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## **Bridging movements and research for the great transformation**

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### Abstract

The “end of growth” still leaves questions for the design of future sustainable societies. The argument of this paper is that economic choices for the new societies are not unlimited and forms of economy cannot simply be conjured up ex nihilo. Anthropologist David Graeber, economic historian Karl Polanyi and political economist Karl Marx each have produced typologies of possible types of economy. This article synthesizes these into three basic principles – the principle of individual reciprocity, the market principle of capitalism and the planning principle of the state (instructively these principles correspond to the major ideological traditions of anarchism, liberalism and socialism). The article then applies this synthesis to debate sparked by recent popular environmentalist proposals for socioeconomic change. These raise important questions about crafting institutional vehicles for simultaneous realization of popular empowerment, eco-sustainability and poverty alleviation. Much of the debate swirls around the issue of economic scale and the re-localizing of production and consumption sundered by globalization. At the center of discussion is remaking of market operations around Adam Smith’s original view of markets as face-to-face exchanges of goods taking place in small morality bound communities. My argument is that this view conflates two different meanings of the term “market.” One meaning is that of the market principle of capitalism. The other is market in the sense of exchange of goods as sharing or the principle of individual reciprocity. The use of markets in future degrowth sustainable economies will require addressing of this problem.

### Paper

Over the past decade a loud chorus for social change has arisen from various strains of *green/degrowth* thought. This paper argues that while ideas of exorcizing the “growth fetishism” of the current economy are immensely important, the new societies must still deal with issues of choice over economic principles to ensure the viable reproduction of human material existence while simultaneously crafting economic institutions that advance eco-sustainable goals. To this effect, there exists a trend in critical green writing animated by fundamental ideas about the economy put forward by Adam Smith.

Environmentalists like Bill McKibben and David Korten advocate drastic rethinking of economic scale. On that point their writings dovetail with major degrowth theorists such as

Richard Heinberg. Rethinking the geospatial dimensions of economic organization is viewed as an inexorable step in adopting environmentally sustainable transportation and energy. The re-localizing of the agricultural and food economies is further accepted as a way to reinvigorate community life generally in addition to revitalizing an efficacious democracy.

For greens Adam Smith had extolled the virtues of freely negotiated exchanges among small communities of buyers and sellers, each individual thus democratically pursuing their self-seeking proclivities. Through an “invisible hand” of self-organizing markets these exchanges, Smith famously claimed, would allocate social resources in an optimal and equitable fashion. Greens emphasize how Smith’s original vision had assumed the embedding of such market intercourse within the social fabric of close-knit local communities, the values of which would serve to place bounds upon individual aggrandizement that tended toward destructive economic and environmental outcomes.

Unfortunately, I show much green faith in turning markets to environmental ends miscarries in a fundamental way. There exists a blithe assumption in mainstream economics spawned from Smith’s writing that it is possible to decouple “the market” from capitalism. The roots of this view are to be found in conflation within mainstream economic discourse of two very different kinds of “exchange”. The view advanced in green references to Smith’s fundamental eco-sensitivity resembles what economic historian Karl Polanyi had characterized as a form of sharing or “reciprocity” in his tripartite analysis of historical economic principles. Or, more recently, “exchange” as it imbricates in a web of face-to-face interpersonal relations of “human economies” in the typology proposed by Anthropologist David Graeber.

A similar notion of (small-m) markets where buyers and sellers meet face-to-face to “exchange” goods and services is also distinguished by Marx in terms of the isolated trades marking interfaces between different groups of pre-capitalist peoples in history as well as in meeting of community needs in what Marx dubbed “primitive communist” societies. What are being exchanged are *use values* or goods produced in communities primarily for direct consumption; a surplus may then find its way on to small-m markets.

In a capitalist society, goods are produced as *commodities* for the purpose of accumulating mercantile abstract wealth and are “exchanged” in this process in impersonal society-wide integrated market operations. Capitalism’s profaning of the earth is thus not simply a question of economic scale or paucity of community ethics. It flows from the fact that the fundamental social goal of production and exchange is abstract and quantitative.

Nevertheless, greens are intuitively correct to expect eco-soundness to be better maintained, and democracy and popular empowerment deepened, in local communities. However, both groups remain fuzzy on the precise economic principles and institutions necessary to attain their desired goals.

This paper maintains that answering the question of economic principles and green institutions cannot be done without taking account of the *heterogeneity* of use-values. Mainstream economics from Smith’s time elides this heterogeneity through its fundamental supposition that no tension exists between use-value as the substantive foundation of human material existence and the capitalist production of goods as commodities for the purpose of value augmentation; a belief which effectively “naturalizes” capitalism.

