

ENVIRONMENT AS THE EMERGING PHASE OF ECONOMIC DEVELOPMENT

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ABSTRACT

Economic development as has been well traced by notable economists proceeds in phases. Though, these phases are mostly spontaneous devoid of external control, they nevertheless could be discerned. Using this rational discernment, this author believes that the next phase of economic development would be environment-centred. This is because most economists and environmentalists are increasingly becoming aware that development could only be sustained if the environment is sustained. This being the case, the paper argues that the environment-centred phase of economic development should be positively induced, in order that the developmental efforts of the world would not crumble.

Keywords: *environment, economic development, phases, sustainability, environmental degradation*

INTRODUCTION

It is widely accepted that the human society aims at the provision for the individual(s), what they on their own, would find hard or impossible to provide for themselves. The society or the state exists because human beings are not self-sufficient. This is why Aristotle enthused: “he who is unable to live in society, or who has no need for the society, because he is sufficient for himself, must be either a beast or a god.” The state therefore exists for the well-being of the people. How far the state is able to achieve this goal, determines whether it falls into the category ‘developed,’ ‘developing,’ or ‘underdeveloped’. Though, these categories are used to denote the developmental stages of different countries, I do not believe any economy has reached that exalted status ‘developed’. Every economy is in a continual process of development, though some are in a more advanced state than others. A country could only be termed developed, if its rate of exploitation of the environment is at equilibrium with its rate of repair. That is the point of sustainable development. Most economies have recently realized that their development is unsustainable, because the environment needed to sustain it has been seriously depleted. In a bit to ensure that their so called ‘development’ does not crumble to the floor, they are ready to pay billions of money to the ‘developing’ nations not to clear their forests and to sustain their environment. These countries have developed (exploited the environment) to the point, that their development is hanging on a thread, needing the environment of the ‘developing’ countries for support. This sort of development, this paper refers to as ‘pseudo-development’. Many countries would soon realize the futility of this sort of development and moves for the next phase of development, I term – environment-centred phase of economic development.

As should be expected, the trends or phases of economic development of nations have been traced and argued for by many economists and philosophers of economics. This paper attempts an analysis of the important views as regards the phases of economic development of nations and point out a future emerging phase that has not been given full attention by economists. This trend which is 'environment-centred' phase of economic development is eminent but could be made to speedily emerge. This work urges all to make conscious and frantic effort to ensure that environmental concern becomes the centre of economic developmental drive.

THE PHASES OF ECONOMIC DEVELOPMENT

Economic development is simply the advancement or modernization of simple economic units to a more complex one. For David N. Hamlyn economic development entails the birthing and increment in physical and human capital. He explicitly opined;

The process of economic development involves the creation of new physical and human capital and increases in the per capita income and productivity of workers...the process of saving, investment, improvements in technology and free international trade in improving future economic wellbeing (825-826).

This implies that for an economy to develop, all the sectors are to be made to evolve to better ones. Economic development considered from this perspective really gives credence to the submission that development is multi-dimensional and in a continuum. Here, the important sectors are considered to be the determinants of development. Hence, wherein a poor health policy is orchestrated and practiced by a country, its economic status cannot be said to have developed. The implication of this is that an economy can only be regarded as developing when the policies put in place are meant to improve the general wellbeing of the people and not only a minute aspect of the society. Hence economic development in this focus takes into consideration the promotion of economic growth by improving drastically the basic factors such as health, education, working conditions of both public and private works, domestic and international policies and market conditions in the developing world and ensuring of sustainability in the already said to be developed countries. From this standpoint, economic development examines both macroeconomic and microeconomic factors relating to the structure of a developing economy and how the economy can create effective domestic and international growth (www.investopedia.com/terms/d/development-economics.asp).

The phases of economic development describe the process a given economic system, passes before it attains the status of 'developed'. Or to put it differently, it describes the phases, stages or states the developed economics passed through before they assumed the status they are now known. It could also mean, the major stages a given economy will pass through in its ultimate quest to attain development. These phases are mapped out mostly to encourage developing and transitional economies to develop policies that will bring about a holistic economic development and not just economic growth.

