



# Organizing for the post-growth economy



ephemera: theory & politics  
in organization



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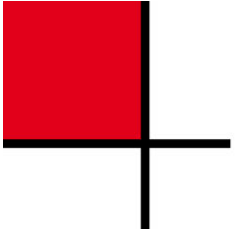
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*theory & politics in organization*

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## Organizing for the post-growth economy

Christian Garmann Johnsen, Mette  
Nelund, Lena Olaison and Bent Meier  
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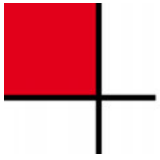
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# Organizing for the post-growth economy\*

Christian Garmann Johnsen, Mette Nelund, Lena Olaison, Bent Meier Sørensen

## Introduction

Perpetual economic growth is an underlying assumption of the contemporary organization of capitalist society. The idea of growth is embedded not only in the corpus of economic thought but also in economic institutions (Binswanger, 2013; Gorz, 2012). The demand for continual growth has been subject to criticism within economic theory (Heinberg, 2011; Herrera, 2011; Jackson, 2009) and the environmental natural sciences (Rockström et al., 2009a; Rockström et al., 2009b). Against this backdrop, there have already been attempts to imagine a sustainable economy beyond growth (see, for example, Daly, 1996; Eisenstein, 2011; Gorz, 1999; North, 2010; Paech, 2012; Rockström and Klum, 2012; Seidl, 2010; Schumacher, 1973). The 'degrowth movement', in particular, has been actively engaged in such efforts (Demaria et al., 2013; Kallis et al., 2012; Latouche, 2004, 2009; Martínez-Alier, 2011). The problem of growth is nothing new and many have drawn attention to the negative effects of perpetual growth (Carson, 2000; Georgescu-Roegen, 1971; Giddens, 2011; Meadows et al., 1972). In fact, calls for research that maps the negative effects of perpetual economic growth and explores alternatives to the current way of organizing our society are increasing.

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\* This Special Issue is the result of an *ephemera* conference on post-growth held at the Copenhagen Business School (CBS) in 2014. In crafting the issue, we have been generously supported by CBS' Entrepreneurship Platform and by the Department of Management, Politics and Philosophy, CBS. The personal engagement of Ole Bjerg, Ekaterina Chertkovskaya and Nick Butler along with continued support from the VELUX project on Sustainable Entrepreneurship, CBS, and the Life at Home and Sustainable Production Research Initiative, Linnaeus University, have been critical to this issue's publication. Thank you!

We see this *ephemera* special issue as an opportunity to open up for both critical and creative thinking around organizational issues related to growth, economy, sustainability, and ecology. More than twenty years ago, Shrivastava called for a ‘fundamental revision of [organization studies] concepts and theories’ (1994: 721) in light of the growing environmental problems. We still believe this is a pertinent task. However, it is important to emphasize that criticizing the past and imagining alternative futures are not two disconnected activities that require different theoretical and practical efforts. Rather, we believe that critique and creativity are intertwined – we can find opportunities to think differently in the future through critical engagement with the current situation. What we need is a form of critical and creative thinking that simultaneously allows us to remain critical of what ‘is’ (the present) and imaginative about what ‘might be’ (the future) (Deleuze, 2006). In this context, critical and creative thinking should be concerned with imagining the relationship between organization and sustainability in new ways, and with trying to strive beyond common sense. In this regard, it is worth mentioning that academia is not isolated from the problem of growth and that academics are also increasingly required to accelerate their output.

Critiques of capitalism and the search for alternatives to its inherent growth requirement have a long tradition in *ephemera* (e.g. Böhm et al., 2001; Boje et al., 2001; Misoczky, 2006; Beverungen et al., 2013; Bradshaw et al., 2013; Swann and Stoborod, 2014; Chertkovskaya et al., 2016). Climate change and sustainability have also been thematized in *ephemera* (e.g. Jacobs, 2007; Böhm et al., 2012; Bialski et al., 2015) and elsewhere in our critical organization studies community (e.g. Banerjee, 2003; Böhm et al., 2012; Parker et al., 2014; Wittneben et al., 2012). Nevertheless, critiques and explorations of alternatives are still marginal (Wright et al., 2013). In the broader academic context, post-growth and degrowth have been largely ignored in management, organization, and entrepreneurship studies (Reichel and Seeberg, 2011; Roth, 2017). Nevertheless, post-growth and degrowth scholars in organization studies argue that we need to re-politicize and reclaim discourses, theory, and practices around sustainability and social justice. Therefore, we need a new vocabulary that enables us to explore a society beyond growth (Bjerg, 2016; Fournier, 2008; Reichel and Seeberg, 2011; Roth, 2017). Such explorations do not necessarily have to appeal to utopian visions. On the contrary, some have suggested a need to study the emergence of alternative economic organizational forms that do not require perpetual growth (e.g. D’Alisa et al., 2015; Böhm et al., 2015; Parker et al., 2014). This suggestion has also been previously discussed in *ephemera* (Hoedemækers et al., 2012; Bialski et al., 2015; see also the CFPs on ‘Repair matters’ and ‘Latin America struggles: Organization and critical strategy for liberation from below’ as well as the forthcoming special issues on ‘Alternative



organizing’ and ‘Whither emergence’). This special issue continues this conversation.

This editorial proceeds as follows. To contextualize our contributions, we provide a brief overview of the idea of sustainable development and show how this concept has been adopted in the world of business. In addition, we discuss the concept of sustainable development as a target of critique in organization studies. This short review, together with the contributions in this special issue, make it clear that we have a long way to go before we can speak of a post-growth society. Although the call for alternatives is urgent, we have been struck by how difficult it is to ‘[rethink] ourselves outside economic relations’ (Fournier, 2008: 534) or even to think without placing the economy at the center of attention (see also Roth, 2017). Therefore, in this editorial, we also attempt to rethink the relation between economy and ecology by staging a critical/creative encounter between Rockström (2015) and Agamben (2007). In the final section, we introduce the contributions found in this special issue.

## **Sustainability in the world of business**

In 1972, the UN held a Conference on the Human Environment in Stockholm, which focused on the importance of addressing problems related to climate change and environmental degradation. The same year, the Club of Rome, an international think tank, released a report entitled *The Limits of growth*, which drew attention to environmental problems related to perpetual economic growth, including depletion of natural resources and pollution of the ecosystem. The report stressed that the ‘Earth is finite’ with a limited amount of natural resources, a situation that imposes fundamental constraints on the aggregate of economic growth that the ecosystem can tolerate. Given the speed of economic development that characterized industrial development – and the associated accelerated consumption of natural resources – the authors of the report speculated that we would reach those limits within a span of 100 years. This would result in a ‘sudden and uncontrollable decline in population and industrial capacity’ (Meadows et al., 1972: 23).

Following the increased focus on climate change and environmental degradation, the UN sponsored the publication of a report called *Our common future* in 1987. The report was prepared by the Commission on Environment and Development (WCED), led by the former Norwegian Prime Minister Gro Harlem Brundtland. The report introduced the concept of sustainable development, defined as ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (WCED, 1987: 2,4).

Mebratu (1998) emphasizes that the publication of *Our common future* has had a tremendous influence on the geopolitical discourse on sustainability, and that the concept of sustainable development has shaped the way we think about the relationship between economic growth and environmental degradation. As the report makes clear, the intensity of industrial development threatens our planet in numerous ways. For example, the 'burning of fossil fuels puts into the atmosphere carbon dioxide, which is causing gradual global warming' (WCED, 1987: 1,7). In effect, the report stresses that we need to think about 'the global economy and global ecology together in new ways' (WCED, 1987: 2,15). Although emphasizing the pertinence of climate change and environmental degradation, the report portrays future prospects in optimistic terms. By focusing on sustainable development, the report suggests that it is possible to spark economic growth through a 'process of change' while simultaneously preserving the natural ecosystem. In this way, the report tries to link economic growth with environmental sustainability. This focus on reconciling economic growth with the ecological balance has remained imperative in more recent attempts to rethink sustainable development (Rockström et al., 2009a; Rockström et al., 2009b).

In the 1990s, the concept of sustainable development found its way into management and organization thinking (e.g. Gladwin et al., 1995; Shrivastava, 1994). Despite this attention, the concept of sustainable development remained 'fuzzy, elusive, contestable' (Gladwin et al., 1995: 876). Although approximately 30 years have passed since the introduction of the 'sustainable development' concept, critics still maintain that it suffers from a lack of conceptual clarity. Banjee (2008) even goes as far as accusing the term of serving as a slogan rather than concept, a slogan that has gradually replaced the slogan of economic growth. In parallel, entrepreneurship, innovation, and creativity have been proposed as ways to not only solve the current economic and environmental crises but also to generate sustainable growth (Rockström and Klum, 2012; Schaper, 2002). In this perspective, entrepreneurship and innovation are portrayed as seeds of new initiatives and ideas that will boost economic development while simultaneously reducing its environmental impact.

The business world has, therefore, not completely ignored the environmental challenges we are facing. However, it has quickly turned environmental challenges into occasions for expanding the realm of economic activity rather than reducing it. Under such rubrics as 'Competitive advantage on a warming planet' (Lash and Wellington, 2007), 'Climate business' (HBR, 2007), and 'It pays to be green' (Orsato, 2006), the mantra that permeates organization, management, and entrepreneurship studies is that environmental degradation should not necessarily prompt us to reduce production and consumption. On the

contrary, the fact that we are entering a period of environmental uncertainty – represented by the threat of reduced biodiversity, climate change, and depletion of natural resources as well as the pollution of air, water, and soil – should encourage commercial actors to develop innovative technologies, creative business solutions, and entrepreneurial initiatives that can improve environmental performance while maintaining competitiveness on the market. These assumptions underpin such concepts as corporate environmentalism, sustainable development, and green entrepreneurship, and they form a paradigm of technological optimism that places its faith in the market's ability to restore the balance of the ecosystem (Böhm et al., 2015). While climate change might entail risks for existing businesses and threaten their access to natural resources, it nevertheless enables actors to seek out business opportunities (Lash and Wellington, 2007). For example, businesses releasing CO<sub>2</sub> might need to deal with increased legislation, but environmental challenges related to the consumption of fossil fuels also represent an opportunity to utilize renewable energy sources. Viewed from this perspective, it is perhaps not surprising that the entrepreneur has once again been offered as a 'savior' (Sørensen, 2008) in the face of our social predicaments. Not only should heroic entrepreneurs save the economy, but they should also save the environment by driving the transition towards a 'green economy' (O'Neill and Gibbs, 2016).

In this account, there is no fundamental conflict between economic values (growth) and green values (environmental sustainability). On the contrary, the entrepreneur can offer 'win-win solutions' (Cohen and Winn, 2007): products, services, and production methods that are simultaneously economically and environmentally expedient. However, the assumption that it is possible to convert environmental challenges into business opportunities has not stood unchallenged. Critical scholars have worked hard to expose the theoretical and practical problems that pertain to the current discourse on sustainable development (Banerjee, 2003; Böhm et al., 2012; Crane, 2000;). Wright et al. (2013) place such concepts as corporate environmentalism, organizational sustainability, sustainable entrepreneurship, and sustainable development into a capitalist imaginary wherein progress, growth, and accumulation shape the horizon. Within this mode of thinking, environmental challenges are conceived as either risks or opportunities (Lash and Wellington, 2007). As a result, Wright et al. suspect that 'some corporations uphold an illusion of compromise between the environment and the market by adapting the meaning of concepts such as "CSR" and "sustainability" to fit existing corporate agendas and expand the capitalist imaginary' (2013: 654). As a consequence of being incorporated into a managerial logic, Banerjee argues that sustainable development has become 'corporatized', as 'development is sustainable only if it is profitable, it is sustainable only if it can be transacted through the market' (2003: 173). Banerjee

thus argues that nothing changes – economic growth is simply given a new name: sustainable development. Along similar lines, Wittneben et al. criticize a strategic, managerial, and instrumental perspective on climate change because it narrowly focuses on ‘firms as isolated units divorced from their prevalent social and political context’ (2012: 1435). While promising to promote a transition towards a green way of life, the corporate discourse on sustainable development ultimately amounts to a ‘business-as-usual (except greener) line and [does] not describe any radical change in world-views’ (Banerjee, 2008: 66-67).

Within the ongoing discussions about climate change and organizational activities, we find two poles. On one end of the scale, we find those who maintain that although economic activities might have traditionally caused environmental predicaments, there is no ‘inherent trade-off between environmental and economic goods’ (York and Venkataraman, 2010: 449). Capitalism has an inherent capacity for resolving environmental problems because it constantly invents itself and, thereby, changes the basis for competition. At the other end of the scale are those who find a fundamental incompatibility between ‘capitalism and environment sustainability’ (Böhm et al., 2012: 1626). Böhm et al. draw on the Marxist tradition in order to ‘undermine the basic supposition that nature can be sustainably managed as an unlimited resource, in order to support constant economic growth’ (2012: 1630). While considerable critique has been launched at the discourse on sustainable development, scholars have increasingly stressed the need to explore alternatives (Painter-Morland and ten Bos, 2016). Confronted with the social challenges caused by climate change and environmental degradation, Wright et al. maintain that our failure to deal with these problems forces ‘us to make sense of the world differently’ (2013: 654), thereby opening up a space for imaginative thinking that departs from our usual way of conceptualizing organization.

Alternative thinking has been developed by investigating eco-cultures that reconsider the relationship between society and nature (Böhm et al., 2015); evoking counter-stories that enact imaginative responses to environmental problems (Gayá and Phillips, 2016); allowing for new imaginary that goes beyond a capitalist horizon (Wright et al., 2013); creating alternative visions that rearticulate the distinction between nature and environment (Banerjee, 2003: 170); interrogating the ‘eco’ shared by ecology and economy (Bjerg, 2016); experimenting with alternative conceptions of growth (Clarke et al., 2014); enacting the concept of ‘degrowth’ (D’Alisa et al., 2014); and investigating non-profit organizations (Hinton and Maclurcan, 2017). Attempts have also been made to rethink the role of entrepreneurship in a post-growth society. For example, Parker (2014) recently picked up on Hjorth and Steyaert’s reconceptualization of entrepreneurship as a form of ‘social creativity’ that

involves ‘changes in our daily lives’ (2004: 3). Parker notes that this view disconnects entrepreneurship from purely economic phenomena and contains the potential to bring about ‘social transformation’ (2014: 368). In this regard, entrepreneurship is understood as ‘unstable and contested: a set of potentially transformative practices of invention for communities as well as for individuals’ (Parker, 2014: 368).

## The sacred economy

The above exposition suggests that sustainability and capitalism cannot be effortlessly reconciled unless a ‘savior’ (Sørensen, 2008), such as the sustainable entrepreneur, is miraculously added to the compound. This seems to be true for those who view the ecological challenges as a new business opportunity (e.g. York and Venkataraman, 2010) and for advocates of sustainable development (e.g. Rockström and Klum, 2012). Such ideological beliefs have legitimized the creation of new markets, such as carbon markets, that crystallize what is often referred to as ‘climate capitalism’ (Böhm et al., 2012; Valenzuela and Böhm as well as Leonardi, this issue). Moreover, the current post-crisis discourse apparently remains confident in the emergence of a socially responsible economic actor who will contribute to the construction of a moral economy (Arvidsson, 2013).

