

DEBT-FOR-NATURE SWAPS

I. INTRODUCTION

Environmental degradation is a problem as immense in scope as it is horrific in detail. Global warming, for instance, threatens many species and ecosystems. Failing to mitigate global warming risks stronger hurricanes, massive droughts, loss of biodiversity, and the spread of disease; worst case scenarios include the long-term flooding of costal areas around the world by rising ocean tides, and even another ice age.¹ Another problem as immense and horrific as environmental degradation is extreme poverty. Over 1 billion people are living in extreme poverty, unable to secure adequate food, shelter, clothing, healthcare, and clean water and sanitation.² Eighteen million people die every year from such poverty-related causes as malaria, AIDS, and starvation.³ Debt-for-nature swaps might help to solve both problems.

Debt-for-nature swaps are agreements between creditors – either developed countries or international financial institutions – and developing country debtors. In bilateral swaps, a creditor agrees to forgive a developing country's debt on the condition that the developing country fund and implement a domestic conservation program. Generally, non-governmental conservation organizations such as the World Wildlife Fund and Conservation International broker these bilateral swaps. Sometimes, however, debt-for-nature swaps are three-party agreements between a creditor, a non-governmental conservation organization, and a developing country debtor. In commercial swaps, creditors sell a developing country's debt to a conservation organization at a reduced rate. Then the conservation organization

¹ See, for example, Gardiner 2004; and Mayell 2002.

² Sachs 2005, p. 20.

³ See, for example, UNCF 2005; and Pogge 2006.

agrees to forgive part or all of the debt so long as the developing country funds and implements a domestic conservation program.⁴ Today, more than 30 countries have participated in debt-for-nature swaps.⁵

Many environmentalists praise these swaps. In 2002 debt-for-nature swaps topped Time Magazine's list of most promising conservation strategies.⁶ Debt-for-nature swaps have helped create large nature preserves. In 1987, for instance, Conservation International brokered a swap which created Bolivia's Beni Biosphere Reserve.⁷ In 2007, Peru agreed to protect "7.5 million acres of tropical rain forest containing pink river dolphins, jaguars, scarlet macaws and giant water lilies."⁸

Others praise debt-for-nature swaps for their potential to alleviate extreme poverty.⁹ Developing countries often face crushing international debt burdens, which can interfere with their ability to eliminate – or, at least, alleviate – extreme poverty within their borders.¹⁰ Because debt-for-nature swaps reduce the amount of money developing countries must spend servicing their debts, such swaps may help these countries lift their people out of extreme poverty. At first blush, then, debt-for-nature swaps seem to provide win-win solutions to the problems of environmental degradation and extreme poverty.

One might naturally assume that debt-for-nature swaps are morally permissible, if not morally obligatory. This paper will argue that, appearances notwithstanding, debt-for-nature swaps are sometimes morally *im*permissible. Our argument is motivated by an analogy between international loans and debt-for-

⁴ See WWF 2008.

⁵ See McCarthy 2002.

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ See, for example, ENS 2002.

¹⁰ See, for example, Jubilee 2008 and World Bank 2008.

nature swaps, in particular, by structural similarities between the economic conditions traditionally placed on international loans to developing countries (economic conditionality) and the environmental conditions commonly placed on debt-for-nature swaps (environmental conditionality). So, after setting out the moral framework we use to evaluate the permissibility of debt-for-nature swaps, we discuss (moral) problems that have been attributed to economic conditionality. We then show how similar problems apply to debt-for-nature swaps both in theory and in practice. Finally, we entertain some objections to our argument.

II. HUMAN RIGHTS AND EXTREME POVERTY

This paper will work within a human rights framework. It assumes that we all possess human rights in virtue of our humanity, and that we all have an equal claim to their fulfillment.¹¹ Human rights are traditionally understood as the rights necessary to secure a minimally decent life. We have human rights *to* things that are necessary to living a minimally decent life, and we have human rights *against* things that are detrimental to living a minimally decent life.¹² Clearly, then, we have a human right *against* extreme poverty—or, alternatively, a human right *to* what we need in order to avoid extreme poverty.

Now because everyone has a human right against extreme poverty, it is incumbent on us (i.e., humanity) to ameliorate it. But just what does it mean to lay responsibility for securing the human rights of everyone at the doorstep of humanity? What does it mean to say the duties that arise from human rights are duties *of humanity*? Here, we might follow James Nickel who provides a clear and plausible answer:

¹¹ See, for example, Nickel 2007; Pogge 2002; and Buchanan 2007.

¹² At least, that is, people have a right against standard threats to their ability to live a minimally good life, and to have standard protections of this ability.

