flows of value and wealth.

The redistributive imperative of population and labour transitions

Global population transitions, occurring largely in the South, reinforce this redistributive imperative. The reason is not derived from a neo-Malthusian vision of rapidly growing Southern populations stressing planetary boundaries. Rather, redistribution arguably becomes increasingly important the more that Southern populations urbanise and seek employment in the tertiary (service) sector. Within

⁸ For instance, see Bernard et al. (2008).

⁹ For example, *The Economist* (2014) observed that ‘Chinese industry uses ten times more water per unit of production than the average in industrialised countries, according to a report by the World Bank in 2009.’ The units in this case are presumably measured in value-added terms, implying that greater value-added would reduce the ratio.

¹⁰ For instance, see Ndikumana and Boyce (2011) for some interesting estimates of capital flight from Sub-Saharan Africa.

this sector, notions of productivity become vague because of the absence of physical output, and value-added is largely determined by distributive and redistributive dynamics within local, regional and global political economies.¹¹

The conventional focus on population in debates about sustainability is usually on rapid population growth (rapid from a historical perspective). In this respect, according to 2012 revision of the United Nations *World Population Prospects*, the world's population reached seven billion in early 2012, with about 80 million people being added to this total annually (UN 2013). Given that fertility and birth rates have been declining worldwide, this annual addition is also declining, although according to the median variant estimate of the 2012 revision, total world population is projected to be still growing by 10 million people a year by 2100, when it will have reached almost 10.9 billion people. More proximately, an estimated 2.5 billion people will be added to the world's population by 2050. Even according to the low fertility variant, whereby total fertility rates around the world fall much faster than expected (which is possible), world population is estimated to peak at 8.34 billion by 2050, or an addition of about 1.3 billion people to our present numbers. In other words, the bulk of this global population increase is more or less guaranteed by population momentum even if the higher fertility regions of the world quickly move to replacement levels of fertility (i.e. two children per women on average). Notably, close to the totality of this increase is destined to take place in the Global South, with the bulk occurring in the poorest of these countries, particularly in Sub-Saharan Africa and South and Central Asia.

Without falling into alarmist Malthusian or neo-Malthusian narratives regarding the ecological consequences of such rapid population growth, the development challenges are nonetheless monumental in terms of the need for employment creation in poor countries with few resources to finance capital deepening of even existing employed people. For instance, Uganda had an estimated population of 5.2 million people in 1950 and almost 34 million people by 2010. According to the median variant (which assumes that Ugandan women will reduce their fertility by about half), its population is estimated to reach 104 million by 2050, a population larger than every European country by that time besides Russia. Moreover, the rate of increase in the working age population will be even faster given declining fertility. This being said, the population density of Uganda in 2010 was significantly less than that of Germany, and even in 2050 it will be significantly less than that of the Netherlands (according to the medium variant), so whether Uganda should be considered as 'overpopulated' is open to debate. The main issue is one of economic resources to finance employment creation, not population density per se. Nonetheless, the speed of change is remarkable, with multiplying rates far higher than was ever experienced by Northern countries during their own phases of rapid population growth in the nineteenth and early twentieth centuries.

The potential for agriculture to productively absorb such increases in the labour force is negligible. If anything, agriculture needs to shed labour if agricultural (labour) productivity is to increase, as many argue needs to happen in these countries. Rather, the bulk of the increase in employment will most certainly need to occur in the secondary sector (manufacturing, mining and construction) or in the tertiary sector (services, broadly speaking). And even then, in the best of scenarios, rapidly growing Southern populations would need an outlet of international emigration. After all, during Europe's phase of rapid population growth, as much as twenty percent of its population increase emigrated to Europe's temperate colonial offshoots, which had been murderously cleansed for the purpose. Emigration from developing countries today accounts for a far lesser share of their population increase than in these earlier European cases, yet these countries today face a far greater need for emigration due to more rapid growth pressures (a result of rapid reductions in mortality since the 1950s), and with far fewer resources to face the employment challenges of population increase at home.

In the absence of a substantial outlet for migration, these countries face a particular employment predicament in the contemporary context. Given the capital intensity and hence the low degree of employment creation relative to output that is offered by contemporary manufacturing, the bulk of

¹¹ See an extended version of this argument in Fischer (2014).

employment generation will need to occur in services, largely in urban areas. In other words, the burden placed on the tertiary sector to absorb rapidly increasing labour forces is relatively greater in countries attempting to industrialise now than in past cases of industrialization, and this burden is compounded by faster rates of population growth than in past cases.