The theological connotations in this regard are evident insofar as the primary function of a savior is to redeem us from guilt. When applied to this problematic, the question of sustainability and business seems to be caught in a quagmire of guilt. Have post-Marxists finally found the long-sought-after structural flaw of capitalism – that is, its original sin? Contrary to what Marx famously predicted, capitalism has not collapsed as a result of its internal contradictions, which lie in the fact that goods are fruits of social production, but the value of their production is privately appropriated. Rather, capitalism destroys itself through its environmental contradictions. Nature never received any payment for the natural resources that are sold on the market. In other words, capitalism appropriates natural resources that it has not produced. Capitalism – including us, the welfare capitalists – in its current form depends on the depletion of resources and the destruction of the environment in order to operate. However, the activities that support our current lifestyles are not priced accordingly. Therefore, we consume what is not ‘ours’ – we consume what is owned by nature.

The status of the economy as a given, frequently informs analyses of current sustainable social practices. The model below, launched by one of the most prominent researchers within the field of sustainability, Johan Rockström, is

intended to offer an alternative to conventional conceptions of the relationships among nature, society, and business. It is commonly assumed that ‘the only solution to the problems of capitalism is more capitalism’ (Nyberg et al., 2013: 450). This perspective assumes that nature and society are subsumed under capitalism. In effect, this view fails to acknowledge that alternative measurements beyond economic models can influence and change society on a policy level, and affect humans in their daily lives. The problem is that the prevalent picture of sustainability, nature, and society that we encounter today is framed within an economic matrix. As Clarke et al. (2014: 235) stress, this implies that the only forms of growth that are recognized are those with an economic character. Other forms of growth are ignored.

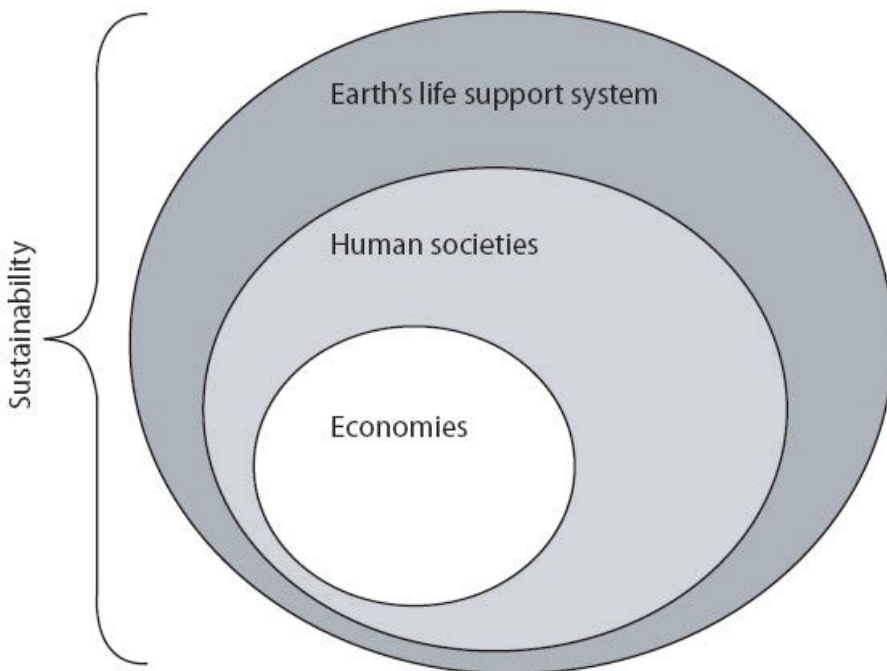


Figure 1: Sustainable Development Paradigm for the Anthropocene (Rockström, 2015).

Against this backdrop, Rockström tries to reverse this picture by situating ‘economies’ within a larger framework that is termed ‘Earth’s life support system’. Here, the economies are simply a subsystem of a larger system. The model suggests that sustainability should concern not only the economies but also Earth’s life-support system and human societies. However, despite the fact that this model subsumes the economies under the natural ecosystem of the

Earth, it still tries to contain the economies within a framework that operates on the basis of a hierarchy. While ostensibly removing the economy from an all-dominant position, the model continues to place the system that manages household expenditures in the central field. As such, the economies remain the center of attention and occupy a privileged place. Moreover, in the most peripheral circle of the model, we find 'Earth's life support system', a name that implies a hierarchy. The Latin root of the word 'support' signify carrying something from underneath. Since the early fifteenth century, the word has also meant to bear expenses issuing from another part. Clearly, the ontological structure or telos of the Earth is not to 'support' human life, at least not in any other sense than it will 'support' the oceans in taking over human life's habitat in the centuries to come. It remains true that human life has relied on drawing on the Earth as a pool of resources.

These observations regarding Rockström's model highlight an important point pertaining to heterodox economic theory. The fact that the economies (the management of resources) retain a central position while society and life-supporting systems remain marginal, hints at what Agamben (2007) identifies as the separation of the sacred and the profane within our secularized world (see also Sørensen et al., 2012: 272). In this regard, 'the sacred' refers to that which is removed from the use of men, while 'the profane' signifies that which is made available for use. Sacrality, then, requires the introduction of a strict division between the profane (everyday activities) and the sacred (elevated to the divine sphere). In Latin, sacer simply means that which is set apart. In this way, the economic systems that measure and manage our daily activities are sacred because they are not available for use by the common man. They therefore attain an elevated status.

In his attempt to ground the science of economics, Pikkety is unimpressed with the status of the field and claims that his fellow economists are generally caught in a 'childish passion for mathematics' and have a tendency to engage in 'highly ideological speculation' (2014: 32). In this respect, economics mirrors the default parody of the scholastic monks. However, contrary to the highly learned scholars of scholasticism (hence its name), economists' 'claim[s] to greater scientific legitimacy' than the rest of the social sciences are uttered despite the fact that, according to Pikkety, 'they know almost nothing about anything' (2014: 32). Such passionate tabula rasa come to appear as perfect messengers for the gospel of current economics. Even today, they police a law of consumption, which is plainly the law of desiring anything. Here, 'in the vernacular of the Church of Economic Growth planet-wide congregation', Bauman complains, progress means to 'consume more' (2012: 55). Moreover, Bauman argues that in our current society, 'all roads to redemption, salvation, divine and secular grace, and

happiness immediate and eternal alike, lead through shops' (2012: 55). In line with this argumentation, Reichel (this issue: 96) suggests that 'in the firm of the growth economy, philosophy is replaced by consumerism'.

Notably, nature has also become sacred in managerial and economic thought. The climate problem is commonly referred to as a 'negative externality' in economics. As such, it is viewed as a cost suffered by a third party that is not automatically registered by natural markets and, therefore, not included in firms' financial calculations (Stern, 2006). In turn, climate change has been called a 'market failure' (Stern, 2006: viii) that must be corrected by forcing markets to take the cost of exploiting natural resources into account, which has led to the emergence of carbon markets (see Böhm et al., 2012; Leonardi, this issue). This market failure may be deemed a 'negative production externality', referring to a situation in which production by a specific company reduces the well-being of other actors without compensating them. Some national legislation is trying to force firms to internalize these externalities by incorporating some costs of, for instance, pollution into their financial reports. However, this only confirms that economics have succeeded in sacrificing the environment. As untouchable and sacred, the environment can now only be approached as an 'internalized externality', or what Agamben (1998) terms an 'included exclusion'. This is how Agamben's central but controversial example of the Muselmann, who is excluded from the camps, becomes the necessary foundation for the totalitarian regime itself. While the camp refuses to integrate this excluded form of bare life, it comes to rely on the Muselmann to enforce its policy.

With this in mind, we can formulate the relation between the environment and economics in the following way: the environment is the homo sacer of economics. For Agamben (2007), the political task confronting us today consists of bringing back into use what has been isolated through exclusion. In other words, we must profane the sacred. To do so, we must return to use that which has been sacrificed by economics – the environment. Such an operation requires the invention of a 'new use', as we cannot continue to exploit the environment as a dead resource that is included in our production but excluded from our community. Even the very concept of 'the environment' encompasses this tension. The reduction of 'nature' to the 'environment' signals that the former has no intrinsic value but is only a resource ready to be exploited by capitalism (Banerjee, 2003). Post-growth appears to be a possible opportunity to return both the economy and nature to a new use. Such use should render inoperative the sacred powers that are currently being transposed into discussions about ecology and economy. Profanation may indeed find a form akin to Fournier's (2008) 're-ordering' of our value systems in order to approach the issue of growth, post-growth, and degrowth, as it:



... is not just a quantitative question of doing less of the same, it is also and, more fundamentally, about a paradigmatic re-ordering of values, in particular the (re)affirmation of social and ecological values and a (re)politicisation of the economy. It aims to take us out of the economy, of the domain of the calculable and economic rationality, and ask fundamental questions about the nature of wealth, its distribution, its use, and misuse. Thus degrowth is not just a quantitative question of producing and consuming less, but a tool proposed for initiating a more radical break with dominant economic thinking. (*ibid.*: 532)

The contributions in our special issue attempt to respond to this call for re-ordering. They comprise a collection of scholars engaged in critical and creative thinking around organizing for a post-growth economy. Valenzuela and Böhm, Leonardi, Reichel, Bjerg, and Chertkovskaya et al. critique underlying assumptions, as well as attempts to reclaim the vocabulary and practices of sustainable development. Hanlon analyses the historical development of neoliberalism and the corporation in order to understand (and potentially transform) contemporary management and capitalism. In addition, this issue also seeks to distil alternative organizational forms, as explored by Roman-Alcalá, and Hinton and Maclurcan. The book reviews by Chertkovskaya, Paulsson, Skoglund, and Munro also discuss the issue of enacting alternatives to our current economic organization.

## The contributions

In the first contribution, Francisco Valenzuela and Steffen Böhm aim to reclaim and re-politicize the sustainability and post-growth agenda through a critique and assessment of the circular economy ideal. In their analysis, they focus on one of the remaining problems for the ‘eco-business’: achieving zero waste. The authors use Apple’s ‘design-for-recycling’ to illustrate how the problem of waste has been turned into a fetishized commodity and, thereby, transformed into an argument for, rather than against, consumption. To make their argument, the authors develop a philosophical conceptual framework that augments Marxist and Lacanian readings. Valenzuela and Böhm conclude that sustainability as more consumption is a contradiction in terms, and that organizing for the post-growth economy requires re-politicization of sustainability, both as discourse and practice.

In the second article, Emanuele Leonardi continues the re-politicization of the post-growth agenda by drawing our attention to the consequences of establishing carbon markets in order to address the problem of climate change caused by economic activities. Instead of assessing the financial results of carbon markets, Leonardi situates those markets within a broader political and historical context. He explores the historical events that led up to the introduction of carbon

markets and he explains the development of capitalism, which allowed this historical event to take place. This enables Leonardi to explore the conditions that make it possible to propose carbon markets as a solution to climate change. As Leonardi shows, carbon markets must be understood against the backdrop of the broader trend in contemporary capitalism to 'financialize' commodities. However, within this development resides a dogma that only the establishment of markets can redeem the environmental problems generated by capitalism. Hence, Leonardi shows that the commodities that are exchanged on carbon markets are disconnected from the actual ecological problems these markets are intended to address. For this reason, Leonardi argues that carbon markets are based on an ideology that serves to conceal the inherent conflict between capitalism and environmental sustainability.

In the third article, André Reichel guides the reader through a systematic introduction to Niklas Luhmann's systems theory. This happens by way of Spencer-Brown's work on the laws of form and his 'indicational notation' as it applies to organizational problems in general. Through a system of distinctions (like the one that separates a piece of paper into two areas) and indications (as when one of the areas is marked), Reichel shows how apparently highly formal operations are able to conjure up entire universes. Indeed, as such operations continue, they also gather space and time into their command. Fundamentally, they are autopoietic systems that recreate themselves through self-observation. As one such system, the economy may have its basic flaw in its bias towards its own system of reference – it always talks about communication in terms of economics and, hence, scarcity. Eventually, an individual in a firm in a growth economy can only be observed through that individual's consumptive relationship with the firm. In this regard, as the above reading of Agamben's use of profanation signals, philosophy might have been a more reflexive resource able to contextualize this consumption. As it stands, the system's self-description remains bent on strictly economic signifiers. However, it is against this 'biased' backdrop that Reichel provides an alternative vocabulary fit for contextualizing the future's firm in much more varied and far-reaching contexts involving dialogue, polyphony, and non-contingent values. This is systems theory as a critique as well as an affirmation, especially as an affirmation of a future economy bent not on scarcity but on abundance.

In the last article, Antonio Roman-Alcalá provides an elaborate, sustained empirical example of how a post-growth economy might look when seen from the point of view of food production. In particular, he focuses on the perspective of peasantries and related movements, such as the transnational food sovereignty network La Via Campesina. The latter represents at least 200 million people, and its notion of food sovereignty challenges the current disempowerment of local

producers and communities. Although peasantries produce ‘to markets’, they have a long tradition of living within non-growth economies and even struggling to maintain that stance. Roman-Alcalá argues that a new regime that simultaneously involves and challenges governments, market actors, and civil society is needed. This regime could balance reformism and radicalism instead of pitting them against each other. This move must include a broader view on exchange than just the economic one, thereby opening up for ‘moral economies’ and markets ‘nested’ in normative frameworks. In this regard, Roman-Alcalá points to the need to rethink democratic inclusion and the need to transform sovereignty into a notion that goes beyond power ‘over’ or ‘against’, and moves towards ‘relational sovereignty’. This will by no means be an easy task, and the bottom-up processes of food sovereignty movements is just one of several paths that need to be explored.

In our note section, Jennifer Hinton and Donnie Maclurcan take their point of departure in what they describe as dualism within political discussions addressing the social and environmental challenges generated by capitalism. As they note, these discussions tend to revolve around two alternatives: either social and environmental problems should be solved by traditional market-based agents, or they should be managed by governmental agencies. However, Hinton and Maclurcan point to a third alternative: not-for-profit enterprises. In contrast to traditional for-profit enterprises that allocate their surpluses to private shareholders, not-for-profit enterprises are required to reinvest all generated profits for purposes related to their stated social missions. Although acknowledging the potential challenges that a not-for-profit enterprise faces, Hinton and Maclurcan show that these enterprises offer a way to address the social and environmental challenges generated by capitalism. It is, as Hinton and Maclurcan note, ‘only when profit is a means to an end, rather than an end in itself, that an economy can truly address social and ecological needs’ [this issue: 155].

In the second note, Ole Bjerg shows how contemporary discussions concerning ecology use the famous photo of Earth taken by the Apollo 17 crew on their expedition to the moon in 1972. This picture, according to Bjerg, bears many implicit connotations that tend to inform contemporary discussions about ecology and economy, such as the fact that we have one planet that we all share. Bjerg argues that although it might be evident that the world is one from the perspective of the moon, this view fails to grasp the world in which we actually live. Thus, he points to the fact that no one looks at the world from the outside. Rather, we live in a world in which there are, for example, national borders. To subvert the abstract conception of the world represented by the picture of the Earth taken from the moon, Bjerg suggests that we should turn our perspective

towards money, as a reformation of money may hold the key to solving many of the political and environmental problems that we face.