Many theories have been put forth by economists and philosophers of economics to indicate the major phases of economic development. The major theories of economic development to be considered in this corpus shall be the historical materialism of Karl Marx, the economic historicity of Jean-Paul Rodrigue, and the phases of economic development of Walter W. Rostow.

KARL MARX THEORY OF PHASES OF ECONOMIC DEVELOPMENT

Marx's theory of phases of economic development, complements his theory of class struggle. Economic development for him passes through five phases:

Slavery:At this stage human labour was the main source of getting work done. Human labour was the means through which all the things needed by humans were brought into existence. This made human labour the most important resource and means of production. It made humans to value and quest after slaves. The more the slaves a man or society has the more powerful the man or society becomes. The main form of human labour then was hunting, gathering and felting.

Feudalism:as the population of humans grew, it became impossible to feed them only through hunting, necessitating the need for land for cultivation of crops. At this period, people learn how to sow, harvest and invent tools to increase production. At this stage labour ceased to be the most important resources. Land became the most sought after resources and thereby determines who is important in the society and who is not. Those who had enough land were regarded as most powerful. The fiefs who were the warlords, who fought among themselves for land, held the land with the permission of the king. The fiefs employ the serfs to work in their land to grow crops. In the feudal economy, agriculture rather than hunting became the main form of human activity. Government main source of income was revenue derived from land.

Capitalism:this is the era of industrial revolution, where scientific and technological ideas became widespread. This led to innovations and introduction of new technology in diverse sectors of the economy. The improvement in technology initially benefitted the agricultural sector more, leading to the displacement of labour from this sector. The emergence of the textile and mineral sectors, absorbed the displaced labour from agriculture. Since agricultural sector was located at the rural areas while the textile and mining sector was located at the urban areas, they arose rural-urban migration phenomenon.

As agricultural productivity was improved due to improved technology, much land was no longer needed for farming. Land therefore, shifts from being the most important resource, giving way to capital. Building of industries needed much capital, making the owners of it the most important and powerful people.

Socialism and Communism:Marx believes this is the end of economic development and world history. Capitalism he predicted will eventually create a class struggle, which will culminate in

socialism and then communism. Labour which are the oppressed class will unite together and overthrow the capitalist class. In a socialist economy, labour will control the state and own the companies. Incomes of individuals will be determined by needs and not by market mechanism. Socialism will later give way to communism, where the state itself will no longer exist and classes will fizzle out.

JEAN-PAUL RODRIGUE'S PHASES OF ECONOMIC DEVELOPMENT

Rodrigue believes that four major phases of economic development are discernible in the world economic history. The phases are:

The Age of Mercantilism (c1500-1780): This phase according to Rodrigue is one where spatial economic relations were local in scope. That is, though most countries like China and India had trade relations with other countries, they were not proactive at setting long distance trade relations. This was an era, where trade was monopolistic, aided by the setting of the first transoceanic trade routes, which led to a remarkable expansion of the hegemony of Europe through the setting of colonial empires (such as the [Spanish and Portuguese empires](#)) and their underlying mercantilist system where trade relations were monopolized and controlled. Due to this control and monopoly of trade, production remained relatively unchanged and was restricted to a system where crafts were learned and diffused to apprentices. In many cases this resulted in the emergence of specialized craft cities due to mastery of these crafts, still this did not lead to mass production due to the monopolistic control of trade.

The Industrial Revolution (c1780-1880): This is an era where mechanized production and distribution systems were set up, seeing to the emergence of industrial capitalism where mass production and consumption became possible. This mass production was made possible through the use of a larger production unit - the factory. The setting up of factories increased the demand for labour, which in turn boosted an increase in urbanization and the emergence of industrial cities, with wide scale trade relations, surrounding raw materials and energy. The trade relations were enhanced by the setting up of canals and rail networks that permitted inland transportation. The emergence of ships also enhanced long distance trade as well as colonialism.

The Emergence of Fordism (c1880-1970): Industrialization and the improvement in trade relations led to the emergence of a capitalist system, dominated by large multinational corporations or corporations that operated under a quasi-monopolistic status over their respective economies. This was further exacerbated when industries in close proximity agglomerated in order to meet the increasing challenge of manufacturing. It is a period that saw the replacement of state imperialism that resulted from colonialism with corporate imperialism.