(1) governments are the primary addressees of the human rights of their residents, with duties both to respect and to uphold their human rights; (2) governments have negative duties to respect the rights of people from other countries; (3) individuals have negative responsibilities to respect the human rights of people at home and abroad; (4) individuals have responsibilities as voters and citizens to promote human rights in their own country; and (5) governments, international organizations and individuals have back-up responsibilities for the fulfillment of human rights around the world.¹³

It is helpful to separate the negative duties from the positive duties that arise from human rights. On the one hand, negative duties that arise from human rights are addressed to all of humanity all of the time: each of us, along with our governments, and non-governmental organizations, has a duty to avoid taking actions, implementing policies, and supporting institutions that undermine human rights anywhere at anytime.¹⁴ It is, for instance, always incumbent on both Kenyans and U.S. citizens, along with the Kenyan government and the United States government, and (say) the World Bank and the World Wildlife Fund, to avoid taking actions, implementing policies, and supporting institutions that undermine the human rights of either Kenyans or Americans. On the other hand, positive duties that arise from human rights are *not* addressed to all of humanity all of the time; rather, they are addressed to humanity in stages of priority: beginning as domestic duties and, if necessary, ending as international duties.¹⁵ It is, for instance, the *primary* duty of the Kenyan government – not (say) the United States government, the World Bank, or the World Wildlife Fund – to take actions, implement policies,

¹³ Nickel 2005, p. 396. For an expanded discussion of this, see Nickel 1993 and 1995.

¹⁴ See Pogge 2002 and Buchanan 2007.

¹⁵ See Pogge 2002 and Buchanan 2007.

and support institutions that secure the human rights of Kenyans. Similarly, it is the primary duty of the United States government – not (say) the Kenyan government, the World Bank, or the World Wildlife Fund – to take actions, implement policies, and support institutions that secure the human rights of U.S. citizens. But when a country is unable to secure the human rights of its people, it becomes a *secondary* (positive) duty of the international community – requiring not just states but individuals and non-governmental organizations – to assist. So, for instance, if the Kenyan government is unable to secure the human rights of its people, and if the United States government has already fulfilled its primary duty to secure the human rights of its people, then, other things being equal, it is the responsibility of the United States government – along with similarly capable members of the international community – to assist in securing the human rights of Kenyans.¹⁶

So, this paper assumes a moral framework in which everyone has a human right against extreme poverty that gives rise to high-priority duties (on humanity) to ameliorate extreme poverty. Before using this framework to judge the permissibility of debt-for-nature swaps, it is helpful to consider some problems associated with structurally similar international loans.

III. INTERNATIONAL LOANS AND ECONOMIC CONDITIONALITY

Loans are conditional. Creditors make loans on the condition that their debtors will pay them back, usually with interest. In international lending, however, economic conditionality has become more complex and restrictive. Developing countries seeking international loans – whether from more affluent countries or

¹⁶ People and non-state institutions also have secondary obligations to assist in protecting human rights. As citizens, for instance, we have obligations to vote or campaign for appropriate protections.

international financial institutions like the World Bank or International Monetary Fund – must often agree to implement economic reforms designed to promote macroeconomic stability and growth. Countries may be required, for instance, to:

- Liberalize trade (say) by reducing tariffs and non-tariff trade barriers.
- Liberalize financial markets (say) by allowing world markets to dictate exchange rates or devalue local currencies against hard currencies such as the dollar.
- Diminish the role of the state in guiding the economy (say) by privatizing major sectors of the economy, decreasing government bureaucracy, and reducing spending on such things as healthcare, education, and welfare.¹⁷

In short, international loans have traditionally been conditional on liberalization, deregulation, and privatization. Although the conditions on international loans continue to evolve in order to address worries about their timing, content, and efficacy, most international creditors remain committed to advancing these kinds of reforms.¹⁸

Some international loans that have traditional economic conditions attached are morally impermissible. This is because some such loans undermine the ability of debtor countries to protect the human rights of their people now or in the future. Given the moral framework set forth in §II, it is the duty of humanity to ensure that all people are able to live minimally decent lives. On this view, an international loan

¹⁷ See, for example, Bello 1996 and Sachs 2005.

¹⁸ See, for example, Bello 1996 and Stiglitz 2003. Attending to the content of the programs recently implemented in developing countries also allows us to see how similar the new requirements are to the old requirements. In Indonesia and Zambia, for instance, such programs have specified that should abolish import monopolies, phase out non-tariff barriers on imports, reduce tariffs, dissolve cartels, remove restrictions on foreign investment, and allow foreign banks to take over domestic ones.

is permissible only if it protects the human rights of people whose lives are affected by it. So, if meeting the conditions on an international loan prevents a debtor country from protecting its people from extreme poverty, the loan is impermissible. International creditors – whether countries or international financial institutions – have a duty to ensure that the conditions they place on their loans preserve the ability of debtor countries to protect their people from extreme poverty. That is to say, international loans must be sustainable: an international loan is *sustainable* if and only if the debtor country can protect its people from extreme poverty while servicing the conditions of the loan. Unfortunately, there appear to be real-world cases in which international loans with traditional economic conditions attached are unsustainable.