To build a future green society it is not enough to impose degrowth strictures on the existing organization and division of labor. In fact, the progressive, eco-sustainable future society must begin by treating the radical disjuncture and decoupling that capitalist growth has fostered in so many areas of human material existence. Polanyi's allusion of the dis-embedding of the economic from the social captures part of what is being inferred here. But the problem runs considerably deeper: The first "dis-embedding" fostered by capitalism is industry from agriculture. This is followed by technology and energy from ecology; humanity from the natural environment; and science from humanity. Capitalism further sunders the relationship between production and consumption. This fosters a *disinterest* on the part of workers (the direct producers) in *what* is being produced along with *indifference* among workers as consumers in the *how* of production

To begin to treat such dis-embeddings and indifferences fostered by capitalist markets to rebuild human societies for enhanced human flourishing rather than abstract quantitatively measured "growth" this paper explores the institutional implications of founding principles – heterogeneity of use value, self-motivation as the new paradigmatic form of compulsion, eviscerating alienation, eco-sustainability and enhanced democracy.

Summarized succinctly, my argument is the economy of the future must begin with an organization around three types of community representing broad economic sectors. In many of the highly urbanized developed economies of the world (bracketing here questions of whether the new societies will proceed within the context of current nation-state configurations) the economic sector communities will not be separated geospatially to any great extent: Though the precise delineation will be determined in practice. Rather, the operational thrust of the tri-sector economy is to create a vehicle supporting direct popular empowerment of peoples, management of eco-sustainability, as well as for optimal functioning of forms of economy orientated to qualitative, heterogeneous use value considerations in economic life.

*Qualitative* goods communities, the bedrock sector, have responsibility for use values such basic agricultural goods along with a myriad community and household goods, building materials and other smaller scale production which can be managed by at more "local" levels (of course there will be variations based on discrete climatic/resource, geospatial conditions). The proposed paper suggests economic forms and property/ownership options for qualitative goods sectors. Among these are small-m markets, such potentially utilizing variations on community currencies, local exchange and trading systems (LETS), "need exchanges", etc. But it is made clear that the sort of "exchange" involved here necessarily imbricates in sets of *interpersonal* social relations as anthropologist David Graeber along with Polanyi before him emphasize have without exception across human history been integral to real communities. Qualitative communities where the production and consumption are more closely tied are also the strongest locus for instating self-motivation for work and material reproduction as a whole and eviscerating alienation in work in all its forms.

*Quantitative* goods sectors manage the production of heavier use values. Importantly, the "ownership" relation between qualitative goods sectors and the quantitative goods sector is vested in the qualitative goods communities that the quantitative goods sector services and operate at the outset according to shareholding schemes akin to those adopted by major corporations from the mid 20<sup>th</sup> century. The economic form of quantitative goods sectors is a variant of participatory planning involving stakeholders from "owners" of the production units themselves (this certainly includes labor forces which I argue should democratically

rotate from qualitative communities) through qualitative community shareholders. Such rotation along with increased automation (wherever possible) is required to offset the alienation in quantitative use value production work.

*Urban/administrative* “state” sector (though we are not necessarily talking about existing states here) is the third community. Like the quantitative goods sector administration will be managed under the auspices of the qualitative goods communities. I show how both the quantitative goods and state sectors utilize “state” currencies in ways that allow tri-sector community configurations to interact with each other economically. Yet, the economic life of the qualitative goods communities, the bedrock sector where the fundamentals of material reproducibility are cemented, is insulated from “state” currencies.

The tri-sector model sketched here is offered as a way of building the new sustainable degrowth order out from the current really existing economy. In much of the developed highly urbanized industrial world, the sectors will not be separated geospatially, but rather the tri-sector format will create vehicles for the instatement of forms of direct political empowerment of publics as well as for the optimal functioning of economic existence geared to heterogeneous use value economic considerations and human flourishing.

In less developed economies and less urbanized areas of developed states, the tri-sector format offers a foundation for revitalizing community economic life often extraverted to satisfy consumption in the wealthy developed countries. The immediate goal in non-developed countries must be to sever the connections between local agricultural production and world market demand and re-embed agriculture in local community life. Local agriculture in third world states would have an immediate impact on curtailing hunger and on unemployment; not to mention its cleansing effects for local environments. And a similar strategy could be applied to the utilization of local natural materials and minerals; the latter then being deployed in the building of rudimentary infrastructure, housing, and so on.

However, because the tri-sector states or regions in the more developed parts of the world will have an advantage producing the new material accouterment of the future eco-sustainable degrowth society, to fulfill its *ultimate* potential in the non-developed world, it will have to have partners amongst those developed areas.