The roundtable 'The dark side of management: Gerard Hanlon in dialogue with *ephemera*' is constructed on the basis of two separate Q&A panels held with Hanlon and celebrates the publication of his book *The dark side of management: A secret history of management theory*. The roundtable begins with an introduction of the book by Gerard Hanlon in which he reflects on what the book tries to accomplish and discusses its main arguments. As Hanlon shows, contemporary management must be understood against the backdrop of wider historical, political, and economic developments that he traces back to the emergence of neoliberalism and the rise of industrial corporations in America. Hanlon makes it clear that management must be conceived of as a political project that has fundamentally changed the way we think about ourselves. The roundtable then offers a discussion with Henlon about the main arguments of the book.

The anthology *Degrowth: A vocabulary for a new era* is discussed in our second roundtable. At the ENTITLE Conference 2016 in Stockholm, Alexander Paulsson facilitated a discussion among Giorgos Kallis, Stefania Barca, Ekaterina Chertkovskaya, and Giacomo D'Alisa. In line with Valenzuela and Böhm's argument, the starting point for the discussion was that neoliberalism has 'hijacked' and depoliticized our vocabulary. The aim of the book is to re-radicalize our vocabulary to advance the degrowth movement. The authors emphasize that degrowth means something different than less growth or negative growth. Degrowth is a critique of the ideology of growth as well as a 'hypothesis' of something different. Another aspect that distinguishes degrowth from advocates of sustainable development is that degrowthers *want* to limit growth and view doing so as a social demand, which is a more radical notion than the argument that we *must* to limit growth due to limits on Earth's resources. Given this reversal of the problem of limits, the degrowth movement maintains not only that we already have more than we need but also that we have enough for everyone. The question is not how to produce more, but how to share and distribute what we already have in new and fair ways.

We have four book reviews in this special issue. In the first one, Ekaterina Chertkovskaya reviews and discusses the book *Degrowth: A vocabulary for a new era*. The book, which is a collective effort by the degrowth movement, consists of short entries by more than 50 authors. Each entry addresses a debate or key term in the degrowth field. Chertkovskaya suggests that although the project is ambitious and timely, the degrowth movement could benefit from connecting to critical schools of thought, as many questions have yet to be critiqued and analyzed. For example, how can work be reclaimed in a degrowth society? What

will consumption look like? What role will digitalization play? It is important to note that degrowth is not only about critique but also about proposing alternatives – a large part of the book explores such initiatives.

Alexander Paulsson reviews *Enough is enough: Building a sustainable economy in a world of finite resources* by Rob Dietz and Dan O'Neill. Paulsson explains that the authors further develop the model of steady-state-economies as an alternative to the pro-growth economy. The steady-state-economy model shares many similarities with degrowth. The main difference, Paulsson writes, is that while a steady-state-economy model proposes 'less of the same' and views the limits of nature as the driving force for a transition, degrowth argues for 'something different' and view the limits to our culture as the driving force. The authors build their argument on Daly (1996), but argue that policies and transition strategies are lacking – a gap that the book attempts to address. The authors identify consumption as one of the main practices that can be influenced to facilitate the transition to a steady-state-economy, but Paulsson questions their analysis and argues that it is unclear *who* the authors think should change their consumption, and Paulsson further argue that the relation between growth capitalism and steady-state-economy.

In the third review, Annika Skoglund discusses *The handbook of entrepreneurship and sustainable development*. The starting point for this anthology is that conventional entrepreneurship has contributed to our dependency on the unsustainable sourcing of materials and the current, unsustainable economy. Instead of disregarding entrepreneurship, however, the authors use conceptual explorations as well as empirical illustrations to investigate alternative forms of entrepreneurship that might support a transition towards a more sustainable society. They do so while providing a rich set of ideas on how entrepreneurship might operate under the condition of sustainable development. Skoglund argues that the anthology fails to problematize and critically discuss the merger of different values (e.g. social and environmental) with entrepreneurship.

In the final review, Iain Munro reviews Naomi Klein's book *This changes everything: Capitalism vs. the climate*. In this book, Klein summarizes the past 20 years of debate on climate change, and shows how corporations and nation states have been actively involved in cover-ups and utilized stalling techniques in relation to environmental degradation and its consequences. Klein argues that we need a 'Marshall plan for the Earth' and offers a 'conceptual toolbox' for understanding the situation and possible next steps. Munro concludes that this is one of the most important books on climate change thus far. His only concern is the book's emphasis on sacrifice in relation to the needed transition. Munro

argues that a more fruitful approach might be to look at positive practices of downscaling and alternative models for sustainable organization.

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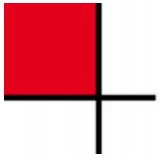
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## Against wasted politics: A critique of the circular economy

Francisco Valenzuela and Steffen Böhm

### abstract

The discourse of zero-waste and the circular economy has been championed by key players, such as the European Commission, management consultancies, NGOs, academics and multinational companies, in recent years. Given the all too obvious social and environmental crises associated with out-of-bounds growth capitalism, the circular economy has been one of the main references for rebuilding and reforming a political economy of sustainable growth. In this paper we detect a de-politicizing strategy in this attempt of reform, and, consequently, aim at re-locating a position for the politicization of growth-driven capitalism and the circular economy. We do this by offering a unique discursive-material theoretical framework, bringing together Marxist and Lacanian psychoanalytic readings. This will allow understanding both the subjective relation with the meaning of waste and the material exchanges that place the subject in the position to produce and consume waste as a valuable commodity. In our quest to (re-)politicize waste, we offer three practical steps that aim at interrupting the endless repetition of waste, which include attempts to eradicate it. This argument will be illustrated by making reference to the circular strategies of Apple Inc., the world's largest and most iconic consumer electronics company.

It's a true story ... being a young intellectual, I wanted desperately to get away, see something different ... I was on a small boat ... the fishermen went out in their frail crafts at their own risk. It was this risk, this danger, which I loved to share ... One day, then, as we were waiting for the moment to pull in the nets, a fisherman known as Petit-Jean ... pointed out to me something floating on the surface of the waves. It was a small can, a sardine can. It floated there in the sun, a witness to the canning industry [in developing Brittany], which we, in fact, were supposed to supply. It glittered in the sun. And Petit-Jean said to me – You see that can? Do you see it? Well, it doesn't see you! (Lacan, 1998: 95)

## Introduction

Calls for mobilizing a post-growth economy can be increasingly heard in the public sphere these days. The economic drive for growth, experts have been telling us (Alexander, 2012; Jackson, 2011; Meadows, et al., 1972), is associated with alarming symptoms of environmental destruction and socio-psychological demise, ranging from wage stagnation and the rise of inequality to increased dissatisfaction and depression, and, of course, global warming. Such claims have motivated peer-reviewed publications (e.g. Schneider et al., 2010) and public manifestos demanding a transition towards a healthier and more equal society, free of the unforgiving imperatives of competitive capitalism (Gordon and Rosenthal, 2003) and its inadequate measures to estimate, and even less reflect upon, what really matters for humanity in social, environmental and moral terms (Wilkinson and Pickett, 2010). Moreover and crucially, pro-growth discourse does not acknowledge the public health and environmental crises Planet Earth is facing (Hidaka, 2012; Rockström et al., 2009), caused, in large parts, by capitalist expansion (Harvey, 2014).

The post-growth project finds its legitimacy in the need to urgently address these crises as a political problem. Post-growth politics aim not only at disrupting the power relations that will make up the future economy; they also seek to expose and contest the futility of the cultural ideology of capitalist growth (Sennett, 1999). This implies denouncing how capitalism feeds from the promises of ever-developing, cosmopolitan social geographies, while hiding an overexploited, ‘necropolitan’ space where agonizing peoples dwell (McIntyre and Nast, 2011).

Certainly, this is a political struggle that has not and will not be easy. Yet, the utmost difficulty does not seem to lie in the inconsistency of narratives (and policies) proposing alternatives to growth-driven capitalism (e.g. Spangenberg, 2010), as some authors have suggested (Berg and Hukkinen, 2011; van den Bergh, 2011). Interestingly, beyond such expectable strains, the real problem appears to be found in the spectacular grip that narratives and cultural elements insisting on capitalist growth have increasingly shown over working and consuming subjects, preventing their identification with an active and critical political stance (Swyngedouw, 2009; Žižek and Hanlon, 2001).

Ideals of growth have not only been defined publicly as the sole ‘safe place’ during economic crises; they have also infiltrated and absorbed representations that stand against its implications, naturalizing the premise of permanent growth and celebrating it as a kind of Fukuyamean ‘end of history’ for socioeconomic governance, psycho-social development and environmental fostering (Easterlin, 2005; Levy, 2014; Velasquez-Brust and Sarkis, 2012). Chief among such de-

politicizations has been the discourse of 'sustainability'. Once a radical condemnation of the un-sustainability of capitalism (Meadows, et al., 1972), the notion of 'sustainable growth' now promotes 'more of the same rather than a radical departure from economic growth as the top policy objective' (Victor, 2008: 19). Sustainability is driven to its logical conclusion when it is turned into the fetishized content of so-called 'green' and 'ethical' commodities and thus into the essential part of the discourse (and practice) through which the capitalist political economy organizes and legitimizes itself (Cremin, 2012).

As Marx foresaw, our capacity for critique can only get stunted when socio-environmental spoilage is fetishized, that is to say, when it gets sublimated into desirable images and exchangeable values before our eyes (Böhm and Batta, 2010; Böhm et al., 2012). Consequently, going against the current, this paper aims at re-locating a position for the politicization of growth-driven capitalism *vis-à-vis* the latest and most sophisticated version of the 'sustainable' fetishized commodity: the 'zero-waste' value chain and the general project of the 'circular economy' it promises to realize.

The latter is part of a recently developed discourse, endorsed by renowned international institutions such as the European Commission (2014) and the Ellen MacArthur Foundation (Webster, 2015), which promotes the sustainable growth of the global economy through the achievement of waste suppression in all stages of productive and consumptive activity. This project aims further than just recycling, by assuming the possibility of engineering a nature-like, ever-replenishing growth without any residues (nor losses). Such ideal of 'circularity', which wasteless-ness management could realize, is the imaginary the paper intends to problematize. Why? Because the harmony it upholds veils, as a fetishist fantasy, the possibility of politicizing the rules of a capitalist economy and of preventing the unsustainable human and environmental wastings the latter cannot help but multiply (Gidwani, 2013; Žižek, 2013).

The practices of 'circular-certified' company Apple Inc., which this paper will discuss in its final section, can be briefly mentioned here as an example of this. In particular, we focus on how zero-waste practices can divert our attention from the planned obsolescence that has been built into the production and marketing of products devised by companies like Apple (Herod et al., 2013). Quite simply, as the Apple brand proudly displays its achievements in complying with design-for-recycling standards of production (Underwriters Laboratory, 2016), the public turns oblivious of the environmental consequences of Apple's competitive business strategy, which seeks for consumers to dispose of old versions of Apple products in favour of new releases as quickly as possible. When the feeling of an iPhone turning 'old and slow' is combined with the feeling of an iPhone being

circular or 'green by design', any critical, politicizing impulse in the environment-wary consumer gets repressed by the intense want for the newest iProduct. This is because the marketing of the circular leads the consumer to conceive the purchase of Apple commodities as the perfect antidote against Apple's own wasteful logic. As a result, of course, the manufacture of iProducts becomes more relentless than ever.

In light of this dynamic, assuming that the general discourse of sustainability has become the de-politicized safe-conduct for wasteful growth to be established as the sole socio-economic programme, our purpose is to evaluate the underpinnings of the 'zero-waste-circular-economy' (ZWCE) discourse as the new dominant narrative of sustainability; a fetishizing narrative within a capitalist order.

This move towards (re)politicization, of course, will require this paper to rely on some counter-intuitive facts of waste under the political economy of contemporary capitalism. First, the fact that waste will keep increasing exponentially, faster than our capacity to handle it (Hoornweg et al., 2015). Second, the fact that the organization of waste management value chains cannot suppress the wasted, but only transpose it to marginalized territories (Gidwani and Reddy, 2011; Gregson et al., 2010). Third, the fact that the offering of 'green' sustainable commodities, now endowed with a 'zero-waste' gloss, results paradoxically in the arousal of a fetishistic desire to consume them more intensely and thus to keep up the wasting of their leftover parts. This ensues from the guilt the consumption of such waste-less commodities immediately atones for the sustainability-wary subject (Jones, 2010). Overall, by inquiring over the fetishization of the 'circular' commodity and the de-politicizing effects of it, we seek at the same time to take an ethical stance in relation to the idea of waste and its production. We propose that wasting should not be conceived normatively as a mistake that ought to be fixed using the 'leaning' means of capitalism, so that the latter ends up being championed once again (e.g. Dhingra et al., 2014). Instead, we affirm that waste should be conceptualized critically, as the inherent by-product of a regime that thrives on the excessive exploitation of labour and the environment (Yates, 2011), and whose rationalized systems work, as Hardin (1968) points out, to literally dump the residues of private enterprise into the public sphere of the commons.

In what follows, we hope to contribute a layered conceptual framework to reclaim the lost critical edge of the discourse on sustainability and the post-growth agenda. In consequence, with this we seek to foster the devising of political interventions disruptive of an unsustainable socioeconomic order. The first half of the argument will depict the 'circular economy' programme and then put its

de-politicizing ‘zero-waste sustainability’ claims, for the sake of perpetual growth, into question. This will be done by establishing a contrast similar to the one recently promoted by Sum and Jessop (2013), in which the possibility of a middle ground for (re)politicizing ‘wasteful unsustainability’ is looked for between semioticist interpretations of political discourse (e.g. Barnes and Hoerber, 2013) and Marxist, materialist critiques of capitalist surplus-value generation (e.g. Harvey, 2014; Yates, 2011). The second half of the argument will turn to Lacanian psychoanalytic readings (Cederström and Spicer, 2014; Cremin, 2012; Lacan, 2007) to account for engagements with de-politicization that consider both discursivity and surplus-value generation to be involved in a single kind of socio-economic subjectivity, fetishistically driven to the fantasy promised by the now waste-less sustainable commodity. As briefly elaborated above, the interruption of such phantasmatic relation, which we believe could lead to the re-politicization of the general sustainability project, will be discussed in relation to the example of a ‘circular’ company in the high-end electronics business: Apple Inc.