In 1998, for instance, the World Bank and International Monetary Fund worked with the Bolivian government to privatize its public enterprises – including Bolivia’s water company (SEMAPA) – as a condition of giving Bolivia a loan.¹⁹ Subsequently, when the Bechtel Corporation took over the Bolivian water supply, many poor Bolivians saw their water bills triple or quadruple. In March 2000, Bolivians took to the streets in protest—demanding affordable water. Although Bechtel eventually relented,²⁰ it appears that Bolivia was unable to protect the human rights of its people while servicing the conditions on its loan. The requirement on Bolivia to privatize its water supply was unsustainable and, therefore, impermissible.

In another case, the International Monetary Fund required Ecuador to privatize its water and sewage system as a condition of giving Ecuador a loan.

¹⁹ IMF and World Bank 1998.

²⁰ Bechtel took Bolivia to court but eventually settled for a nominal amount due to international pressure.

Although service improved in some respects, poor infrastructure led to an outbreak of hepatitis A, and poor Ecuadorians suffered as prices rose and subsidies were eliminated. As a result, in some parts of Ecuador, the poor were unable to gain access to clean water and sanitation: for instance, 76% of the residents of Plan Piloto characterized their water as "turbulent and foul smelling"; 45% said it was "yellow or dark"; and 74% said it smelled like feces.²¹ It thus appears that Ecuador was unable to protect the human rights of its people while servicing the conditions on its loan. The requirement on Ecuador to privatize its water and sewage system was unsustainable and, therefore, impermissible.

Finally, in a third case, the International Monetary Fund pressured Niger to put a 19 percent value-added tax on goods – including foodstuffs – as a condition of giving Niger a loan. The tax was levied even though food costs had risen more than 75 percent in the previous five years, and even though Niger's nomadic herders' main source of income (livestock) had fallen 25 percent in value.²² Although causation is notoriously hard to prove, we know there was famine in Niger that year, and that the tax was an aggravating factor in the famine.²³ It thus appears that Niger was unable to protect the human rights of its people while servicing the conditions on its loan. The requirement on Niger to impose a 19 percent value-added tax on goods – including foodstuffs – was unsustainable and, therefore, impermissible.

IV. DEBT-FOR-NATURE SWAPS AND ENVIRONMENTAL CONDITIONALITY

Now we turn to the permissibility of debt-for-nature swaps. International loans with traditional conditions attached are structurally similar to debt-for-nature

²¹ Joiner 2007, p. 15.

²² Engler 2005.

²³ Amanthis 2005.

swaps. Just as international loans require debtor countries to institute certain *economic* programs in order to get the loans, debt-for-nature swaps require debtor countries to institute certain *environmental* programs in order to get debts forgiven. Both institutions exhibit the following structure: Creditor *C* will bestow benefit *B* on debtor country *D* if and only if *D* institutes program *P*. The moral framework set out in §II places a sustainability condition on all such transactions: if a debtor country *D* is unable to institute program *P* while securing the human rights of its people (say, by protecting them from extreme poverty), then the transaction in question – whether an international loan or a debt-for-nature swap – is impermissible. We know from our discussion in §III that at least some international loans with traditional conditions attached are impermissible for this reason, and, given the structural similarity between such loans and debt-for-nature swaps, this should give us pause when considering the permissibility of debt-for-nature swaps

Although debt-for-nature swaps are supposed to reduce a debtor country's international debt burden, this may not be enough. Whether those offering (or brokering) debt-for-nature swaps have discharged their moral duties to the people in debtor countries depends on whether the swaps are sustainable—a matter for empirical inquiry. Such inquiries must examine whether a debtor country can fulfill the conditions on a debt-for-nature swap while maintaining economic growth, domestic infrastructure, and (if necessary) redistributive mechanisms sufficient for securing the human rights of its people in perpetuity. Suppose, for instance, that the World Wildlife Fund (WWF) brokers a debt-for-nature swap between the U.S. and Columbia in which the U.S. agrees to forgive \$100 million of Columbian debt so long as Columbia agrees to institute a \$20 million conservation program designed to protect its tropical rainforest. The permissibility of such a swap will depend on its

sustainability: the \$20 million conservation program must not prevent Columbia from maintaining the economic growth, infrastructure, and redistributive mechanisms necessary to (say) protect current and future generations of Columbians from extreme poverty.

