

# Principles for Institutional Design of Future Degrowth Eco-sustainable Societies

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# Hardware and Software

- All human societies founded upon metabolic interchange between human beings & nature
- Through this, the labor and production process furnishes the heterogeneous, qualitative useful goods or *use values* to materially reproduce human societies
- That is the transhistorical “hardware” of human material existence
- Insight of Karl Marx to apprehend the augmentation of mercantile wealth or production of *value* as the historically delimited *principle* of capital or its “software”

# Miscarrying of the Soviet Project

- Soviet style socialist projects miscarried in a large part due to the belief that simply removing the capitalist “software” would reveal socialism gestating in modern society
- While the labor and production process or “hardware” common to all human societies always exists, socialism demands a new distinctly socialist “software” or “operating system” be installed

# The Myth of an “Exchange Society”

- The fundamental error of recent Green theory – Korten, McKibben, Heinberg (to some extent) – is that simply removing the capitalist “growth” software leaves a working “exchange” economy
- This view follows the conflating of 2 notions of “exchange” which commences with Adam Smith and works its way through neoclassical economics

# Conflating “Exchange”

- “Exchange” in precapitalist economies always imbricates in interpersonal social relations and involves *qualitative*, heterogeneous, sensuous aspects of goods
- In capitalist economies goods are produced as value objects for the abstract social purpose of value augmentation or profit making
- Capitalist exchange is always the exchange of value objects or commodities as part of the value augmentation process
- Material goods characteristic of capitalism and technologies deployed in their production lend themselves to suppression of qualitative considerations in economic life and promotion of quantitative ones

# Economics and the Conflation of Exchange

- Bourgeois economics commences with consumption which is transhistorical and in that way naturalizes capitalism
- Marxian economics begins with the seller because goods are brought to the capitalist market precisely because the seller is not interested in their *use value* but in their *value*
- In this way economic theory captures the fundamental activity of profit-making characteristic of capitalist societies

# Social Goal of Capitalism

- Suppression of qualitative considerations in economic life is in synch with social goal of capitalism which is abstract and quantitative – **augmentation of mercantile wealth or profit making**
- In capitalism our material interests are **infinitized**
- That is, our individual human need for provisioning evolves as a **byproduct** of the overriding social goal which transcends this or that human need we may have
- Profit making has no material limit so whatever self-seeking proclivities individuals “freely” pursue in markets, these are wielded in capitalist economies for a social goal beyond “us” so to speak

# Key Questions for Social Change

- Impossible to decouple “the market” from capitalism
- And no progressive, eco-sustainable, redistributive society exists either as outcome of historical tendencies or simply on removal of capitalist “software”
- Therefore social change dependent upon operationalizing of key economic principles to realize progressive social goals
- But principles of human material reproduction are not unlimited
- Nor can they be simply conjured up ex nihilo
- **Karl Marx, Karl Polanyi** and **David Graeber** provide the basis for our future directed thinking



# Karl Marx

- Marx's economic studies of capital centerpiece of his writings
- Offered little in the way of economic study of precapitalist societies beyond his pithy statement of historical materialism – primitive communism, slavery, feudalism, capitalism, socialism – as historical forms of society
- Marx said precious little about socialism

# Karl Polanyi

- Polanyi carried out exhaustive economic studies of precapitalist economies
- “Self-regulating” market characteristic of the capitalist commodity economy is but one way material life has been organized
- Precapitalist economies, economic life always embedded in an array of social relationships or practices and was indistinguishable from them
- He defines economic relations as they imbricate with these social practices in terms of two key principles of economy, *reciprocity* and *redistribution*