### **Waste management and the ‘zero-waste circular economy’ (ZWCE)**

We begin by acknowledging how ideals of growth have assumed the command of the discourse of sustainability. If we consider ‘The limits to growth’ report, outlined as early as in 1972 (Meadows et al., 1972), we can see how the concept of sustainability was originally brought to light to stand against the ‘growth’ doctrine of capitalism and the over-consumption of natural resources the latter called for (Kidd, 1992). Originally, the narrative on sustainability arose as a response to evidences of the pernicious social and environmental effects of globalized industrialization and the lack of regulation within thriving neoliberal economic policies (Crouch, 2012; Shamsul Haque, 1999). In this sense, sustainability implied a negative status, as it was really about declaring unsustainability as a fact ignored by advocates of economic growth. Forty years on, however, the term ‘sustainability’ has been captured by politico-economic elites claiming that rapid economic growth can be achieved in a way that manages to remain responsible to environment and society (Magretta, 1997). This implies the positivization of a formerly negative concept. As a recent report by the United Nations Environment Programme (UNEP) has corroborated, the ideal of sustainability no longer denounces the negative lack of responsibility in earth-depleting growth logics (i.e. un-sustainability) but rather signals the positive construction of a ‘green economy’, based on morally-oriented socioeconomic measures and policies capable of delivering a ‘green development’ solution (see also Fay, 2012).



As Dauvergne and Lister indicate (2013), this dramatic turn in the debate on sustainability, culminating in the normalization of notions like ‘green growth’, has been championed by leading-brand companies (like Apple Inc.), as part of an integral strategic effort that goes beyond mere greenwashing and reputation-saving initiatives. According to these authors, the notion of sustainability has been appropriated by the logic of ‘eco-business’, a mode of enterprise that strives to produce and brand sustainable goods and services/practices in order to help companies secure ‘competitive advantage and increase sales and profit’ and generally ‘enhance their growth and control within the [crisis-prone] global economy’ (Dauvergne and Lister, 2013: 1). From this perspective, sustainability can be seen not only as a marketing plan devised by companies to appease the socio-environmental concerns of stakeholders, but also as a crucial business driver, and thus, as an operational challenge proper, particularly in terms of supply chain and resource efficiency management (Dauvergne and Lister, 2013; Seuring et al., 2008). In simpler terms, producing sustainable goods and services makes leading-brand companies not only look good but at the same time helps them grow by expanding their capacity to compete, negotiate and survive.

It is precisely this newly forged link between sustainability and enterprise, sitting at the heart of eco-business, which leads us to focus our attention to the crucial problem of waste. This is because the latter has come to stand as the main cause mobilizing both the marketing and operational departments of companies to which sustainability is paramount. Following the conceptual transition we have proposed above, from negative renditions of sustainability to positive ones, waste can be seen as embodying the negative side of sustainability that eco-business managers strive to positivize, as it represents to them what has not yet been actively managed in marketing and operational terms. The reality of waste produced by eco-businesses, as perceived by consumers, employees and stakeholders through the media or more direct means, shows an eco-brand that is not yet green enough, and reveals an organization of the eco-supply-chain that is not efficient enough yet.

In this sense, waste management and recycling capabilities become the most important assets to be managed, as they allow companies to enact and display a direct impact over the clearest traces of their un-sustainability. This perceivable impact of responsible, green and efficient practices over produced waste gets consolidated further by the consumers’ perception of their own personal, domestic experience with the management of waste, a perception that companies invest heavily to bolster through the means of advertisement (e.g. Barr, 2003; Kotler, 2011). Consequently, from a broader perspective, the practice of waste management can be seen as serving to sublate the negative connotations of the economic growth-sustainability link into a positive business dynamic, and thus,

to legitimize the sustainable growth programme for both companies and consumers. On the one hand, when something is wasted after a process of production, distribution and/or consumption, such act cannot help but to be appreciated as unsustainable, damaging and flagrantly immoral. On the other hand, after these acts of wasting are defined as reproachable, they get almost immediately re-appraised as valuable by both consumers and producers. Here the notion of value should be understood in both economic-material and ethical terms. The appearance of the wasted serves to foster socio-environmental values that promote steering the world back to a sustainable status. And this is a process that ought to be conducted through making good business, an endeavour that calls, in turn, for effective market valuation of the wasted. This is what the well-known case of carbon offsetting illustrates clearly vis-a-vis the wasted environment (Böhm and Dabhi, 2009).

In short, sustainable growth can be best sold when its procedures demonstrate to be valuable, and waste, however excessive, serves as the perfect object of that valuation. Such an insight helps explain why the desire for consumption does not diminish but increases when recycling systems are offered to subjects, as experimental psychologists Catlin and Wang have recently discovered (2013). Waste is no longer signified as the trace of unsustainability, but rather as the object of manageable sustainability, an institution whose practices the subject feels compelled to purchase and help grow (Corvellec, 2014).

Having considered the role of waste and waste management, it is crucial to appreciate how the newly emergent discourse on the 'zero-waste circular economy' (ZWCE) has begun conveying, like no other concept, the positivized waste management logic underpinning the sustainable growth programme. The idea of ZWCE has been promoted heavily in recent years as the main reference for building and reforming a political economy of sustainable growth. It has been championed by governmental institutions like the European Commission (European Commission, 2014), in charge of piloting cross-European law and policy making, and by prestigious international NGOs like the Ellen McArthur Foundation (Webster, 2015), which has created a business platform integrating more than a hundred of the world's leading multinational companies with top consulting actors like McKinsey and Co. and top class universities. Essentially, what these global efforts towards the ZWCE endorse is the most sophisticated version of the 'resource efficiency' agenda supported by United Nations and the European Commission (European Commission, 2014; UNEP, 2011).

The intended sophistication of the ZWCE is introduced when the engineering to optimize the use of resources is no longer defined as a local, linear input-output intervention but rather as a worldview that assimilates economic activity to the

ever-springing life cycle of nature, where all things are said to be born to inter-act without any wastage (Benyus, 2002; Porritt, 2007). This is the so-called ‘zero-waste’ ideal at the center of all circular economy initiatives and policies, a system in which

what used to be regarded as ‘waste’ can be turned into a resource ... [one that can be] best understood by looking into natural, living systems that function optimally because each of their components fits into the whole. Products are intentionally designed to fit into material cycles, and as a result materials flow in a way that keeps the value added for as long as possible – and residual waste is close to zero. (European Commission, 2014)

This recent proposition entails a leap forward in terms of the socio-economic understanding of waste and its management, which aims to go beyond the promotion of practices of recycling, displacing, transforming or offsetting. As a framework, the ZWCE is ultimately about radically altering the logic of business at both the consumer and producer ends, so that all significant wastage gets eradicated for good in all steps of the value chain, at industrial and urban levels (Curran and Williams, 2012; Zaman and Lehmann, 2011).

Crucially, what these ‘zero-waste’ goals amount to is the definitive consolidation of the abovementioned link between sustainability and growth, originally enacted by recycling practices. According to sustainability-wary scholars Zaman and Lehmann (2011), the notion of ‘zero-waste’ represents the latest, most accomplished wave of innovation in waste management systems: a synergy of design and production systems that is able to achieve 100% recycling or resource recovery and prompt real changes in consumption behaviours, in the direction of sustainability. Yet, it is the notion of circularity, promoted by leading-brand eco-companies (like Apple Inc.) in conjunction with global institutions of policy-making reach (like the European Union), which really pushes for the seamless conceptual amalgamation between sustainability and growth, because of its focus on re-positioning the socio-materiality of waste as an ‘optimization business’ (Hultman and Corvellec, 2012). The ‘circular’ in the ZWCE project posits a universal, transcendental connection between the laws of nature and the capitalist economy, in relation to which waste is defined as a particular exception, a mistake of perception and operational implementation that can be dealt with by deploying a different, more sophisticated business strategy.

## **The de-politicization of growth capitalism through the ZWCE**

A specific question emerges out of the abovementioned insights on the ZWCE: how exactly is the amalgamation of ‘sustainability’ and ‘economic growth’ being instituted? What exactly accounts for the consolidation of this link?

A sustainable kind of growth is assured by the new concept of a ZWCE because the latter purifies the perceived connection between waste and unsustainability from all traces of ambivalence. Waste (or lack thereof, to be precise) has now become absolutely constructive of a prosperous and sustainable socioeconomic future, because it is no longer conceived in terms of compensating a loss, as it was with recycling, but rather in terms of ‘not losing’ or ‘losing loss’ altogether. An American NGO expresses this crucial shift by evaluating the notion of a ‘broken process’:

[We have] a clear and simple vision: a prosperous and inclusive future without waste ... [This is] not just a dream; it’s a necessity. Waste reduces the effectiveness of our businesses, increases pressures on the natural environment and harms the vitality of our communities. It does not have to be this way; waste is the result of a broken process. Fortunately, this is a process that can be fixed. (Zero Waste Alliance, 2014)

From the ‘zero-waste’ perspective, the ‘breaking’ that any waste/wasting represents no longer makes a reference to the damages that growth has inflicted over society or nature. Quite the opposite, it now refers to the entropies and failures on the waste management value chains that have been already assumed as perfectly capable of delivering inclusive and circular sustainable growth, if handled properly. As previously proposed, nature is conceived by ZCWE champions as working in virtually the same way the economy works and in that sense the focus of more efficient re-valuation is now mostly placed on waste management as a business object, not on the excess of waste (Braungart and McDonough, 2009; Corvellec, 2014).

Regardless of the vehicle it takes, such evolution allows a decisive purification of the idea of growth by dissociating it from its deductible wastes. This results from the scientific plausibility of devising and engineering wasteless businesses (Braungart and McDonough, 2009), and more importantly, to the conviction of performing an all-encompassing capitalization of nature to manage socio-environmental sustainability according to business logics (European Commission, 2014; see also Hawken et al., 2010; Hawken, 2010). If growth is now able to become flawlessly circular and absolutely benign (i.e. sustainable), it is because waste (or lack thereof, ‘zero-waste’) can be calculated with absolute certainty as valuable. It expresses the rationale of capitalism as applied to optimize itself in self-referential fashion, that is, to assign economic value not only to the wastings of nature (i.e. the former recycling logic) but also to the ‘wastes’ or mistakes of the process of waste valuation itself, as it is being implemented (i.e. the new ‘circular’ logic).

All of these insights on the re-conceptualization of waste, showing the emergence of circularity ideals, have elucidated for us a fundamental consequence: the de-politicization of the discourse on (and against) the unsustainability of capitalism (Straume and Humphrey, 2010; Swyngedouw, 2010). Firstly, the new framework insists on considering the discussion around different organizations of sustainability, particularly the ones that highlight alternatives to unsustainable growth, not as a part of a political arena (e.g. Blühdorn and Welsh, 2008) but as an effort of gauging a management and governance/policy problem (e.g. Gladwin et al., 1995; Sekulova et al., 2013; Starik and Kanashiro, 2013). This constitutes a reduction in which ultimately only a kind of simulated politics can take place between pro-consensus institutions (Blühdorn, 2004; see also Rancière, 1998). Secondly, delving deeper into such defusing of political antagonism, the ‘circular economy’ programme can be seen as promoting a kind of populism of external elements (instead of the inner shortcomings and conflicts of the economy) as the way to secure a sustainable future amidst so called ‘apocalyptic’ conditions (Swyngedouw, 2009). Elaborating on Swyngedouw’s (2010) ideas, in the case of the ‘circularity’ imaginary such externalization can be understood as an elaboration on nature that is concerned both with the technical intervention and re-design of nature to fit circular productivity and with the more limited intervention on nature guided through mimicking its ‘zero-waste’ metabolisms (e.g. Sorman and Giampietro, 2013).

At this point, we must return to our original concerns and ask: is the consensus on the ZWCE along with its ‘economic naturalism’ claims really the end of the political history of sustainability as an economic programme for growth’s sake? Is there room to reactivate political antagonisms around growth that could lead to empowering the demand for its exhaustion? In the following section we will turn to political discourse theories in search for resources to answer these questions and assess the potential disruption of the circular economy imaginary, focused on the ideal of a ‘zero-waste’ future.

### **‘Zero-waste’ as empty discursive frame: An insufficient critique**

For many authors, the de-politicization of the notion of sustainability – in other words, the naturalization of sustainable growth’ – is a problem that can only be tackled by analyzing the way the current political economy is inter-subjectively and contingently constructed through discourse (e.g. Alexander, 2009; Coffey, 2016; Jessop, 2012; Stavrakakis, 2000; Swyngedouw, 2009). Politico-discursive approaches agree on going beyond positivist, behaviourist or essentialist readings of the social in order to understand the political as the fundamental tension

mobilizing (i.e. determining) the consolidation of any taken-for-granted environmental and socio-economic normality under capitalism (Cederström and Spicer, 2014; Gibson-Graham et al., 2001; Springer, 2012; see also Cowie, 2011; Goldman, 2001). Such a reading would render the political economy of ZWCE a practically-enacted set of representations/signifiers whose rule of composition (i.e. power and/or knowledge) and subjective endorsements (i.e. identification) can be re-articulated.

One particularly relevant discursive approach, with a strong scientific basis in the fields of linguistics and cognitive psychology, can be recognized in the work of George Lakoff (2004, 2010). He has argued against the naivety of thinking that the mere publicizing of critical truths about un-sustainability would compel subjects to think beyond the pro-growth conservative establishment. In fact, he explains, speaking against a dominant discourse would only lead to its strengthening, because of how the unconscious meta-interpretation of meaning is rooted in cognitive frames. If the request to negate the meaning of a representation is being framed in the terms that legitimize that representation as a 'real' and positive thing, the effort of negating will consolidate the frame (Lakoff, 2004, 2010). Following this theory, both the astuteness of 'sustainable growth' and 'zero-waste' initiatives and the ingenuousness of straightforward 'post-growth', 'de-growth' or 'a-growth' positions (van der Bergh and Kallis, 2012) can be revealed: they end up working, respectively, to 'negatively affirm' and to 'not negate' the de-politicized frame of capitalism, which endorses perpetual growing and wasting.

Lakoff (2010) demonstrates that elaborating a critique in terms of the dominant wasteful-growth-frame only leads to what he calls 'environmental hypocognition' or lack of real alternative thinking. Accordingly, he affirms that the right way to re-activate politics (i.e. the struggle to institute meanings about the social) would be to tailor new and distinct counter-frames on waste and sustainability for subjects to identify with. This customization would not only imply moving away from the poll-based, consensus-seeking, rational-rhetorical approaches (e.g. Brulle, 2002) that 'policy wonks' often promote (Lakoff, 2004). Challenging common sense, it would also require detaching from any narrative/frames on positive 'environmental action' promoting 'zero-waste circularity', so that political discourse could address the real problem behind unsustainability: the global propagation of a 'let-the-market-decide ideology, in which the market is both natural and moral' (Lakoff, 2010: 74).

A different proposition can be found in the work of Barnes and Hoerber (2013). Drawing from Laclau and Mouffe's post-structuralist brand of political discourse theory (Laclau and Mouffe, 2001), they have come to understand the

abovementioned dynamic of discursive framing in terms of a constant reconstruction of the boundaries that regulate the semiotic field where the discourse on 'sustainability' unfolds (also as practice). Their particular interest is directed upon the function of a paradoxical 'floating signifier' or 'nodal point' within discourse: a singular representation which serves to institute or 'frame' meanings of universal reach, hegemonic dominance and a naturalized feel, but whose closure or fixity remains at the same time 'lacking' or 'empty'. This implies that it is not the particular content of a signifier that matters, but rather, its filling-function or their capacity to attract and organize different strands of filling-content. The best examples in this context can be found in representations that are as all-encompassing as they are contestable, like the notions of 'climate change' (Mehtmann, 2010), 'environment' (Fontenelle, 2013) and, of course, 'sustainable development' (Gunder and Hillier, 2009).