But, one might object, a debt-for-nature swap is permissible if it benefits a debtor country and its people. While this may be so on some moral framework, it is not so on the human rights framework set out in §II. It is not enough, on this view, that a debt-for-nature swap makes a debtor country and its people better off, since it is possible to benefit a country and its people without respecting their human rights. A debt-for-nature swap between the U.S. and Columbia can improve Columbia's political power and the average well-being of Columbians even if it fails to protect some Columbians from extreme poverty. So, the permissibility of a debt-for-nature swap depends not simply on whether the debtor country and its people benefit from the swap, but on whether the country can protect its people from extreme poverty while fulfilling the environmental conditions placed on the swap.

Nonetheless, there may be cases in which a particular debt-for-nature swap is the best a creditor (or broker) can do to help a debtor country protect its people from extreme poverty. Such cases present a tragic dilemma. Creditors (or brokers) must choose between making an otherwise illegitimate offer and doing what has better consequences for the debtor country and its people. If an *unsustainable* debt-for-nature swap happens to be the best option available to a creditor (or broker) and a debtor country, then offering (or brokering) the swap may be the right thing to do in the circumstances. But this is a tragic choice even if no one is blameworthy for having to make it. Of course, one might wonder what we gain by classifying the *right* choice as *tragic*. What we gain is an interest in avoiding circumstances where we are

forced to make ourselves complicit – however blamelessly – in the perpetuation of extreme poverty and *ipso facto* the violation human rights.²⁴ The importance of this interest cannot be understated, since it is *this* interest that will help us guard against failures of imagination that result in the (unnecessary) perpetuation of extreme poverty and violation of human rights. Because the (circumstantial) permissibility of offering (or brokering) an unsustainable debt-for-nature swap depends on the absence of better options, and because the absence of better options depends (in part) on us *not* imagining them, we must be sure to exhaust our imaginations before concluding that our best option is an unsustainable debt-for-nature swap. If we fail to exhaust our imaginations in the effort to find feasible alternatives to unsustainable debt-for-nature swaps, then we make ourselves not only complicit but culpable in the perpetuation of extreme poverty and violation of human rights.

Before examining the permissibility of some real-world debt-for-nature swaps, let us suggest some further conditions on their permissibility—in addition to sustainability. We have thus far assumed that the debt being swapped for nature in debt-for-nature swaps comes from valid loans. But this need not be the case. First, some loans are *odious*. They are (1) accepted by those without legitimate authority or (2) used for purposes that do not benefit the debtor country or its inhabitants.²⁵ Other things being equal, these loans are invalid. If, for instance, a dictator accepts a loan and embezzles the money, that country’s citizens should not be held to account. Second, some loans are *unsustainable* (see §III above). Other things being

²⁴ In this context, we can rationally regret having to make a choice that prevents us from realizing something we value, namely, the protection of human rights. See Stocker 1990 for more on rational regret in tragic circumstances.

²⁵ Gosseries 2008.

equal, these loans are invalid. So it seems that the permissibility of debt-for-nature swaps is contingent on the validity of the original loans underlying the swaps. If those involved in offering (or brokering) a debt-for-nature swap know (or should know) that the original loan is invalid – say, because it’s odious or unsustainable –, then, other things being equal, it is impermissible to offer (or broker) the swap.

More specifically, creditors and brokers in debt-for-nature swaps must be acting in good faith. A colloquial example is helpful here. If one buys a Bose speaker system from Target, then one gains valid title to the speakers even if they turn out to have been stolen, since it is rarely (if ever) the case that goods sold at Target are stolen. If, however, one buys a Bose speaker system from a pawn shop, then the title may be invalid, since it is commonly the case that goods sold at pawn shops are stolen. As Leif Wenar explains it:

In order for a purchaser to act in good faith, it must be reasonable for him to believe that he is dealing with a genuine vendor—one with neither void nor voidable title. It must be reasonable, that is for the purchaser to believe either that the vendor is the owner of the good or that the owner has authorized the vendor while free from deception, duress, or undue influence.²⁶

Similarly, if those offering (or brokering) a debt-for-nature swap are acting in bad faith, they have no right to insist that the debtor country meet the environmental conditions placed on the swap. So, to sum up, debt-for-nature swaps are permissible only if they are sustainable and offered (or brokered) in good faith.

V. DEBT-FOR-NATURE SWAPS IN THE REAL WORLD

So much for debt-for-nature swaps in theory, now we turn to debt-for-nature swaps in practice. Do real instances of debt-for-nature swaps always (or generally)

²⁶ Wenar 2007, p. 25.

satisfy the conditions on permissibility set forth in §IV? Assuming the goodwill of all participating parties, this section will argue that many do not. Debtor countries in debt-for-nature swaps (almost) invariably face unsustainable debt burdens. This is obvious, so it would seem that those who offer (or broker) debt-for-nature swaps are acting in bad faith—in particular, since there is often little reason to think that the swaps will make the loans sustainable.