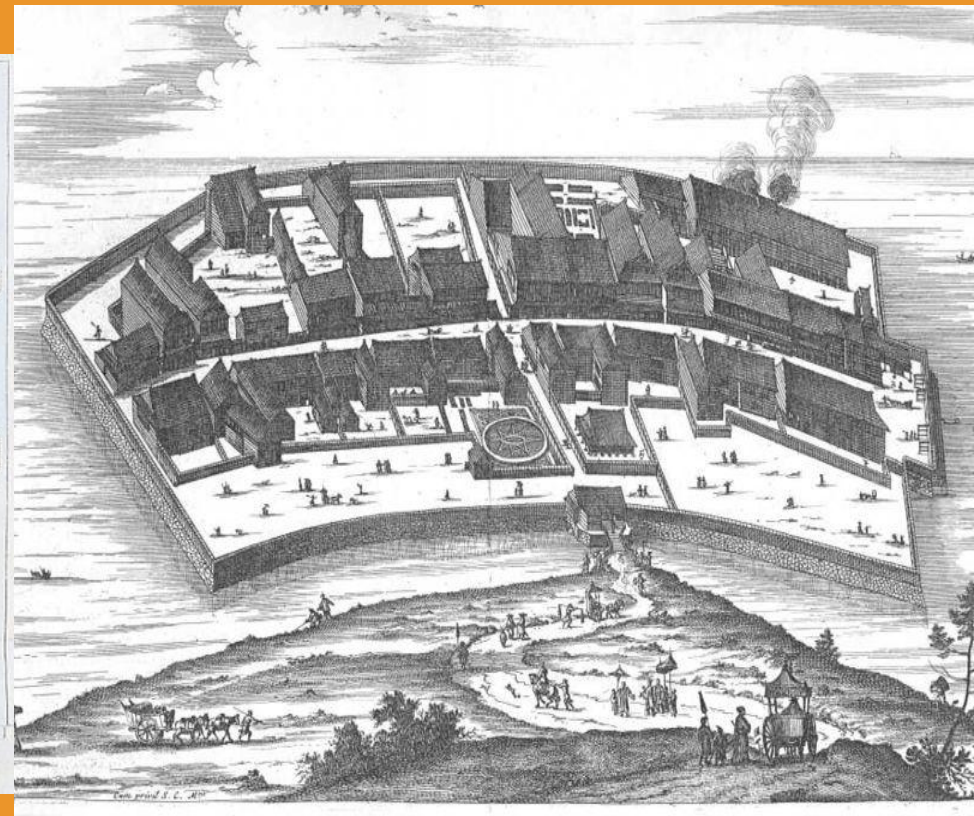
# Reciprocity

- *Reciprocity* encompasses wide gamut of practices engaged in by the most primitive societies
- Involve some variant of *sharing* or *cooperation*, including things like “gift” giving and “give-and-take” in the context of customary/ communal practices, along with what may be referred to as small-m markets which involve one-off use value “exchanges”
- Polanyi, however, is not very clear on this point – where *reciprocity* ends and capitalist market “exchange” of commodities or value objects begins

# Dejima – (“protruding island”) near Nagasaki Japan



*Platte Grond der Nederlandische Faktory op het Eiland Desima by Nagasaki.*



# Redistribution

- *Redistribution* occurs in more advanced, geospatially larger scale precapitalist societies
- Entails movement of goods, tribute, taxes, tithes and so forth toward the “center” and their reallocation according to interpersonal relations of domination and subordination of various kinds and the “status” of varying social sectors

# Karl Polanyi on Economic Principles

Reciprocity



satisfaction of basic “group”, “tribe”, etc. needs

Redistribution



interpersonal relations of domination and subordination

Markets



society-wide “self-regulating” market

Small market - face to face exchange



# Marx Historical Materialism – Polanyi Correspondence

primitive  
communism

slavery

feudalism

capitalism

Soviet-style  
socialism

reciprocity  
+ small m  
market

redistribution

self-regulating  
market



# Alienation and historical forms of motivation or compulsion for work

Pre-capitalist society  
= extra-economic  
compulsion

Capitalist economy =  
economic  
compulsion

Post-capitalist  
economy = self-  
motivated

Pre-capitalist and capitalist forms of  
alienation

Work, to paraphrase  
Marx, must become  
life's "prime want"



# David Graeber

- Three “moral grounds” for differentiating principles of economy:
- “baseline communism” – we are all essentially communists at a fundamental level
- “exchange” 1 – gift giving, etc
- “exchange” 2 – commercial exchange
- “hierarchy” involving unequal parties – crystallizing in social relations of superiority and inferiority that are regulated through webs of custom or habit