Extending Lakoff's (2010) understanding of political discourse analysis, this perspective allows a sharper critique of de-politicized 'frames' by showing how the efficacy of new framings can only exist within an field where antagonistic positions are disclosed and set to confront each other, as a consequence of the 'productive failure' of any new 'nodal frame' in fully hegemonizing (Žižek, 2006). Politicization in this sense is not only conceived as a rhetorical strategy against what seems 'all too equivalent' but also as the inclusion of the demands that governments, NGOs, social movements and other political actors make to particular political others in relation to 'nodal' points, pushing for diversity (differentiation) and resistance (antagonization) (Barnes and Hoerber, 2013; Laclau and Mouffe, 2001). By assuming the efficacy of empty 'nodal frames' as 'undecidable', always available to be contested, this reading of politics-as-discursivity promotes a permanent democratic struggle that subverts any 'normalizing' identity/imaginary that could grant a de-politicizing regulation of inter-subjective social practice (Laclau and Mouffe, 2001; see also Mouffe, 2005).

In sum, what both these approaches propose is that the critique of the de-politicizing discourse on the ZWCE requires re-composing 'nodal' metaphors of the sustainability discourse that have come to be perceived as righteous in their pro-growth claims for 'the reconciliation of economic and environmental demands' (Barnes and Hoerber, 2013: 15; Fontenelle, 2013).

This effort, which ultimately aims at mastering a new way to impact practical reality by modifying its discursive boundaries, calls for a strategic intervention over the discursive field where the notion of waste management acquires its de-politicizing meaning, in relation to a whole network of significations. Specifically, it must seek to 'unlock' or 'liberate' the overly fixed, antagonistic position that waste management has been set to occupy within the discursive

field (for instance, as the ideal opposite of ‘inefficient development’) by affirming an alternative way of articulating its meaning(s). Such an intervention is seen as the explicit enactment of the inherently contingent contest about how exactly to construct reality discursively; in this case, the reality of waste in relation to sustainability, particularly considering how ‘the meaning of waste may be changed as waste becomes recognized as a tradeable commodity with economic value’ (Barnes and Hoerber, 2013: 7). Following this path, the abovementioned approaches render the analysis of discursivity both a quest for new politicizing meanings, and a politicizing act in its own right. They aim at providing a cognitive and semiotic toolkit to disrupt and re-construct the processes of identification and meaning-making through which the subject makes his/her own social emplacement intelligible in relation to the new ‘empty framings’ of ‘sustainable growth’.

However, despite of the contributions presented above, it is crucial to note how this resolute trust on the possibilities of discursivity fails to take into account two important aspects for our inquiry. First, following Sum and Jessop (2001: 92), the ‘exorbitation of language’ in discourse analysis, which ‘analyzes all social relations in terms of a metaphor of language’ – and which we think also complements Lakoff’s insights on the subject’s adherence to the language of metaphors – prevents the subject from transcending the distinction between action and language (with the latter subsuming the former). This kind of mono-disciplinary imperialism thwarts the exploring of the ‘complex discursive-material nature of practices, organizations and institutions’ (Sum and Jessop, 2001: 92; see also Geras, 1988) that compose growth-driven capitalism; in this case, the material implementation of (zero) waste management. Second, the focus on the meaning of ‘zero-waste’ as it becomes commodified (Barnes and Hoerber, 2013: 7) misses a fundamental contradiction at the heart of the growth-logic of capitalism and the socio-environmental crises it generates. This is because neither the ‘re-usable waste’ nor the idealized ‘zero-waste’ commodity can emerge without the human wasting generated by the production of economic value through labour, or the ‘objectual’ waste (e.g. pollution) that results from the process of optimizing value production by exploiting labour, so that accumulable wealth can be created (i.e. ‘stuff’) (Yates, 2011: 1690).

Although the analysis of discursivity and subjectivity are crucial for countering de-politicization, such strategic effort will prove ineffective if it fails to consider the material trajectories and exchanges that account for the (by)production and the imagined suppression of wasting. Without the latter, politics can only aspire to the ‘strange ahistorical flavour ... [of the] endless performative games of an eternal present’ (Žižek, 2013: 31), which in a way is precisely what re-cycling is all about: a performance for the eternal presence of commodity value. In the next



section, as a response, we will bring together Marxist and Lacanian psychoanalytic readings to provide a discursive-material framework. This will allow understanding both the subjective relation with the meaning of waste (or lack thereof, ‘zero-waste’) and the material exchanges that place the subject in the position to produce and consume waste as a valuable commodity (or refrain from doing it).

## How to (re-)politicize waste?

### *First step: The wasted as the ‘other’ of Capital*

If the project of (re)politicizing the economy is to consider the rules for the material implementation of capitalist growth and its wasteful consequences, we believe a materialist approach, such as the Marxist, should be taken into account. For Harvey (2014), this requires considering the class structure of capitalism and the process of surplus value exploitation that the latter enables, as theorized by Marx. From this perspective, capitalism is seen as a regime of production in which surplus value is harvested by the capitalist class from human labour, transposed into an exchangeable commodity-form and then sold back to livelihood-seeking labourers. The assumption behind it is that all subjects put to work in this way will not be able to avoid recognizing themselves as a materially ‘worn out’ class, rendered ‘exchangeable’ and ultimately disposable, and to identify as ‘the other of Capital’, as Marxist scholars Gidwani and Reddy have put it (2011).

Harvey’s (2014) reading of Marx remains distrustful of post-structuralist elaborations of Marx, even in their commendable attempt to occupy what Sum and Jessop (2013) have regarded as a middle ground between the two extremes of economic determinism and semioticist discourse analysis. Instead, Harvey insists that capitalism is a ship where the fortunes of the ‘different classes, genders, ethnicities and races’ on the decks and their ‘sometimes friendly and at other times violently oppositional’ interactions ultimately depend on the permanent pounding of the material engine of capital located in this ship’s bowels (Harvey, 2014: 9). Such exploitative engine, he warns, is mobilized by the permanent effort to deal with irresolvable contradictions, the most dangerous of which is that of endless compound growth: a take-all-replenish-nothing dynamic commanded by the obscenely wealthy, which requires the all-encompassing commodification/valuation of nature and the creativity of executives and consultants in devising every charm imaginable to justify it (Harvey, 2014). This also implies the geographical re-shaping of the world in order to grant capital

access to cheap labour coming from marginalized territories (Mcintyre and Nast, 2011).

How then to conceive an effort of (re)politicizing the naturalized 'sustainable growth' discourse without compromising a confrontation of the systematic material exploitation of humans and nature for value production and accumulation that is immanent to capitalism, without falling into the de-politicizing reductionism of explaining the material through economicist, scientificist arguments? In terms of the critique of the ZWCE we are particularly interested in: How to conceive waste (or lack thereof), in a single gesture, as both a contestable symbolic representation and an economic contradiction mobilizing material production?

We think an answer to these questions can be found by discussing, from a Lacanian psychoanalytic perspective, what Harvey (2014: 4) considers the contradiction rooting all contradictions in wasteful growth-driven capitalism: the contradiction between reality and appearance, or what Marx called 'commodity fetishism'. This begins by closely examining the basic fact that the appearance of commodities means more for the labourer/consumer subject than the reality of their use as enabled by a specific material process of production in which nature and labour power are 'combusted' to enable surplus value circulation and accumulation. There is an irresolvable contradiction, which Marx termed 'fetishist': a kind of delusional desire for the masks and disguises of the exchangeable fruits of labour (i.e. prices, brands, among others) that the labourer cannot help to enact despite the unequivocal fact that his/her humanity was wasted during the process of optimizing their production (Harvey, 2014; Yates, 2011).

For Marxists like Harvey (2014; see also Yates, 2011) such paradoxical fetishism, along with the human and objective wastes it endorses, should be resolved politically through what he calls a 'revolutionary humanism'. In his view, subjects could be led to consciously re-evaluate the inherent wasting of capitalist mechanisms and then prompted to re-shape them towards a less abusive class structure, that is to say, a structure where labour does not equate to waste as the other of Capital (i.e. the labourer as an utterly wasted being). However, such trust in humanist emancipation seems to altogether disregard the problem we are posing in this paper: that of de-politicization in the construction of a 'naturalized' political economy, and along with it, the active disablement of political subjectivity as an outcome of fetishist desire for 'green' commodities exchanged within such naturalized order. This is the specific problem that Lacanian theory is capable to elaborate on.

Perhaps it is Žižek's work (1994) that has been most impactful in its assimilation of the Marxist critique of political economy to the Lacanian analysis of subjectivity. In Žižek's (1994) reading of Lacan, the capitalist political economy behind fetishist consumerism, as depicted by Marx, is conceived to be structured in a way that is homologous to the unconscious, symbolic construction of subjectivity in human experience.

Following Lacan's appropriation of Freudian theory, Žižek (1994) contends that both the commodity-fetish and the unconscious, as expressed by the symptom and the dream, can only work at a psycho-social level by establishing a meaningful relation with the appearance of identity (of both the subject and the commodity that entices him/her) where such an identity is always 'contradicted' in Marxist terms, yet still always 'fuelled' by the reality of the subject's embodied experience of desire (Žižek, 1994: 300). The strangeness of the commodity-fetish and the symptom-dream formation appears to respond to a hidden constructed meaning or 'framing', says Žižek (1994), but the deciphering of this meaning is not enough to explain the emergence of the strange element, as the emergence of the latter is caused by the primordial link between a material force (i.e. labour or unconscious desire) and a pure symbolic form that offers itself as a 'meaning to be deciphered' (i.e. commodity or the dream).

From this psychoanalytically-informed perspective, any 'revolutionary humanism' is denounced as naïve and hopeless elaboration on Marx's work. This is because the focus of Marxist thought is seen not as placed on endorsing a social science that can track the meaning of commodities and the economic regimes that sustain them, but rather on how the very effort of interpreting the meaning of commodities, serves to fuel the capitalist order at a material level, in the same way an interpretation of a dream serves not to exhaust the dreaming but to encourage it. For Žižek (1994), the only way to read the Marxist 'contradiction' at the heart of capitalism is to acknowledge the fundamental contradictory fact of the Freudian unconscious that Lacan revitalized, namely, that the desire to know requires a desire not to know, just like the desire to re-interpret the place for waste (i.e. recycling) requires the desire to waste.

Žižek's lead (1994) shows how Lacan's take on subjectivation is attuned to the labour theory of value (see also Tomšič, 2015). Speaking as a politico-economic psychoanalyst, Lacan (2007) regards the subject's identity in terms of a commodity birthed to register a 'surplus' of experience and repress at the same time the traces of its mode of material production, which takes place within an exploitative regime (Lacan, 2007: 206-207). Subjectivation in this sense is conceived as a symbolic/discursive grammar that serves to deliver a sublime

‘extra’ of social harmony – de-politicized and ignorant of exploitation – precisely when the subject becomes too sensitive to the ‘contradiction’ (in a Marxist sense) that his/her embodied and ever-expanding desire for consumption establishes in relation to a positive sense of self-certainty. In other words, the subject emerges by attaching himself/herself to what Žižek deems a fantasy: a discourse that disavows the wastefulness in the subject’s repeated effort of searching for the signifiers of commercial value (i.e. brands) that orientate the sustaining of his/her own existence via consumption (Böhm and Batta, 2010: 357).

*Second step: Waste (management) as the capitalist ‘Other’ of subjectivity*

We think the real breakthrough that Lacanian theory allows is based in its reformulation of the Marxist conception of a ‘wasted class’, where waste is situated ‘as the political other of capitalist value’ (Gidwani and Reddy, 2011: 1625). To appreciate this, one must consider how Lacan’s theory of subjectivity develops a more complex understanding of the political as a discursive-symbolic problem. Succinctly put, Lacan differs from post-structuralists in that he considers subjective identity not only a mis-recognized ‘empty frame’ that can (and must) be re-constructed, but also and simultaneously as a ‘passionate attachment’ at the material-affective level, which provides an enjoyable sense of autonomy and satisfaction and thus resists direct re-construction. This imperviousness of identity to re-construction or re-framing is signalled by what Lacan conceptualized as the fundamental function of the ‘Other’ in the discursive constitution of subjectivity.

The Lacanian concept of the Other represents a particular discursive function or grammar that allows the subject to defend from or repress unconscious desire, stemming out of material, passionate attachments, and acquire a sense of identity (Stavarakakis, 2008; Cremin, 2012). Originally veiling the mother’s threatening desire for a world other than the baby, the Other represents a kind of implicit alternate voice that is incorporated within the subject’s enunciation, and which provides a sense legitimacy, unity and harmony to any narrative or object the subject identifies with. In this sense, it represents what was seen in the previous section as the capacity to both ‘frame’ and ‘re-frame’ what is deemed ‘empty’ at the level of discursivity; the Other’s gaze serves to verify the totality of discursivity, including not only its constructed meanings but also the remaining blocks with which meaning can be re-built. However, at the same time, the all-too-encompassing character of the Other can only reveal to be incomplete, forcing the subject into the trauma of experiencing the ontological lack of discourse. This is a constitutive failure that subjectivity itself requires in order to emerge anew and afford the adaptive reconstruction of identity in relation to its underlying passionate attachments. It is the subject’s desire behind the sense of

uniqueness in identity that needs the Other to fail, so that such desire remains alive and active. If the Other proves to be indeed total, then desire becomes saturated and exhausted (Stavrakakis, 2008: 1044).

The Other, in this sense, can be pinpointed as the specific discursive function that serves to guarantee subjectivity itself, as a hastily and haphazardly achieved yet strong sense of self-certainty. It can be interpreted in the subject's articulation as a highly naturalized point of reference, of universal reach, that compels the subject to enjoy his/her actions, thoughts and general experience of the world. However, the Other can only enable the subject to achieve this in a way that is always paradoxical or 'contradictory' (in a Marxist sense), because in the end it reveals to be empty. The Other works to leave the subject precariously desiring something else, keeping him/her alive and drawn to the social as a result. Yet, this in turn works to establish a continued loop in everyday experience, one that reaffirms the existential safety of renewed commodity consumption (Cremin, 2012). We could say that the Other prompts the subject to regenerate – or even 're-cycle' – him/herself through an endless stream of commodity consumption, a cycle in which the subject masters his/her self, while always also losing the grip – or even wasting – such a self (Daly, 2006).

Based on this understanding, Lacan's contribution to our inquiry on waste can be accurately specified: more than the other of capitalist valuation (Gidwani and Reddy, 2011), waste, along with the effort to manage it, can be seen as occupying the place of the Other of exploited subjectivity. This is because the lacking Other, from which the subject desires an answer but never gets one, is in our age the programme of global capitalism that hegemonizes all social links. Its inconsistency is related to economic growth; the more it develops, the more it wastes and spoils. This renders the subject's questioning about his/her own constitution and the meaning of his/her self conceptually homologous to the questioning about the meaning of waste/wasting.