Many poor countries are highly indebted with debt-to-export ratios of over 200 percent.²⁷ Often poor countries' debt servicing obligations exceed all sources of government revenue. Econometric estimates of debt sustainability, as defined by international financial institutions, show that many of these countries' debts are unsustainable—many countries are unable to service their obligations even when they cut services to the poor.²⁸ Such massive debt is likely to prevent such countries from securing the human rights of their people, as illustrated in a recent Jubilee report. This report created a model for Malawi, Mozambique, Tanzania, and Uganda that shows how these countries cannot continue to service their projected debt burdens and while meeting the Millennium Development Goal (MDG) of cutting extreme poverty in half by 2015.²⁹ In the case of Malawi, for instance, the report projects that by 2015 Malawi would “have a debt burden of at least 276% of GDP”³⁰ even if Malawi tried to meet the MDG by excluding its existing debt and securing new loans. The report concludes that “If Malawi financed the MDG cost gap through such borrowing, it would be completely unsustainable.”³¹ It is unlikely that countries

²⁷ IMF and World Bank 1999.

²⁸ Gunter 2003.

²⁹ Kapoor 2004

³⁰ Kapoor 2004, p. 15

³¹ Kapoor 2004, p. 15

that have to spend all of their money servicing their debts can protect their citizens' human rights.

Furthermore, many of the debts poor countries bear were also taken on by corrupt and treacherous rulers that did not use the loans they received to aid the poor. Nor did the lending institutions making these loans have good reason to believe that these rulers would use the money to aid the poor. In other words, there are many odious debts. Much of the Philippines' debt acquired under Marcos or Indonesia's debt acquired under Suharto is odious.³² Nonetheless, creditors have offered both the Philippines and Indonesia debt-for-nature swaps.³³ While more needs to be said in order to establish that the creditors in these swaps were acting in bad faith, it seems suspicion is warranted. Many debt-for-nature swaps are probably impermissible.

Of course, it is worth remembering that there may be cases in which the best option available to those offering (or brokering) debt-for-nature swaps is to offer (or broker) an unsustainable or bad faith swap. If that is the best they can do, it may be better than doing nothing. But, again, this is a tragic (though, perhaps, blameless) choice.

VI. OBJECTIONS

1. What about the value of nature?

One might object that protecting nature is just as (if not more) important than securing human rights, and that a moral framework based solely on human rights is inadequate because it does not contain an environmental ethic. Some argue, for instance, that there is an obligation to give equal consideration to animal

³² See Dancel 2002 and Gee 2000.

³³ See ENS 2002; Khalik 2007; and Photius 2008a and 2008b.

interests,³⁴ to treat all teleological subjects of a life as members of our moral community,³⁵ or to protect species *per se*, ecosystems, and the biosphere for their own sakes.³⁶ These people might claim that debt-for-nature swaps that succeed in protecting the environment are permissible even if they undermine the ability of people to avoid extreme poverty. If (say) a debt-for-nature swap will help mitigate the effects of global warming, or save some species from extinction, then such a swap may even be obligatory. After all, many environmentalists argue for similar conclusions.³⁷

We believe this objection removes both extreme poverty and environmental degradation from their proper context. A concern for the poor and the environment are connected. Those who care about extreme poverty have reason to care about the environment and vice-versa.³⁸ First, natural disasters and famines have harmed billions of poor people in the last decade; hundreds of thousands died as a result.³⁹ Hundreds of thousands of poor people also die every year from infectious diseases like malaria.⁴⁰ And environmental problems like global warming are likely to aggravate the harms to people that result from such natural causes. Moreover, because people in extreme poverty are the most exposed to environmental degradation and the least able to adapt to changing environmental conditions,⁴¹ they

³⁴ See, for example, Singer 1993.

³⁵ See, for example, Taylor 1986.

³⁶ See, for example, Naess 2005.

³⁷ See, for example, Rolston III 2002.

³⁸ See Jamieson 2005.

³⁹ United Nations 2004.

⁴⁰ Center for Disease Control and Prevention 2004.

⁴¹ United Nations 2004.

are likely to suffer most from the effects of (say) global warming.⁴² People who care about ameliorating extreme poverty thus have a reason to care about mitigating environmental degradation.

Second, the poor, collectively, contribute a surprising amount to environmental degradation by using scarce sinks (like forests) that absorb wastes such as (excess) carbon dioxide.⁴³ For instance, *swidden* (or slash and burn) agriculture – usually employed by poor farmers who want to plant crops or raise cattle on marginal lands – causes immense deforestation. Poor people, who lack access to electricity or gas, also burn lots of wood and coal to cook their meals and heat their homes.⁴⁴ Moreover, developing country emissions will rise as they start using more fossil fuel: developing countries are expected to emit more carbon dioxide than industrialized countries by about 2018.⁴⁵ People who care about mitigating environmental degradation thus have a reason to care about ameliorating extreme poverty.