Service sectors do not, however, ‘produce’ value in a tangible sense. Instead, they circulate the value derived from tangible production. Hence, a key development question is how to channel the wealth generated by rising productivity in the primary and secondary sectors of poorer developing countries into the tertiary sector of employment, rather than allowing it to be siphoned out of these economies as discussed above. Strong redistributive measures are needed to guarantee that a substantial portion of the wealth generated by enclave manufacturing or mining is circulated through the rest of the domestic economy, in order to boost aggregate demand and employment. ‘Success’ might be deemed as avoiding a situation in which the bulk of transitioning labour ends up in insecure informal employment, as has occurred in much of Latin America where labour forces are both highly urbanised and informalised. The success in avoiding this outcome in East Asia was not the result of labour market flexibilisation and other orthodox approaches to employment policy. Rather, higher priority was given to measures that enhanced livelihood or employment security through the course of labour transitions – starting from land reform at the source of emigrations in the early 1950s – so as to avoid excessive social dislocation and unrest, among other concerns. Redistribution in various forms has been central in these strategies.¹²

Indeed, this redistributive principle draws from earlier European cases of industrialisation. As detailed in the seminal work on late industrialisation by Alexander Gershenkron (1962), classic late industrialisers (Germany, Russia and Japan) typically moved towards more universalistic forms of social policy and related redistributive public policies at an earlier stage of industrialisation than earlier industrialisers such as the UK, if not earlier in actual historical time. Moreover, these policy initiatives were central components of their successful late industrialisation strategies, alongside their ability to leapfrog in technological progress through the adoption and adaptation of more advanced technologies from industrial leaders (education was obviously key for the capability to do this). The instituting of universalistic social policy (in combination with other redistributive policies and factors such as out-migration from Europe and inflows of colonial wealth) was arguably a key contingency that allowed for the formalisation of transitioning labour forces, in addition to rising wages and non-wage standards of employment (including gender standards).

In this sense, we might state a Gershenkronian redistributive principle that the later the industrialiser and the greater the catch-up required, the greater the imperative to pre-empt and support industrialisation with strong redistributive mechanisms, including the universalisation of social policy as a central component. We might also add a corollary that this redistributive imperative becomes even greater, the later (and faster) the demographic transition. This is because later (and generally faster) transitions result in faster increases in the labour force (in absolute terms and as a proportion of the total population), precisely at a time when productive industries are becoming less labour-absorbing. The need for employment generation in tertiary sectors thus intensifies, relative to earlier industrialisers and earlier demographic transitions.

Nonetheless, short of radical shifts towards such principles, the predominant supply-side emphasis in contemporary mainstream development policy arguably exacerbates the dilemmas of informalisation, casualisation and effective underemployment of labour transitioning to urban tertiary sectors in the Global South. This exacerbates the labour valuation problem discussed in the previous section, which in turn undermines import capacity, as discussed in the first section. In this sense, the redistributive principle of late industrialisation applies equally well to the case of decarbonising economic growth, insofar as its absence undermines the capacity of a country to follow a decarbonising path of development (versus simply remaining in a state of austere energy use).

¹² For a detailed discussion of the role of national redistributive policies in the cases of China, South Korea and Taiwan, see Fischer (2014).

Moreover, global (North-South) redistribution should reinforce the capacity of developing countries to face these development challenges, which are already monumental even without the inclusion of a decarbonising agenda. Northern influence should certainly not undermine domestic redistributive strategies, such as by exacerbating balance of payments constraints. Indeed, the demographic tragedy of structural adjustment policies in Sub-Saharan Africa in the 1980s was that they severely undermined public health and education systems precisely at a time when early post-colonial gains in mortality and fertility reduction needed to be reinforced.¹³ The insistence now for radical approaches to family planning among poor people in Africa, such as the morally repugnant idea of ‘population offsets,’¹⁴ would likely have little effect on reducing fertility rates (faster than they are already falling) in the absence of far more ambitious agendas for comprehensive and ideally universalistic health care and education systems.

The experience of China is often poorly comprehended in this sense. China’s success in reducing fertility in the 1970s from a rate of 5.8 in 1970 to 2.8 by 1979 – before the introduction of the one-child policy – cannot be appreciated without understanding the entirely state-collectivised economy that existed at the time. Collectivisation assured full employment and the near universal provision of primary health care and basic education in both rural and urban areas, at least to a level that allowed for the rapid dissemination of new practices and socially transformative messages. As a result, China had already far outperformed India in human development terms by the 1970s, even though both countries had started from about the same level in the late 1940s. For instance, UN (2013) reports that life expectancy at birth for both sexes combined in the period 1975-80 was 66.3 years in China versus 54.2 years in India. Similarly, China had achieved a literacy rate at the advent of the reform period in 1982 that was at about the same level as India in 2001, at around 66% of the population aged 15 and older in China,¹⁵ versus 65% of the population aged 7 and older in India.¹⁶ On the basis of these achievements, fertility rates fell much faster in China than in India once the Communist Party of China decided to start addressing family planning, almost two decades after India had made family planning a policy priority. The lesson for those who advocate radical population control for ecological sustainability is that the most important precondition for birth control is death control, which is best achieved through well financed and well staffed universalistic health care systems.