Facing the capitalist, managerial Other, the question 'who am I, what (commodity) do I want?' becomes 'is waste really waste?' and 'is the commodity worthy?', in other words, 'has the commodity been really rendered useless?' We can see this assimilation in the dilemma of the sustainability-wary subject who beholds the opinion of environmental experts: 'is global warming really real?'; and also, 'could we not just offset (i.e. re-cycle) global warming?' (see Böhm and Dabhi, 2009). We wonder if there is not also a questioning about the subject's own survival amidst capitalist growth: 'will I be alive if the earth is in crisis, if the economy keeps growing?' (see Swyngedouw, 2009).

From the perspective signalled by these questions, we think it is fair to affirm that today waste is the beating heart of both subjectivity and the dominant socio-economic order. On the one hand, millions of people have been wasted socially (i.e. segregated, impoverished, abused) and forcefully displaced to environments where rubbish accumulates and livelihoods are threatened if not totally contaminated (Böhm, et al., 2014). On the other hand, waste management is being more and more perceived in this age as the heroic cause of the citizen-subject, while the emergence of waste is seen immediately as an opportunity to take active responsibility for the repairing and restoration of the world to its natural order.

How could such blatant contradiction consolidate over time? We realize this occurs because the heart of subjectivity, recurrently failed (or ‘wasted’) in its claims for a stable identity of self, works, in turn, to jumpstart the heart of the always-inconsistent Other of capitalism, the heart-engine of the Other of wasteful growth, mythologized of late as ‘circular’, that is to say, wasteless and sustainable (Sköld, 2010: 374). Accordingly, we stand by Lacan’s famous proposition, about the structures of subjectivity and capitalism being homologous in the current version of the post-industrial political economy (Lacan, 2007: 20; see also Tomšič, 2015; Vanheule, 2016). The structure of capitalism is set to grow through constant wasting, but at the same time it is set to prompt the subject to be fascinated by the repeated ‘wasting’ of his/her self, by constantly offering him/her a commodity for him/her to fetishize; the ‘green-and-lean’ commodity, which mirrors the subject’s aspiration to embody a sustainable being.

*Third step: How to politicize the wasted.*

Going back to the problem of de-politicization, we think the crucial issue is that the subject becomes ‘harmoniously trapped’ in the endless ‘re-cycling’ of his/her own ‘contradiction’ (in a Marxist sense). The subject has to cover his/her constitutive division – we could say his/her own ‘wasting’ – with the a-political fantasy of the manageable-waste-commodity fetish. What is required then is to decode more accurately how the grammar of this relentless re-cycling of self is structured and stabilized, and how the subject can construct his/her self differently, now in politicized terms, through a different grammar.

From the perspective of the subject-consumer who is concerned with waste and its management, and delving deeper (albeit briefly) in the Lacanian framework presented above (e.g. Cederström and Spicer, 2014; Jones, 2010; Stavrakakis, 2008; Žižek, 1994), such decoding can be accomplished by briefly considering the specific registers of subjective experience that Lacan conceptualized.

On the one hand, we consider what Lacan calls the imaginary register (Roberts, 2005), akin to the purely discursivist approach discussed in a previous section: a narrative dimension of experience that thrives on sense-making and social recognition. At this level waste appears to get re-cycled and is narrated as part of a manageable process reaching 'zero' levels; this is the register where the subject constructs his/her identity as a sustainability-wary consumer and active recycler.

On the other hand, we consider what Lacan calls the symbolic register (Stavrakakis, 2008), where the discursive function of the Other can be pinpointed, and thus, where the failure of discourse (and discursivism) can be located. At this level the subject faces the fact that the imaginary suppositions of recycling (and himself as recycler) can only be fulfilled by testing its logic again and again, that is to say, by repeatedly consuming and wasting, say, in the bin that has been assigned with a righteous signifier like the recycling logo displaying the arrows of 'circularity' (Jones, 2010). It is such legitimization of waste as 'circular' or always-already manageable that we have termed the Other of eco-business capital; such is the order that must be disrupted so that the subject is politically enabled.

The consideration of these registers leads us to a single realization: what must be re-discovered, or better yet, re-invented, is the construal of the reality of waste. This implies re-appreciating waste outside or beyond the Other of capitalist circularity, assuming it not as always-already manageable or recyclable – an object of humanistic ethics for the sake of the sustainability-wary subject and eco-business shareholders – but as crude material spoilage at human and environmental levels (Yates, 2011). Waste must be seen as wasted labour, the other of Capital that we can no longer see because of our fetishist fascinations, guaranteed as they are by the capitalist Other. This is about waste as equal to the rotten and valueless of the world: those who embody the traumatic failure of megalopolitan capitalism, with whom we can establish solidarity (Daly, 2006: 192).

To conclude, in light of these claims about the re-positioning of political subjectivity *vis-à-vis* waste and its circular management, the above reference to materiality and embodiment must be briefly elaborated. Materiality is a dimension that will play a central role in our analysis of the Apple case, in the following section, and it can be considered as the third Lacanian register of subjective experience, without which the other two – the imaginary and the symbolic – cannot be used to the full for analytic purposes. The reference to the material is meant to signal to the affective register, where the passionate attachment to the narrative of ZWCE, set to orientate practices of consumption,

is concretely forged, and where the fetishist link with the sustainable commodity takes hold of the body (Böhm and Batta, 2010).

This third affective, material register can be understood by examining the formal term Lacan assigned to it: the register of the 'Real'. What this term technically stands for is not 'objective reality' as an unequivocal reference, but the exact opposite: it represents that which escapes and resists the narrative sense-making of what appears and feels to the subject to be 'reality' – what Lacan calls the imaginary – insofar as this narrated 'reality' is assumed by the subject as always-already guaranteed by the function of the Other that the narrator invokes – what Lacan calls the symbolic (Cederström and Spicer, 2014).

The Real stands for the very failure of the imaginary-symbolic production of narrated 'realities', including the 'reality' of the commodity, a failure that is an essential condition for narration and sense to exist. Narration and sense-making always emerge in response or in defence of the gaps in previous narratives, because the Other never fully works and 'contradiction' prevails; their function always depends on this renewal. In this sense, the Real should not be seen as detached from imaginary-symbolic productions. Rather, it should be seen as actually embedded into them, as a radical 'outside' that is paradoxically 'inside' them.

It is this embedding of failure within the subject's fascination with imaginary-symbolic self-constructions that should be considered, with precision, as an affective embodiment, because it stands for the material force that drives the subject to desire these constructed objects, and at the same time, to desire them to fail, so that s/he can construct new, better ones. This is why the Lacanian term 'Real', with all its ambiguity, serves to define what this register is all about. It stands for something that feels more Real than 'reality' itself: it is defined as the force behind that subjective feeling, which is constitutive part of the (discursive) construction of such perceivable 'reality'. In short, it is the material affectivity that fuels, yet at the same time, exceeds the subject's connection and fascination with meaningful narratives on the self and the socio-economic world. The mysterious fantasy that leads the subject to fetishize the 'reality' of the commodity, in this case the 'reality' of waste that can be managed circularly (i.e. 'zero-waste'), can only be explained by this material, affective bond: the manageable-waste-commodity feels to the sustainability-wary subject as more Real than its actual 'reality'.

In the following section, we will analyze aspects in the case of waste management programmes at Apple Inc. from the perspective of our Marxist-Lacanian framework, including and particularly focusing on the three registers



discussed above. In our view the latter are key to understanding how the a-political narrative of waste management is woven into the subject's embodied experience. We believe such comprehension will, in turn, reveal something about how the subject can be 'unplugged' from his/her capture within the arrangement of sustainable growth capitalism, and how s/he can open his/herself to political intervention as a consequence.

### The repeated enjoyment of iWaste: Apple's 'circular' programme

To start comprehending the affective charge involved in the constitution of the subject, and thus in the possibility for politicizing, we propose to follow some of the instances of 'contradiction', inconsistency or failure at the level of discourse, in the moment when a commodified relationship is established between a ZWCE-certified company like Apple Inc. and the sustainability-wary subject.

To accomplish this, we begin by acknowledging, on the one hand, a provider of polluting products that nonetheless embodies ethical values, and, on the other hand, a consumer of a polluting product but endowed with a social conscience (Cremin, 2012: 55). The features of the former can be immediately appreciated in the beautifully designed texts in the 'environmental responsibility' section of Apple's UK webpage:

We work hard to keep electronic devices out of landfill so that the precious resources they contain can be reused. And we want to ensure that these devices are recycled properly so they don't pose a threat to human health or the environment. That's why we've developed recycling collection events, take-back initiatives and efforts like Apple Renew, a global programme that lets you bring used Apple devices to any Apple Store for reuse or responsible recycling. We're also working with over 160 recyclers around the world, whose facilities we hold to rigorous standards of environmental compliance, health and safety, and social responsibility. (Apple Inc., 2016)

Such description of Apple's commitment to recycling, particularly the responsible use of materials, is then re-affirmed by displaying hard-data: 'Through our efforts, we've kept more than 270 million kilos of equipment out of landfill since 1994' (Apple Inc., 2016). The company clearly conveys its 'zero-waste' conviction; it claims to have reached a robot-like point of optimization:

So we invented Liam, a line of robots that can quickly disassemble iPhone 6, sorting its high-quality components and reducing the need to mine more resources from the earth. With two Liam lines running, we can take apart up to 2.4 million phones a year. (Apple Inc., 2016)

The commitment to zero-waste goes further. The company is also ‘committed to making sure all the waste created by our supply chain and by us is reused, recycled, composted or, when necessary, converted into energy. It’s an ambitious goal that requires collaboration among multiple Apple teams, local governments and speciality recyclers, but we’ve already seen great success’ (Apple Inc., 2016). Although little hard is actually provided, this talk of ambitions and goals is nevertheless effective in portraying Apple’s commitment to the ethos of the ZWCE. Even a logo and a brand has been invented for the new ‘circular’ Apple Inc.: “Renew”, a greened apple made out of the arrow of perpetual circularity.



Figure 1: Apple Inc.'s renew logo (retrieved from [apple.com](https://apple.com/renew)).

At this point we can turn to the experience of the consumer. Let us imagine, from a Lacanian stance, the situation previous to the encounter between sustainable commodity provider (in this case, Apple) and the sustainability-wary subject. A formal guarantee – an authorizing discourse, the Lacanian symbolic or chain of signifiers – is for a moment at stake, a test on how trustworthy the Other is in assuring that the ‘appearance’ of a commodity – its branding, the Lacanian imaginary – is ‘in reality’ recyclable or even ‘zero-wasteful’.

For a second, this is truly an uneasy moment on both sides, as failure is lingering. For how can the subject know if Apple’s engineering inside the iPhone

is really of ‘zero-waste’ quality? Can the subject know all the certification data that proves it? What about the voices that have warned about the ineffectiveness of Apple’s e-waste management policies (e.g. *How green is your Apple?*, 2006). This is a moment in which the suppression of unsustainability by the largest and most sophisticated personal electronics provider cannot yet be assured; a moment of anxiety, of overwhelming (albeit fleeting) intensity.

This burst of affectivity is just a flash that does not get to achieve full ontological consistency – it is the Real that escapes – and yet the subject subsequently shapes this intensity of embodied experience into a reality, as s/he cannot help but to ‘leap forward’ in elation and embrace the meanings in the positive socio-environmental imagery offered by Apple’s marketing. Apple products and communications show not only the new Apple Renew brand but also green stickers, leaf pictures and earth globes, graphics representing trees and generally the ecosystem. They also proudly bear the recycling arrows as a medal of honour for services rendered for the sake of the environment. They appear to be connected and ‘circulate’ in unity with the natural, like the evocative apple in their logo, which one can be said, metaphorically, to have ‘bitten into’ and enjoyed many times in one’s life.

Moreover and crucially, the design and features of Apple products display an effort of ‘zero-waste’ optimization. Their built-in notebook batteries, for instance, ‘last up to five years. Which saves on buying new batteries, produces less waste, and increases the lifespan of your notebook’ (Apple Inc., 2016). The ‘unibody’ mode of construction of their iPads and MacBooks, they add, makes them thinner and more resilient, requiring around 70 percent less material than the previous design (Apple Inc., 2016). This accompanies all sort of publicly communicated claims about their carbon accountability to prevent climate change and productive optimization for energetic efficiency. Everything is engineered to perfection, mimicking nature’s wasteless cycles and systems.



Figure 2: MacBook Air Slim, 2013 (retrieved from [macworld.co.uk](http://macworld.co.uk)).

Such ‘green and lean’ imaginary, as it is obvious, becomes irresistible for a subject who is avid for finding proof, let us say, of his/her own ‘unibody’, of her/his own worthy place amidst the world of commodities and recycling bins. But why exactly? Because of the specific emotional vectoring that the signifiers attached to manageable-waste provide to the subject’s embodied anxiety when facing the Other. This is what happens for example when the subject holds the iPhone in his/her hands and is able to see with his/her own eyes (and screen-touching fingers) that the product is much more efficient (i.e. less wasteful) than any other, or when s/he sees a high-resolution documentary of factory optimization in Apple’s webpage, where ‘applied nature’ is discussed. Paraphrasing one of Lacan’s central adages: it is precisely the blind trust, without proof, in the ‘caring and responsible’ gaze of the Apple-recycling-Other, that allows the subject to acquire and enjoy retroactively his/her own eyes (and fingertips) (Lacan, 1998: 74; Wozniak, 2010: 405).

This brief insight into the case of Apple allows us to finally appreciate the role that the Lacanian understanding of materiality, affectivity and the Real play in subjectivity, and thus, in politicization. Speaking neither as a post-structuralist (i.e. semiotic form only) nor as a Marxist economist (i.e. material, exploitative force only), Lacan contributes a kind of Thanatological interpretation, as it focuses precisely on what fails to live and falls off dead from the subject’s embodied self-construction, namely, enjoyment (Cederström and Spicer, 2014: 15; Lacan, 1998). What the brief analysis of the Apple case reveals is how the fundamental subjective economy at the heart of organized socio-economic exchanges depends on the impossibility of exhausting enjoyment, and the consequential need to reproduce it perpetually, in order to animate the

materiality of life. The cool, 'green-and-lean' Apple brand imagery, along with the slick, glistening, white features of the iCommodity as a fully optimized material object, work together as a machine to compel the consumer-subject to acquire himself/herself un-satisfactorily, all too hastily and solipsistically, and yet to do so in a most enjoyable manner.

Apple's brand of circularity is a contradiction-engine in Marxist-Lacanian sense. It drives the subject to consume his/her own green-and-lean subtracted or 'wasted' enjoyment. The enjoyment that s/he rushes to extract from the discourse on circularity – the appearance of the commodity – does not (and cannot) match the enjoyment actually obtained – the reality of the unpackaged commodity, programmed to quickly decay into obsolescence – and yet this can only be endured by reinforcing the trust in the guarantees of circularity in the Apple brand and by constantly repeating the entire effort. Accordingly, elaborating on Cremin's thoughts (2012: 56), we appreciate how Apple's 'zero-waste' programme works in the same paradoxical way as the latest 'Zero' version of what is perhaps the world's most famous commodity: Coke. The more you consume it, the less you feel satisfied with it, as the brand itself is the promise of something lacking. Regardless if what is lacking is sugar or waste, the final result of consuming 'embodied lacks' is a mortifying yet strangely enjoyable fetishist addiction to the commodity.