Because extreme poverty and environmental degradation are connected in these ways, a debt-for-nature swap that benefits the poor will probably mitigate environmental degradation at least a little, and a debt-for-nature swap that mitigates environmental degradation will probably bring at least some benefits to the poor. Similarly, a debt-for-nature swap that harms the environment will probably exacerbate the effects of extreme poverty and vice-versa. That said, even if a debt-for-nature swap decreases poverty and benefits the environment in some

⁴² The introduction to the Delhi Ministerial Declaration on Climate Change and Sustainable Development articulates this worry about Least Developed Countries and Small Island Developing State. See UNFCCC 2002.

⁴³ See World Bank 2006.

⁴⁴ See Schmidt 2002a and 2002b.

⁴⁵ EIA 2004.

ways, it may harm the environment in other ways. Such swaps' net impact on the environment may even be negative. Similarly, even if a debt-for-nature swap exacerbates environmental degradation and harms the poor in some ways, it may benefit the poor in other ways. Such swaps' net impact on the poor may even be positive. Still, conflict is by no means certain. Debt-for-nature swaps may generally be good (or bad) for both the poor and the environment.

Consider, for instance, the debt-for-nature swap that created the Beni Biosphere Reserve in Bolivia. The Tsimane' Indians who live in the reserve increase foraging and forest clearing when they are otherwise unable to meet their basic needs. These activities have the potential to devastate the reserve and undermine the environmental aims of the swap.⁴⁶ So, while debt-for-nature swaps hold out the hope of providing win-win solutions to the problems of environmental degradation and extreme poverty, *unsustainable* debt-for-nature swaps may often fail on both counts. Of course, the possibility of an intractable conflict between the needs of nature and the needs of people remains, but this is compatible with the claim that unsustainable and bad faith debt-for-nature swaps are *ceteris paribus* morally impermissible.

2. *Are we asking too much of debt-for-nature swaps?*

One might still object that we are asking too much of debt-for-nature swaps when we make their permissibility contingent on their relation to extreme poverty. Extreme poverty exists for a variety of reasons that have little or nothing to do with debt-for-nature swaps, including the economic actions and policies of affluent countries, corporations, international financial institutions, and vicious dictators. In

⁴⁶ See Carmen 1995.

this context, one might argue, it is a mistake to conclude that debt-for-nature swaps are impermissible because they fail to make a non-ideal world ideal.

We believe this objection misses the thrust of the paper's argument. Our point is that the permissibility of debt-for-nature swaps depends (in part) on whether they prevent people from securing their human rights. We do not conclude, as the objection suggests, that the permissibility of debt-for-nature swaps depends on whether they provide a panacea to all the world's ills. That said, the paper does suppose that the circumstances in which one offers (or brokers) a debt-for-nature swap are relevant to its permissibility, since whether a debt-for-nature swap prevents people from securing their human rights depends on background facts over which the swap has no control. This is as it should be. It makes sense to judge the permissibility of debt-for-nature swaps – or anything else for that matter – in accordance with their actual effects rather than in accordance with the effects they would have had were the world a much different place—at least, assuming their actual effects were foreseeable. We cannot excuse ourselves for pushing somebody off the edge of a cliff simply by pointing out that (a) we weren't responsible for him standing at the edge of a cliff and that (b) our push wouldn't have sent him over the cliff were he standing in the middle of a cornfield. Similarly, creditors and brokers of debt-for-nature swaps cannot excuse themselves for preventing people from avoiding extreme poverty simply by pointing out that (a) they weren't responsible for the people being on the edge of extreme poverty and that (b) the debt-for-nature swap wouldn't have prevented them from avoiding extreme poverty were they wealthy U.S. entrepreneurs. Again, it is worth remembering that there may be cases in which there is no better option than to offer (or broker) an unsustainable or bad faith debt-for-nature swap. But, as argued in §IV, this is a tragic choice that we

should make every effort to avoid having to make—even if no one is blameworthy for having to make it.

VI. CONCLUSION

Debt-for-nature swaps appear to provide win-win solutions to the large and horrific problems of environmental degradation and extreme poverty. But this paper has argued that, appearances notwithstanding, debt-for-nature swaps are sometimes morally impermissible. Putting aside cases in which tragic choices must be made, the paper concludes that debt-for-nature swaps, like international loans, are permissible only if they are sustainable and offered (or brokered) in good faith. Unfortunately, like many international loans, it appears that many real-world debt-for-nature swaps have been impermissible. In any case, the practical upshot of the paper is that creditors and brokers of debt-for-nature swaps must be vigilant to avoid offering (or brokering) unsustainable or bad faith swaps. Such vigilance requires that creditors and brokers of debt-for-nature swaps use their imaginations in order to avoid having to make tragic choices between mitigating environmental degradation and protecting people from extreme poverty.