# David Graeber on “Moral Principles” Upon Which Economic Forms Founded

**(Baseline) Communism**



Foundation of human sociability & human interdependence

**Exchange 1**



Interpersonal

**Exchange 2**



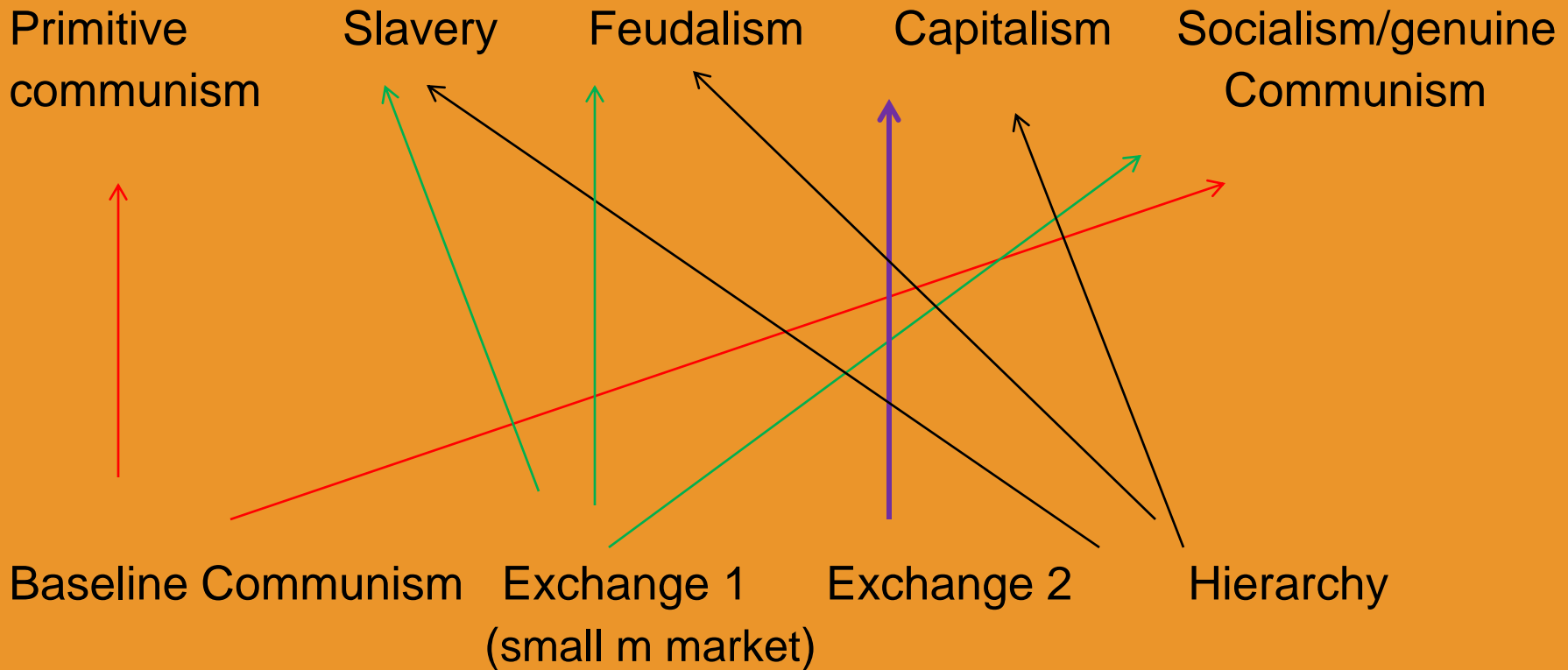
Impersonal/  
commercial

**Hierarchy**



Relations of “superiority & inferiority”

# Marx – Graeber Correspondence



# Reciprocity/Primitive Communism/Baseline Communism and Material Reproduction

- Looking at *reciprocity/primitive communism/baseline communism* in terms of their modalities of material reproduction these fit current Green/ecosocialist calls for small scale economic communities built around LETS/community currencies/gift giving and so on
- Such schemes of face-to-face exchange of use values deriving from cooperative production potentially ameliorate work alienation
- Potentially surmount worker indifference to wherewithal of production and worker disinterest in the impact of goods on wider society and biosphere
- **Problem** is that there is no mechanism in reciprocity as such to ensure basic goods are supplied according to the pattern of social demand
- The sorts of “horizontal” social relations envisioned by LETS/solidarity activists are impotent in the face of inter-community or even global problems in a progressive future
- “Hierarchy” can operate without exploitative social class relations

# Redistribution and Material Reproduction

- *Redistribution* corresponds to the kinds of interpersonal production relations of domination and subordination characterizing epochs of *slavery* and *feudalism*
- Polanyi does not make the connection himself but arguably *redistribution* corresponds to the principle of economic planning as deployed by the state in Soviet style economies
- Soviet style societies deployed the planning principle optimally in regards to heavy industrial goods
- Planning/redistribution failed miserably in agriculture and consumer goods and services
- Survival of human beings in Soviet style economies predicated upon forms of *reciprocity* – grey and black markets agriculture

# Three Economic Principles

- The *planning principle of the state* or, what Polanyi's historical studies elaborate as *redistribution*
- Principle of *reciprocity* or what Graeber dubs “baseline communism” has remained irrepressible into the modern era particularly at times of social decomposition
- Reciprocity's cooperative, human-to-human sharing thrust makes it an *economic principle* in the strong sense of the concept and socialists/progressives neglect this at the future's peril
- The *market principle* of capital has some operative applicability in state to state/region to region relations and possibly in organizing production of remaining standardized material goods which lend themselves to suppression of qualitative considerations in economic life

# Circular Flow Model of Economic Interchange in Tri-sector Economy