## Concluding discussion

Why is the move towards a Marxist-Lacanian critique of growth capitalism and the circular political economy so important? It is so because, as the Apple Inc. case illustrates, the image of a wasteless post-growth economy is never far away from the affective enjoyment that capital's 'green' rhetoric seeks to command in the experience of the sustainability-wary consumer.

In this paper, we have proposed that the idea of manageable waste represents the Other of capitalism, the true symbolic network behind the imaginary of sustainable growth, and that the subject's material (i.e. libidinal) economy of constant self-renewal through consumption, modelled following the template of the Other, is set to match capital's material economy of constant self-renewal through labour-and-environment-wasting production.

While forms of post-Marxism, such as Laclau and Mouffe's project, endorse the de-economization of the political, we acknowledge the need to re-economize the political again, as Daly (2006) suggests. Despite their contribution to foregrounding the need for politicization, discursivist analysts like Lakoff and

Laclau are wrong in reducing the conditions of surplus value accumulation to discourse as a semiotic praxis of identity and meaning construction (and in general, to the project of constructing democracy). Following Lacan (2007), we understand discourse as always-already objectified and legitimized in a concrete, pre-existing socio-material economy, aiming at sustained consumption, perpetual growth and constant wasting. Discursivity always has to economize its own order to work as hegemony, as its aspirations to universality and naturalized truths are inevitably anchored in particular engagements between desired subjects of discourse, in search of self-certainty, and material elements that can mirror their identity. A Marxist-Lacanian reading situates waste as precisely that symbolic-material particularity, and thus, as an integral part of discourse, and ultimately, of (re)politicization.

Then, what are the possibilities for countering the de-politicization of waste in contemporary consumer capitalism?

Concisely put, in this paper we have argued that the potential for politicization can only begin to be realized after the core assumption behind the a-political 'positive politics' that the 'zero-waste-circular-economy' (ZWCE) programme is offering can be presented to the sustainability-wary consumer on an inverted form, so that its contingent assemblage is revealed and its naturalized status is debunked.

If the core assumption behind the ZWCE programme is that the full suppression of waste at the level of production is possible if the consumer-level practice of recycling is re-signified as a crucial operational challenge, we propose that the inverse assumption is embraced: namely, that the increase in waste management capacity, and the mastering of recycling at all levels, can only lead to the multiplication of waste.

While the ZWCE advocates to liberate our desire to consume from the stains of un-sustainability, offering us proof of eco-business' capacity to end waste, we invite our reader to appreciate that recycling has become a fetish, and that there is no longer a desire to consume without a desire to recycle. We believe that the thrust for de-politicizing the social relations of growth-capitalism feeds precisely from the repression of the fetishism of waste, in the name of a supposedly wasteless world, full of 'green-and-lean' commodities.

Part of this re-appreciation of waste requires acknowledging a strange and perhaps even tragic fact: that the ZWCE institution is able to absorb the original edge of unsustainability critique by acting as if a semiotacist discourse analyst had already been incorporated to it. It is the very ZWCE discourse that is

proposing to ‘disown the fetish’ of recycling practices that are deemed too narrow in their ambition and misconstrued in their supposed capacity to offset unsustainability. The ZWCE programme brings forth a critique of the ‘empty frame’ of recycling, as it sets out to contest (i.e. de-naturalize), re-construct and re-hegemonize its meaning. In this sense, the strategies of both eco-business and semioticist post-Marxist discourse analysis demonstrate a disturbing alignment *vis-à-vis* waste. They both endorse the possibility of radically re-signifying capitalism’s universal symbolic guidelines, beyond the material logic of any particular (recycling) economy.

Going against this immensely powerful current, the reversal of core ZWCE assumptions opens possibilities for an engagement with the material, affective (i.e. libidinal) economy by allowing us to appreciate how late capitalism’s main recourse is that of appropriating critique and then selling it back to the ethically-driven, sustainability-wary subject (Cremin, 2012). Capitalism de-politicizes, and it does so precisely when we think we are re-constructing its semiotic boundaries. The more we believe in giving alternative meanings to recycling, the more we consume, and the less we waste on a material level, and the closer we get to the ideal of a fully circular economy, the more we are allowed to consume without taking an ethico-political stance.

As Lacan (2007) points out capital is becoming more and more capable of doing all the thinking for us, because capitalism has come to work beyond the level of meaning (Lacan, 2007). Rather, it takes advantage of our increasingly diminished connection with meanings, to operate at the material, affective level of enjoyment, the level where passionate, fetishist attachments are forged. Through the marketing of the already-recycled, circular, ‘green-and-lean’ yet wastefully produced commodity, it relentlessly commands the subject to ‘repair!’ and to ‘recycle!’ as the way to provide a sense of wholesomeness to his/her worldly, social existence. As Baudrillard (1998) has noted:

Waste, far from being an irrational residue, takes on a positive function, taking over where rational utility leaves off to play its part in a higher social functionality – a social logic in which waste appears ultimately as the essential function, the extra degree of expenditure, superfluity, the ritual uselessness of ‘expenditure for nothing’ becoming the site of production of values, differences and meanings on both the individual and the social level ... does not affluence only have meaning in wastage? (Baudrillard, 1998: 44)

Our conclusion on politicization, then, is simple: for politics to re-emerge, the endless repetition of waste/wasting must be interrupted. Yet, crucially, we do not propose waste should be interrupted directly in ‘reality’, as that would immediately put us in the position of believing blindly in a ‘zero-waste’ world where waste is fully managed. Instead, we propose waste should be interrupted

at the level of sustainability-wary subjectivity. We believe the repetition of waste is homologous to the frantic repetition of the wasting (and renewal) of a sense of self, and so that the interruption that matters is the interruption of enjoyment, the enjoyment of a sustainable image of self that is projected into the purchasable mirror of 'green-and-lean' commodities.

Essentially, such move towards politicization calls for a desire to leave, so to speak, the subjective wounds open and the waste alone to rot, un-optimized. Considering the Lacanian framework presented above, this requires the subject to refrain from reducing semiotic form to material-affective force or vice versa. Instead, it requires considering the two simultaneously, as intertwined strands of the same fetishist attachment, as it is precisely this intertwining that should be interrupted. Taking cues from Cederström and Spicer (2014), and taking the example of electronic waste or what has been called 'iWaste' in the case of Apple (Slade, 2007), let us finish our argument by briefly illustrating the two angles from which to understand this mode of political intervention.

On the one hand, politicizing Apple's circular strategy calls for revealing the material, affective force behind the semiotic form. This implies confronting Apple's wasteless-ness imaginary with its policies and practices for operationalizing 'planned obsolescence': a programme for the designing and future production of artefacts that seeks to ensure they become rapidly outdated so that the consumer can replace them with newer versions that are already in early stages of production. Apple calls this 'innovation', but, in fact, it is about the company prompting consumers to continuously replace gadgets that have become outdated for a range of reasons. Apple may or may not purposefully make their products run slower after a certain period. This is not for us to say. Rather, the point we are making is that the concrete material enactment of Apple's 'planned obsolescence' is intimately related to its 'circular' rhetoric, which propels the consumer-subject into action by signifying iWaste as always-already managed: 'I need to buy the latest iPhone or MacBook because it is more efficient and optimal; it has been designed better; it is lean and wasteless'.

On the other hand, politicization calls for revealing the semiotic form behind the material, affective force. This implies considering the fact that consumerism and wasting in late capitalism is quite cynical. The production of enjoyment, the affective force, is sustained by consumer-subjects knowingly; they know very well about the material implications and passionate attachments (Žižek, 2013). Yet, this cynicism is not explained by the fact that there is much that the subject does not know, and thus, it cannot be disrupted by providing new, more encompassing and critical meanings about unsustainability. The cynicism is



rather sustained because the subject enjoyment depends him/her knowing very little.

Apple's record-breaking gadget sales will produce millions of tons of iWaste, a process that become a major concern for the consumer electronics industry, not to mention the communities directly affected by it (Grant and Oteng-Ababio, 2012). This wastefulness is evident, even in the small instance of opening an Apple package, which can only reveal multiple layers of plastic that earth will take centuries to degrade. Yet, enjoyment prevails in the experience of the sustainability-wary subject who reads the 'green-and-lean' ZCWE certification stamped in the form of a logo on the plastic that encases the Apple commodity, not because s/he knows 'some but not all' the story, but because the little s/he knows is more than enough. In fact, his/her way of knowing about his/her own ethico-political commitment to sustainability is reduced to the consumption of the Apple brand. As Lacan (2007) proposed, enjoyment is obtained in terms of 'bits' or 'slivers' of discourse in relation to an Other that works in muteness beyond the level of meaning.

Overall, Apple can be seen as occupying the place of what Jones (2010) has called the inter-passive Other: the company shows to feel guilty and to do the recycling for us (i.e. through Liam robots) so that we can be guaranteed a guilt-free and sustained shopping practice (Jones, 2010). This 'guilt fetishism', as Cremin (2012) calls it, where the subject is prompted to purchase the guilty, regretful brand, enables Apple to manage the cultural meaning and ethical prestige of its commodities, while keeping the logic of growth via surplus-value accumulation intact (Brei and Böhm, 2013). Interrupting it requires disclosing that the affect behind the symbolic guidelines of consumption, the material force, is not naïve or natural at all, and that affectivity itself has been economized, shaped into a symbolic form, by the growth-logic of capital.

At last, we come to grasp that the seminal, radical interruption, then, must begin with an intervention over our speaking bodies, which can afford to mediate the link between (wo)man and his/her production, between subjectivity and waste. It is not a grandiose but a humble intervention, perhaps best accomplished through the careful re-crafting of rough materials, such as love, intimacy and guilt. We desperately need a break for the sake of wondering. What if the form of Apple or any other 'green-and-lean' brand is dislodged as the obvious shaper of the force of the social? What if our fears and hopes come to be felt, recognized and shared – in one word, enjoyed – through the use of vessels that have not been programmed to obsolesce into waste?

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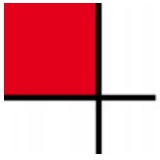
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# Carbon trading dogma: Theoretical assumptions and practical implications of global carbon markets\*

Emanuele Leonardi

## abstract

This article argues that the analysis of the commodities exchanged on global carbon markets can help us grasp the current relationship between economic categories and environmental issues. In the article, global carbon markets are historically contextualized, analytically described and politically articulated against the background of two hypotheses: (1) that the process of progressive marketization of climate change occurs in connection with the emergence of a new modality of value production (which can be generically defined as 'cognitive capitalism'); and (2) that the governance of contemporary circuits of valorization tends to be located within the financial sphere and poses a constitutive and ongoing uncertainty/instability as a necessary condition for their reproduction. Subsequently, these hypotheses are tested with specific reference to the 'Clean Development Mechanism' as established by the Kyoto Protocol. In particular, the analysis will focus on the carbon commodities known as 'Certified Emission Reductions', which reveal an unprecedented relationship between use-value and exchange-value. I contend that the use-value of carbon commodities is not defined by an intrinsic ecological dimension; rather, it is produced under the exclusive condition of accepting the redeeming character of the market as fundamentally shaped by the formal principle of economic competition. The paper aims to demonstrate how the value produced in global carbon markets rests exclusively on the social actors' arbitrary acceptance of the 'carbon

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trading dogma', namely an extremely entrenched – albeit empirically unprovable – political belief that climate change, although a market failure, can be viably solved only by further marketization.

## Introduction

The basic argument of this article is that the analysis of the commodities exchanged on global carbon markets can provide a key to grasping the relationship between economic categories and environmental issues. In fact, both the nature of the social processes underpinning the production of carbon commodities and the specific technology – based on an unprecedented form of abstraction – through which their arbitrary equivalence is established reveal the constitutive tension between the (putative) environmental goal of carbon trading and its (actual) monetary means. My hypothesis is that the use-value of carbon commodities is not defined by an intrinsic ecological dimension; rather, it is produced under the exclusive condition of accepting the redeeming character of the market as fundamentally shaped by the formal principle of economic competition. 'No market, no future', 'There is no alternative', 'Carbon pricing vs. global warming': these are but three variations on the same neoliberal mantra. So entrenched is this mantra that environmental policies have almost entirely conformed to it: alternatives to the financialization of ecosystem 'services' appear, quite simply, unimaginable.

The present article builds on the hypothesis that the green economy is a capitalist attempt to overcome recent socio-ecological crises by incorporating the environmental limit as a new terrain for accumulation and valorization. In other words, I propose a historical account of the relationship between nature and value: whereas liberal governmentality conceived of the environment as an *internal limit* – i.e. a moment of mediation – of the process of valorization, starting in the 1970s neoliberal governmentality has perceived nature as an immediate, *direct element* of value-creation (Leonardi, 2012).

Against this background, two further research questions become important:

- i) Under what conditions could carbon markets actually work? In other words, what criteria define the positive or negative functioning of such devices?
- ii) Can the inclusion of climate change within market mechanisms have, or has it had, an incentive-effect with regard to the abatement of greenhouse gases (GHGs) emissions? In other words, can an

efficiency-based cost-benefit analysis yield realistic solutions to the dramatic implications of global warming?

In this paper, I attempt to answer these questions. To do so, I first briefly discuss the historical trajectory of carbon trading, both theoretically and in terms of practical implementation. Second, I propose a definition of *carbon trading dogma* specifying its essential elements and situating it against the background of two tendencies in contemporary capitalist development: the progressive cognitization of labour and the pervasive financialization of life. Third, I advance the hypothesis that the use-value of the specific commodity called 'carbon' should be conceived of as information. Fourth, I turn attention to *carbon credits* or *carbon offsets*, in particular the Certified Emissions Reductions (CERs): analysis of the CER regime allows me to investigate how the carbon trading dogma penetrates the subjective practices of those social actors who politically engage global warming on a regular basis – be they carbon traders, climate justice activists or 'green' agencies' officials. The paper concludes by pointing out possible lines of further research and political action.

## Brief history and critique of carbon trading

To get a rough and ready idea of the evolution of carbon markets, it may be useful to start with some World Bank statistics (2007; 2008; 2009; 2010b; 2011; 2012; 2014). In terms of market value, carbon trading in its entirety – compliance and voluntary markets, as well as primary and secondary markets<sup>1</sup> – was worth approximately US \$10 billion in 2005, and triple that in 2006. In 2007, the volume of carbon trading reached \$63 billion, doubling again in 2008. Despite the global economic crisis, carbon trading grew again in 2009 by 8%, with a total amount of trade volume worth US \$143 billion. In 2010, however, the effects of the financial crisis were also felt in the realm of carbon economy, causing it to slightly drop to US \$142 billion. Surprisingly enough, notwithstanding the deepening of the economic downturn, 2011 saw a robust increase in transaction volumes (establishing a record high 10.3 billions tCO<sub>2</sub>e)<sup>2</sup> with an aggregate value

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1 It is important to stress that the very idea of carbon trading originated from the private sector. In fact, as Newell and Paterson observe: 'Promoters of the voluntary carbon offset markets never tire of pointing out they precede the regulatory markets. The first such transaction was in 1989, when AES, a US electricity company, invested in a forestry plantation (of pine and eucalyptus) in Guatemala to offset the emissions from its new coal-fired power plant in Connecticut' (Newell and Paterson, 2010: 109).