REFERENCES

- Amanthis, Judith. 2005, September 1. "Niger: The IMF and World Bank's Invisible War on Africans," Global Policy Forum. Available online at: <<http://www.globalpolicy.org/soecon/bwi-wto/imf/2005/0901invisible.htm>>.
- Bello, Walden. 1996. "Structural Adjustment Programs: 'Success; for Whom?," The Case Against the Global Economy and for a Turn Toward the Local. Sierra Club Books: San Francisco.
- Buchanan, Allen. 2007. *Justice, Legitimacy, and Self-Determination: Moral Foundations for International Law*. Oxford University Press: Oxford.
- Carmen, Miranda L. 1995. "The Beni Biosphere Reserve." *South-South Cooperation Programme on Environmentally Sound Socio-Economic Development in the Humid Tropics: Working Papers*, No. 9. Available online at: <http://unesdoc.unesco.org/images/0011/001123/112392Eo.pdf>.
- Center for Disease Control and Prevention. 2004. "The Impact of Malaria, a Leading Cause of Death." Department of Health and Human Services: Georgia. Available online at: <<http://www.cdc.gov/malaria/impact/index.htm>>.
- Dancel, Raul. 2002, September 21. "Foreign debt: the price of greed?" Odious Debts: News articles – Philippines: Odious Debts. Available online at: <<http://www.odiousdebts.org/odiousdebts/index.cfm?DSP=content&ContentID=5648>>.
- Energy Information Administration (EIA). 2004. "What Are Greenhouse Gases?" *Greenhouse Gasses Programs*. Energy Information Administration. Department of Energy: Washington D.C. Available online at: <<http://www.eia.doe.gov/oiaf/1605/ggcebro/chapter1.html>>.
- Engler, Yves. 2005, August 13. "Market Famines." Znet. Available online at: <<http://www.zmag.org/content/showarticle.cfm?ItemID=8494>>.
- ENS. 2002, June 23. "World's Largest Eagle to Benefit from Debt Swap," Environment News Service. Available online at: <<http://www.ens-news.wire.com/ens/sep2002/2002-09-23-03.asp>>.
- Gardiner, Stephen M. 2004. "Ethics and Global Climate Change," *Ethics*, vol. 114, pp. 555-600.
- Gee, Marcus. 2000, August 4. "Suharto charged with corruption," Odious Debts: Corruption. Available online at: <<http://www.odiousdebts.org/odiousdebts/index.cfm?DSP=content&ContentID=5005>>.
- Gosseries, Axel. 2008. "Should They Honor the Promises of Their Parents' Leaders?"

- in *Dealing with Developing Country Debt*. eds. Christian Barry, Barry Herman, and Lydia Tomitova. Blackwell: Oxford.
- Gunter, Bernhard G. 2003, February 26. "Achieving Long-Term Debt Sustainability in All Heavily Indebted Poor Countries (HIPCs)." Available online at: <<http://www.g24.org/guntetgm.pdf>>.
- IMF and World Bank. 1999. *Heavily Indebted Poor Countries (HIPC) Initiative*. Available online at: <<http://www.imf.org/external/np/hipc/modify/hipc.htm>>.
- _____. 1998. *ESAF Policy Framework Paper*. Available online at: <www.imf.org/external/np/pfp/bolivia/index.htm>. Cited here <[http://www.citizen.org/documents/Bolivia_\(PDF\).PDF](http://www.citizen.org/documents/Bolivia_(PDF).PDF)>.
- Jamieson, Dale. 2005. "Adaptation, Mitigation, and Justice," in *Perspectives on Climate Change: Science, Economics, Politics, Ethics*. eds. Walter Sinnott-Armstrong and Richard Howarth. *Advances in the Economics of Environmental Resources*, vol. 5. Elsevier: New York.
- Joiner, Emily. 2007. "Murky Waters: A Look at the Perpetual Puzzle of Water and Sanitation Services in Guayaquil, Ecuador." *ILASSA Student Conference Proceedings Archive*. Available online at: <<http://lanic.utexas.edu/project/etext/llilas/ilassa/2007/joiner.pdf>>.
- Jubilee. 2008, December 31. "Truth about Debt." Available online at: <<http://www.jubileearg.org/truth-about-debt>>.
- Kapoor, Sony. 2004. "Resource Rich BWIs, 100% Debt Cancellation and the MDGs," Jubilee Research and New Economics Foundation. Available online at: <<http://www.jubileeresearch.org/news/mdgpaper.pdf>>.
- Khalik, Abdul. 2007, July 3. "U.S. Offers Indonesia Debt-for-Nature Swap," *The Jakarta Post*. Available online at: <http://www.indonesiaottawa.org/informati on/details.php?type=news_copy&id=4307>.
- Mayell, Hillary. 2002, January 30. "Climate Studies Point to More Floods in This Century," *National Geographic News*. Available at: <http://news.nationalgeographic.com/news/2002/01/02_30_020130_greatfloods.html>.
- McCarthy, Terry. 2002, August 18. "Let Them Run Wild," *Time*. Available online at: <<http://www.time.com/time/2002/greencentury/enwilderness.html>>.
- Naess, Arne 2005. *The Selected Works of Arne Naess*. Harold Glasser ed. Vols. 1-10. Spring: New York.
- Nickel, James W. 2007. *Making Sense of Human Rights*. Blackwell Publishing: Oxford.