Post-Fordism (c1970-2010): According to Rodrigue, this is an era that led to an acceleration of globalization, aided by a convergence of important transportation technologies, like jet planes services, containerization and telecommunication as well as computer network. This led to the emergence of export-oriented economies like Japan, China, Korea and others that profited from

the global set up. In this era, knowledge became a form of capital, since innovation was a key to the quantitative and qualitative improvement of goods and services. This era is sometimes called the information age, as information technologies became more embedded in the production of products and services.

WALT ROSTOW'S PHASES OF ECONOMIC DEVELOPMENT.

The phases of economic development by Walt W. Rostow are contained in his magnum opus, *Stages of Economic Growth* of 1960. According to Rostow, all countries exist somewhere on the linear spectrum, and climb upward through each stage in the development process until they attain the status of (being) develop(ed). Nevertheless, he made explicit the fact that these stages or phases were fashioned to tackle economic issues that are capable of holding down any economy from being developed. The stages of economic development outlined by Walter Rostow are five:

Traditional Society:- This is the first phase of economic development; it describes how a country's main economic activity is evident in its subsistent agriculture. These agricultural activities include farming, animal husbandry, hunting and gathering which in today's world we term primary economy. This stage being dominated by subsistent agriculture does not mean, there was no utilization of technology; it was constrained and inadequate. At this phase of the economy, there are no individual or entrepreneurial skills to give the economy a boost. This is to say, there is intensive labor and low levels of trading, and a population that does not have a scientific perspective on the world and technology (<https://www.thoughtco.com/rostows-stages-of-growth-development-model-1434564>). More so, the economy has to struggle for survival as the individuals see agriculture as the key to their economic development, they strive to make advancement in order to go past subsistent agriculture to commercialize what is being produced as the intervention of the government is imperative here. From this consciousness of the importance of agriculture, its tradability sets in and the attempt of the traditional society to conform to it, catapults it to the next phase of development, which Rostow's tags 'precondition for takeoff'.

Precondition for Takeoff:-This phase of the economy sets in due to the increasing demand of agricultural products within and outside an economy. Due to an increase in demand efforts are made at this stage to meet the demand for goods. This effort ranges from updating or adapting new technologies, increase in the construction of roads to ease movement of goods to different areas of demand, increase in investment in agriculture etc. This implies that agriculture becomes more mechanized and more output is traded. Savings and investment grow although they are still a small percentage of national income (GDP). In this precondition for takeoff, the economy witnesses an additional area of investments. This inevitably will bring about sweeping change in the social structure of the society where even individual social mobility will become a priority as it was not in the traditional society. The concomitant effect of this will be the sharing of economic interest within and without, with a strong emphasis on national identity.

Takeoff:- According to Rostow, this phase is usually short, and is characterized by increase in urbanization, industrialization, (re)modernization, and technological advancement. It is a stage where an economy is no longer contented in exchanging raw agricultural products, it processes most of them. This is akin to the industrial era. An economy at this point reaches an industrial phase. This industrialization leads many farmers to abandon the farms for jobs in industries (Ayers and Collinge 731). The economy as a matter of fact thrives in secondary production. This is to say, the economy made provision for some of the raw materials produced by them to be processed either for the consumption of the immediate society or for export purposes. This invariably increases the economical strength of the country.

Drive to Maturity: This is a stage of economic diversification. In this phase of the ladder of development, the country becomes aware that a mono-economy may crash in the distant future; and thus begin to develop measures for diversification. A necessary consequent of this diversification is the further increase in the investments of capital to multinational industries. The transportation sector therefore witnesses a boost to augment the diversification process. Moreover, already a multinational or diversified economy, the need for large-scale investments in the social infrastructure becomes indubitable. This see both the government and private sectors establishing schools of international standards, endeavouring to equip the health sector to meet up to the challenges that attend or comes with development, etc. In this phase of economic development, both the government and private individuals or sectors contribute to the further development of the economy owing to the nature of the market. The market status here is what is known in economics as free-market. The economy now gradually shifts to a capitalist kind of economy though with governmental policies to regulate the excesses of the capitalists and protect consumer's rights.