Conclusion

There has not been space here to expand on the practicalities required to combine a global redistributive agenda with a decarbonising one. In addition to universalistic social policy and other domestic redistributive strategies, resource transfers to poorer countries need to be massively scaled up so that they can make the deep investments required to transition towards less energy-intensive growth paths while also dealing with other development challenges. Strong frameworks in both South and North are needed for regulating transnational corporations and related flows of value and wealth, as well as global redistributive transfers. Northern rich countries must also reduce carbon emissions in line with their consumption, not simply their production, especially given the current tendency to outsource industrial production (and hence carbon emissions and other pollution) to poorer countries.

¹³ This point is, of course, debated. Some argue that structural adjustment improved health systems and outcomes.

¹⁴ The proposal of ‘population offsets’ is that rich citizens of the world pay for poor women to have fewer babies, with the logic that less babies means less carbon emissions. African babies (or their non-existence) are thereby given a monetary value. The proposal also carries the danger of placing the burden of climate adjustment on poor women who have insignificant carbon footprints. It is precisely such kinds of radical population control positions that have lent a bad name to family planning, thereby undermining family planning as one component within comprehensive social provisioning systems.

¹⁵ Calculated from NBS 2013, table 3-8; note that the data in this table requires recalculation because the illiteracy rate reported is calculated with the total population as the denominator, rather than the population aged 15 years and older.

¹⁶ From the Government of India census website, last accessed on 5 October 2014 at [http://censusindia.gov.in/\(S\(rfmcju55xljeppqim0cctv55\)\)/Census_Data_2001/India_at_glance/literates1.aspx](http://censusindia.gov.in/(S(rfmcju55xljeppqim0cctv55))/Census_Data_2001/India_at_glance/literates1.aspx)

Moreover, a key question is how to organise global redistributive transfers in a manner that does not continue to subordinate Southern populations to Northern (corporate) interests by reinforcing existing forms of dependency and creating new ones. The current aid system has far from resolved this question, or even acknowledged it. Nonetheless, recent post-war history has shown us that where there is a will there is a way. For instance, ample aid and then preferential finance were supplied to South Korea without diluting its national ownership of industrialisation.¹⁷ The country thereby avoided many of the vulnerabilities that emerged in the Latin American experience of early post-war industrialisation, which were related to a reliance on foreign direct investment and, as a result, a domination by transnational corporations in key strategic industries. The fact that the setting in East Asia was motivated by geopolitics during the Cold War merely identifies the source of political will. It does not invalidate the redistributive principles that were involved. The key challenge for the agenda of decarbonising the global economy in a socially just manner is to forge a similar type of political will for North-to-South redistribution, except at a much broader scale and motivated by climate change rather than geopolitics.

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¹⁷ The late Alice Amsden consistently pointed out that industrialization in South Korea was achieved on the basis of mostly national ownership. See a clear statement in Amsden (2009).

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About the Author(s)

Dr. Andrew M. Fischer is Associate Professor in Social Policy and Development Studies at the Institute of Social Studies (ISS), and laureate of the European Research Council Starting Grant, which he won in the 2014 round. He is also the founding editor of a new book series recently signed with Oxford University Press entitled *Critical Frontiers of International Development Studies*. His current ERC Starting Grant is on the political economy of externally financing social policy in developing countries, with a focus on the emerging social protection agenda among donors. The objective of the research is to deepen our understanding of the systemic political and economic challenges facing global redistribution towards poorer countries. His earlier work on the impact of Chinese regional economic development strategies in the Tibetan areas of Western China (encompassing five provinces) is also well known for its critical engagement with concepts of social exclusion and marginalisation within a context of rapid growth and socioeconomic transformation, viewed in particular through the interaction of changing education and employment systems. Dr. Fischer has worked with and advised various multilateral agencies and NGOs, including UNRISD, UNW, UNDP, UNICEF, UNECOSOC, Amnesty International, and Human Rights Watch. He earned his PhD in Development Studies at the London School of Economics and an MA in Economics from McGill University in Montréal when it was still a hub of post-Keynesian and structuralist economics.