- _____. 2005. "Poverty and Human Rights," in *The Philosophical Quarterly* Vol. 55 No. 220.
- _____. 1995. "A Human Rights Approach to World Hunger," in *World Hunger and Morality*, 2nd edn. Prentice Hall: Englewood Cliffs, pp. 171-185. Cited in Nickel 2005.
- _____. 1993. "How Human Rights Generate Duties to Protect and Provide," in *Human Rights Quarterly*, 14, pp. 77-86. Cited in Nickel 2005.
- Photius. 2008a, December 31. "Philippines External Debt." Available online at: <http://www.photius.com/countries/philippines/geography/philippines_geography_external_debt.html>.
- _____. 2008b, December 31. "Indonesia: Foreign Aid, Trade, and Payments." Available online at: <http://www.photius.com/countries/indonesia/economy/indonesia_economy_foreign_aid_trade_~15.html>.
- Pogge, Thomas. 2006. "Severe Poverty as a Human Rights Violation," in *Freedom from Poverty as a Human Right: Who Owes What to the Very Poor?* ed. Thomas Pogge. Oxford University Press: Oxford.
- _____. 2002. *World Poverty and Human Rights: Cosmopolitan Responsibilities and Reforms*. Polity Press: Cambridge.
- Reed, David et. al. 1996. *Structural Adjustment, The Environment and Sustainable Development*. David Reed Ed. World Wildlife Fund. Earthscan Publications Ltd.: London.
- Rolston III, Holmes. 2002. "Feeding People Versus Saving Nature," in *Environmental Ethics What Really Matters, What Really Works*. David Schmidtz and Elizabeth Willott eds. Oxford University Press: New York.
- Sachs, Jeffrey D. 2005. *The End of Poverty: Economic Possibilities for Our Time*. Penguin Books: New York.
- Schmidtz, David. 2002a. "When Preservationism Doesn't Preserve." *Environmental Ethics: What Really Matters, What Really Works*. David Schmidtz and Elizabeth Willott eds. Oxford University Press: New York.
- _____. 2002b. "Natural Enemies: An Anatomy of Environmental Conflict." *Environmental Ethics: What Really Matters, What Really Works*. eds. David Schmidtz and Elizabeth Willott. Oxford University Press: New York.
- Singer, Peter. 1993. *Practical Ethics*. Cambridge University Press: Cambridge.
- Stiglitz, Joseph. 2003. *Globalization and Its Discontents*. W.W. Norton & Co.: New York.

- Stocker, Michael. 1990. *Plural and Conflicting Values*. Clarendon Press: Oxford.
- Taylor, Paul. 1986. *Respect for Nature*. Princeton University Press: New Jersey.
- United Nations. 2004. "Disaster Reduction and the Human Cost of Disaster." United Nations Office for the Coordination of Humanitarian Affairs. United Nations: Geneva. Available online at: <<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20169861~menuPK:34457~pagePK:34370~piPK:34424~theSitePK:4607,00.html>>.
- UNCF. 2005. *Millennium Development Goals: Combat AIDS/HIV, Malaria, and other Diseases*. United Nations Children's Fund: New York.
- United Nations Framework Convention on Climate Change (UNFCCC). 2002. "The Delhi Ministerial Declaration on Climate Change and Sustainable Development." Eighth Conference of the Parties of the Framework Convention on Climate Change. United Nations: Geneva. Available online at: <http://unfccc.int/cop8/latest/1_cp16rev1.pdf#search=%22delhi%20declaration%20%20climate%22>.
- World Bank. 2008, September. "Debt Relief: at a glance." Available online at: <<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:20040942~menuPK:34480~pagePK:34370~theSitePK:4607,00.html>>.
- _____. 2006. "Natural Disasters: Counting the Cost." World Bank: Washington D.C. Available online at: <<http://www.irinnews.org/webspecials/DR/default.asp>>.
- World Wildlife Fund (WWF). 2008. "Conservation Finance: Debt-for-Nature Swaps." Available online at: <<http://www.worldwildlife.org/what/howwedoit/conservationfinance/debtforatureswaps.html>>.