High Mass Consumption:-In this phase of economic development according to the Rostowean model, the production of consumer goods and services dominates economic activity. This implies that there will be a radical widespread and normative consumption of high-value goods such as factory-fitted automobile, furniture of high standard, etc. The economy at this level or phase will be measured by the amount of savings people are able to make without counting their capita. At this phase, the output level grow, and consequently the finances of the nation and individuals grow, enabling increased consumer expenditure. There is a shift towards tertiary sector activity and the growth is sustained by the expansion of a middle class of consumers (<https://www.tutor2u.net/economics/reference/rostow-five-stages-of-economic-growth-model>).

This is an economic phase of self-reliance. This is meant to say that the given economy does not in any way rely on other economies for its sustenance rather it dishes out economic aids to those economies that implore its aids. Importantly, the living condition of this economy is above average. This is, a holistic development of the economy, not just the agricultural sector but every other sector that has the capability to contribute to the general well-being of the society.

ENVIRONMENT AS THE FUTURE PHASE OF ECONOMIC DEVELOPMENT

Economic theorists have made frantic and brilliant attempts to capture the movement of the world history in terms of economics. Most of them have predicted the future course of development in economics. However, one point seems to have been ignored, - environment concerns will soon determine the course of economic development.

There has been widespread concern over the state of our environment from all angles of the world. There are reports in the media, books, journals, symposia et cetera of the degradable condition of the natural environment due to the predation of humans. The human population is daily increasing by between 280000 and 300000 people (Cunningham & Cunningham 75). This galloping increase in population means, that the pressure on the environment is growing and that we are constantly polluting the soil, the ocean and the atmosphere with huge amount of radioactive and other poisonous substance like detergents, oil, gasoline, pesticides, acids caustic salts, metals et cetera.. Because of this pressure of humans on the environment, scientists believe that the Earth's surface temperature has risen to about 0.8 degree Celsius (1.4 degree Fahrenheit) leading to what is referred to as global warming (America's Climate Choice 15). Estimates reveal that if the present day rate of development continues unabated, the depletion of the biosphere to the point of instability would occur at the second half of next century. We are presently spending the potential energy of the biosphere at ten times the rate it is being accumulated by living organisms that can absorb sunlight. At least 60 percent of the forests of the planet have been lost. It is "estimated that about half of the Earth's mature tropical forest, that is between 7.5 million and 8 million km² (2.9 million to 3 million sq mi) that until 1947 covered the planet – have now been destroyed" (Nelsen 35). Some scientists are predicting that if the present level of destruction goes on, by 2030 only 10% of our forest will be remaining, and another 10% will be in a degraded condition and 80% totally lost (Wilson 4). Depletion of forest means, increasing the atmospheric carbon dioxide, which is the root cause of global warming. It was reported in May 2013, that "readings for CO₂ taken at the world's primary benchmark site in Mauna Loa surpassed 400ppm" (BBC. *Carbon Dioxide passes Symbolic Mark*). In 2012, studies suggest that in 20 years, "25% of all mammal species could be extinct". It is also estimated that if the present rate of extinction is not halted, up to "30% of all species will be extinct by 2050". Of these, "about one eighth of known plant species will be extinct" (Gabriel. <http://news.bbc.co.uk/2/hi/science/nature/6432217.stm>). Today it is believed that the equilibrium of biospheric processes is threatened, for many of the accommodated mechanisms of the biosphere are functioning close to their full capacity (Laptev 111). If these problems persist, the environment may deplete to the point where it would no longer be able to sustain life, thereby signaling the end of man on earth.

This implies that development as it is being conceived today, pitches humans against the environment. This is increasingly being realized by many scholars. . Redcliff for instance, describes development as an oxymoron, because for him it necessarily entails environmental degradation (213). In recognition of this negative impact of development on the environment.

Gro Harlem Brundtland, former Norwegian Prime Minister, made a call for a new holistic ethic that will incorporate economic development and environmental protection. This call for a new ethic was made during “The World Conference on the Changing Atmosphere”. According to her, in the “United Nations Commission on Environment and Development”, “human survival and well-being could depend on success in elevating sustainable development to a global ethic” (*World Commission on Environment and Development, Our Common Future*. 308). This call by Brundtland for the need for a reformed way of life that is both socially and environmentally friendly has received wide response from ethicists all over the world. Over the years respected figures like: Indira Gandhi, Pope John xxiii and Prince Philip have made appeals similar to those of Brundtland for the necessity of a global moral transformation (Engel 6). However, the notion that sustainable development should be taken to a global level is traceable to the “United Nations Conference on the Human Environment at Stockholm in 1972” (Caldwell 2). At this conference, economic justice was brought to stand at par with environmental protection. However, the first official recognition that ethics was of explicit concern to the international conservation movement, came in 1980 at the launching of the World Conservation Society (WCS) by the “International Union for the conservation of Nature and Natural Resources”(IUCN) in cooperation with UNEP, FAO, UNESCO and WWF. The preface of chapter 13 of the document reads;

Ultimately the behaviour of entire societies towards the biosphere must be transformed if the achievement of conservation objectives is to be assured. A new ethic, embracing plants and animals as well as people, is required for human societies to live in harmony with the natural world on which they depend for survival and well-being” (*International Union for the Conservation of Nature and Natural Resources* 13.1

Apart from these secular concerns on the environment, there have been religiously inspired movements, institutions and educational projects aiming at protecting the environment. Examples of this include: the “Buddhist Perception of Nature Project in Thailand”, the “Sarvodya Movement in Sri Lanka”, “Assisi Nature Council in Italy, the Eco-Justice Working Group of the National Council of Churches, USA” etc. religious conferences on environment include: “World Council of Churches, Conference on Faith, Science and the Future” held in the Massachusetts Institute of Technology in 1979, “Conferences of Roman Catholic Bishops in the Philippines” and the “Dominican Republic”etc (Bisong 3). In 1988 Pope John Paul 11 in an encyclical “Sollicitudo Rei Socialis” (On Social Concerns) calls for an

Awareness of the fact that one cannot use with impunity the different categories of beings, whether living or inanimate – animals, plants and natural elements – simply as one wishes, according to one’s economic needs. On the contrary one must take into account the nature of each being and its mutual connection to an ordered system, which is precisely the cosmos (Origins 645).

To enhance the efforts of the world moral traditions in providing an adequate environmental ethics, a growing number of philosophers and theologians have undertaken the task of ethical construction. Many books and journals are now in circulation carrying

environmental ethical ideas. This is a signal that a new phase of economic development is emerging. I call this an environment-centred economic development phase.

At this phase of development, development will cease to be measured by the amount of production of a country but by the environmentally friendly activities of that country. The extent of trade relations and the means of production employed will no longer be the focus, but the extent at which economic development sustains the environment. At this phase countries will realize that sustaining the environment is the surest way to sustain development. It will become clear that, destruction of the environment tantamount to 'pseudo-development'. The measurement and definition of a developed country will no more be by the economic wealth of the country but by the potential it has to sustain that development for the future generation.

This is a trend in economic history that will necessarily manifest. As scholars are increasingly getting awareness of the importance of sustaining the environment. However, these researchers think that conscious efforts could be made by humans to ensure that this phase emerges fast and easily. The first step towards this will be a reconceptualization of what it means to be developed – a conceptualization that will favour the environment and not destroy it.

CONCLUSION

Environment-centred phase of economic development is imminent. It is clear from the agitations and calls for a sustainable development. It is a phase that will surely come but the researcher believes could be enhanced.

Human mindsets and activities could either delay or speed up this economic phase. Nonchalant attitudes to the environment will delay the emergence of the environment phase of economic development and friendly activities will speed it up. The recommendation of this paper is that human beings should consider changing their present attitudes to the environment which have tended to deplete it, and put forth ones that will enhance a healthy and stable environment. This is the only way development could hope to be sustained. This is the only way to arrive at authentic development.

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