2 A tonne of carbon dioxide equivalent (tCO<sub>2</sub>e) is the measurement unit of carbon in the dedicated markets.

of US \$176 billion. The year 2012 was a troubling one for carbon markets, due mainly to a reduced confidence in them by private and public sectors alike: the failure of the COP 17 climate negotiations in Durban revealed an international scenario in which the second commitment period (2012-2020) of the Kyoto Protocol (KP2) covered only 12% of global GHGs emissions.<sup>3</sup> Subsequently, Kyoto credit prices reached their historic lows in 2013 and 2014, with Certified Emission Reductions (CERs) worth just US \$0.51 (€0.37). Despite this decrease, the World Bank remained confident that ‘a consensual and robust international solution could revive private sector confidence to invest in carbon markets’ (World Bank, 2014: 14). Many policy makers hope such solution has been found at the COP 21, but a positive economic performance of the Paris Agreement cannot be taken for granted (Moreno, Fuchs and Speich Chassé, 2016).

In general terms, although prices have constantly fluctuated, the market trend continued to grow at different paces until 2012. Given the current absence of policy alternatives, political expectations remain overly optimistic, and carbon trading is expected to expand. Drawing on three different estimates, Robert Fletcher reports that aggregate carbon trading is predicted to reach a value of US \$2-3 trillion by 2020 and US \$10 trillion around 2030 (Fletcher, 2012).

Regardless of future trends, however, carbon markets catalyse a significant share of economic activity and policy imagination. This is rather surprising, given their relatively recent implementation. In fact, although the direct proportionality between the levels of carbon dioxide (CO<sub>2</sub>) in the atmosphere and the surface temperature of the earth was discovered already in 1896, when Svante Arrhenius, drawing on previous speculations by other scientists, gave full account of the greenhouse effect, the emergence of a collective awareness about the damaging potential of global warming arose only in the 1980s (Chakrabarty, 2009). In 1992, the United Nations Conference on Environment and Development (held in Rio de Janeiro) – also known as the Earth Summit – released an international environmental treaty known as the United Nations Framework Convention on Climate Change (UNFCCC), the objective of which was to stabilise GHG concentration in the atmosphere at a level that would prevent dangerous human-induced interference with the climatic system. Since the treaty entered into force in 1994, the signatory states have been meeting annually in Conferences of the Parties (COP) to assess progress in the field of global climate policy.

Of particular importance was COP 3, held in Kyoto in 1997, during which the parties agreed to sign a Protocol to the UNFCCC, known as the Kyoto Protocol

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3 For a critical account of Durban COP 17, see Bond (2012a).

(KP). As the first legally binding agreement on climate change, the KP provides that the 37 Annex I countries (or the so-called developed nations) commit themselves to a reduction of six GHGs (5.2% on average in the 2008-2012 period, using 1990 as a baseline year), and all members (including Annex II countries, i.e. the so-called developing nations) give general commitments. The KP is intended to achieve emissions reductions through a variety of approaches: promoting international cooperation and substantial technology transfers; intervening at the source by means of energy saving and energy efficiency strategies; and accounting for emissions sequestration performed by natural carbon sinks. However, its crucial innovation is carbon trading, i.e., allocating and exchanging carbon commodities viewed as the most efficient solution to the climate crisis (Iacomelli, 2005). In fact, under the powerful political pressure exercised by the US delegation – led by then Vice-President Al Gore – the parties agreed to structure both the design and the implementation of the KP around three market-led approaches, termed *flexibility mechanisms*: i) *Emissions Trading* (ET), namely a cap-and-trade system in which governmental authorities set emission caps and private companies exchange permits and credits; ii) *Joint Implementation* (JI), a regulative system for exchanges amongst Annex I countries; and iii) *Clean Development Mechanism* (CDM), the function of which is to indirectly include Annex II countries in global carbon markets.<sup>4</sup> The fundamental economic rationale offered for such mechanisms is that trading emissions permits and credits on dedicated markets would act simultaneously to reduce the aggregate cost of meeting the targets, foster sustainable development in non-industrialized countries and create profitable opportunities for green business.

These objectives, however, never materialized. There is an abundant body of literature on the flaws of the KP (both internal and external to its own logic).<sup>5</sup> For example, Gupta et al. (2007), in their detailed review of climate change policy literature, found that no credible assessments of the KP contended that it had had, or will have, any relevant impact on solving the global warming crisis. Even the World Bank (2010a) reported that the KP has had only a slight effect on curbing emissions increase. Moreover, it has been noted that cap-and-trade systems – amongst which the most relevant is the EU ETS (*European Union Emissions Trading System*) have proved slightly resilient only because of *grandfathering*, i.e. the gratuitous and excessive allocation of *European Union Allowances* (EUA) (AAVV, 2013). Furthermore, recurrent fraud seems to be

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4 For a detailed analysis of each flexibility mechanism, see Gupta (2014).

5 For a detailed review of critiques of carbon markets, see the following compelling sources: Lohmann (2006); Böhm and Dhahi (2009); Gilbertson and Reyes (2009); Böhm, Murtola and Spoelstra (2012).

plaguing the design and implementation of CDM projects: accountability is an obvious difficulty, and corruption has been widespread (Lohmann, 2011a). No alternatives to existing carbon trading schemes have been envisaged and implemented so far: the carbon trading ‘solution’ seems to have exhausted the UNFCCC policy imagination. Even the COP 21 Paris Agreement, elaborated in 2015, is more likely to expand rather than decommission carbon markets (Marcu, 2016).

## What is the carbon trading dogma?

To explain this insistence on carbon trading as an exclusive policy option, it may be useful to refer to the *two registers of the climate change debate*. Allow me to elaborate by way of a recent example. In his opening address to the 2014 Climate Summit held in New York,<sup>6</sup> UN Secretary-General Ban Ki-moon argued that decisive climate action cannot be further delayed:

No one is immune from climate change, not even this UN HQ, which were flooded during super-storm Sandy. We must invest in climate resilient societies that protect all, especially the most vulnerable. I ask all governments to commit to a meaningful climate agreement in Paris in 2015. (reported in Vaughan and Mathiesen, 2014)

His reference to Sandy – which killed more than 100 people in the Caribbean and the east coast of the US in October 2012 – is especially interesting given the particular way American media covered it. Sandy hit the US just a few days before the 2012 presidential elections. In keeping with the political mood of the campaign (Obama vs. Romney) which was astoundingly silent about global warming (the first time since 1984 that climate change was not mentioned in the electoral debates), the mainstream media refused to link Sandy – and more generally the increased frequency and intensity of extreme weather events – to anthropogenic climate change.<sup>7</sup> In this context, the November 1<sup>st</sup> issue of *Bloomberg Businessweek* was a welcome exception, being an unlikely supporter, albeit before the fact, of UN Secretary-General Ban Ki-moon’s call to action.

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6 The Climate Summit 2014, held in New York on September 23<sup>rd</sup>, was organized by UN Secretary General Ban Ki-moon. He invited leaders of governments, the private sector, and civil society to unite in concrete action towards a low-carbon world. The meeting was preceded by the People’s Climate March, a large-scale activist event to advocate global action against global warming. With over 400,000 participants, it was the largest climate march in history.

7 See for example Barron (2012), Irwin (2012) and McCoy and Weise (2012).



Figure 1: Cover of Bloomberg Businessweek.

Its cover story, entitled 'It's Global Warming, Stupid' is instructive for the way in which the climate change debate has evolved. Journalist Paul Barrett initially discusses a series of scientific data which suggest a direct correlation between human activity and climate modifications. This is the first register of the global warming debate: it concerns mainly the issue of whether or not the root cause of climatic imbalances is anthropogenic. My reflection here does not address this problematic: although climate science should not be regarded as the guardian of an eternal and indisputable truth, scientific as well as experiential evidence supporting the human-induced nature of climate change is today so abundant that controversies refer more to its specific configurations than to its actual existence (Oreskes and Conway, 2010).

More interestingly from my perspective, Barrett's article also introduces the second register of the global warming debate, namely its possible solutions. And it is here that what I call the *carbon trading dogma* comes into full view. This dogma is an extremely entrenched – albeit empirically unprovable – political belief that climate change, although a market failure (the environment was never properly accounted for by the price-system), can be viably solved only by a wave of further marketization. Barrett articulates the shift from the first to the second register by declaring:

If all that [lists of scientific data] doesn't impress, forget the scientists ostensibly devoted to advancing knowledge and saving lives. Listen instead to corporate insurers committed to compiling statistics for profit. (Barrett, 2012: 7)

Barrett then cites a report issued by the financial re-insurance company Munich: Re, according to which climate change is causing a rising number of natural



catastrophes, especially in North America. His conclusion is peremptory: if financial analysts believe climate change is occurring, then there is no point in questioning it anymore.

This passage entails a curious reversal of modern rationality, ostensibly centred on the sharp distinction between facts (*science*) and values (*politics and/or ethics*). The financial colonization of climate change as a global political issue, in fact, relies on a paradoxical inversion of modern categories: ‘You don’t trust science? Fine. But you must believe in markets!’. In other words, in Barrett’s argument, the market functions as a site of veridiction, as Michel Foucault suggested in his biopolitical lectures from the late 1970s (Foucault, 2007; 2008; Dardot and Laval, 2014). In the context of potentially catastrophic global warming, such a market-based regime of truth gives rise to a dogmatic equation – as discursively indisputable as it is empirically unprovable – that, elaborating on recent work by Larry Lohmann (2011c), might be defined as follows:

climatic stability = reductions in CO<sub>2</sub> emissions = carbon trading = sustainable economic growth

The strength of this dogma is demonstrated not only by climate policy makers’ insistence on the utility of carbon markets, despite their irrelevant – if not negative – ecological impacts, but also by the increasing difficulties encountered by market actors in justifying the narratives of green economy and sustainable growth (Descheneau and Paterson, 2010). The circular logic of the carbon trading dogma makes any alternative unthinkable: like any religious dogma, the confirmation of its truth claims is already contained in its fundamental assumption: since there is no effective politics outside of the market, global warming is solvable only in so far as it is possible to make a profit out of it. ‘Climate stability equals surplus value production’ is treated as self-evident truth.

The circular nature of the carbon trading dogma and its extreme entrenchment, however, are not sufficient to properly grasp the historical novelty it represents. In fact, its evolution needs to be situated in the context of the two elements that characterise the current, neoliberal tendency of capitalist development: the emergence of new forms of valorization and exploitation, which can be defined as *cognitive capitalism*; and the rise of financialization as the most pervasive *governmental dispositif*.<sup>8</sup> With regard to cognitive capitalism, we observe the appearance of the *general intellect* as a novel configuration of the notion of real

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8 By *governmental dispositif*, I mean – following Foucault – the connecting space by means of which power organizes and manages a set of heterogeneous elements (which may be discourses, spatial architectures, administrative procedures, philosophical propositions, technological innovations, etc.) (Chignola, 2014).

abstraction (Virno, 2004), as well as the unprecedented role played by knowledge in the realm of productive activity.<sup>9</sup> Knowledge today is not simply a precondition for production. It is at the very centre of the production process (Lucarelli and Vercellone, 2013). It is, in other terms, the fundamental productive factor, such that the economy can be said to rely on the *production of knowledge by means of knowledge*. This is a circular process whereby the output constantly regenerates the input through relatively cheap innovation based on seemingly endless reproducibility. Such a formulation implies an understanding of *the general intellect as the organising principle of contemporary production*.<sup>10</sup>

By transposing such reflections on the global warming terrain, it is possible to realize how the very visibility of climate change relies on complex, contested and always re-negotiable *knowledge infrastructures*. As historian Paul Edwards argued:

Instead of thinking about knowledge as pure facts, theories, and ideas – mental things carried around in people’s heads, or written down in textbooks – an infrastructure perspective views knowledge as an enduring, widely shared socio-technical system. Knowledge infrastructures comprise robust networks of people, artefacts, and institutions that generate, share, and maintain specific knowledge about the human and natural worlds. (2010: 17)

In this sense, to experience a global warming event as such presupposes the infrastructural support of climate science. In other words, linking a weather-related event – no matter how extreme – to climate change requires a massive mobilization of the general intellect in its diverse forms (various knowledge-factories such as universities, think-tanks, activists’ counter-narratives, etc.). Obviously, this dependence on knowledge does not make climate change any less concrete or material, both in the individuation of its multiple causes and in the destructiveness of its heterogeneous effects.

As for the financialization aspect of the contemporary capitalistic tendency, I propose to approach financialization as a governmental *dispositif* and to uncover its affinity with carbon trading, as a particular yet dominant form of climate policy. By ‘financialization’ I mean a set of practices through which companies, institutions and individuals become completely embedded in financial

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9 It is not only knowledge that is involved in this restructuring of capitalist production. As Maurizio Lazzarato argues: ‘We are faced with a form of capitalist accumulation that is no longer only based on the exploitation of labour in the industrial sense, but also on that of knowledge, life, health, leisure, culture etc. What organizations produce and sell not only includes material or immaterial goods, but also forms of communication, standards of socialization, perception, education, housing, transportation etc’. (2004: 205).

10 The hypothesis of a cognitive form of capitalism has been widely discussed in the last decade. See for example Vercellone (2006); Leonardi (2010); Peters and Bulut (2011).

transactions. The outcome of this process is an unprecedented dependence on unstable markets and volatile money for everything from food supplies to services, from education to income. Granted, finance has been a feature of the capitalist mode of production since its beginnings; nonetheless, the current configuration of finance is qualitatively and quantitatively unique, unprecedented in its extent, with a massive proliferation of sophisticated and opaque financial tools such as derivatives, Credit Default Swaps, Collateralized Debt Obligation. These technologies represent an immensely complicated and coordinated attempt to make profit out of the financial colonization of every aspect of social life.

As Christian Marazzi wrote:

Financialization is not an unproductive/parasitic deviation of growing quotas of surplus-value and collective savings, but rather the form of capital accumulation symmetrical with new processes of value production. Today's financial crisis should then be interpreted as a block of capital accumulation rather than an implosive result of a process lacking capital accumulation. (2011: 48)

Two consequences of this new role of finance should be emphasized:

- i) Its endless expansion leads eventually to abstract self-reflexivity (Marazzi himself, by referring to the dot-com bubble of 2000, talks of a crisis of *overproduction of self-referentiality*);
- ii) A new form of accumulation requires an institutional counterpart. In fact, financialization fundamentally transformed managerial practices in at least three central areas: in business strategy, it privileged the logic of shareholder activism; in wage relations, it internalized workers by turning them into powerless micro-shareholders;<sup>11</sup> in everyday life activities, it colonized people's lives by capturing them in the debt process (from student loans to pension funds). In general, we are witnessing the deployment of a veritable mode of *governing through instability*, an expansion of financial reason to society as a whole (Lucarelli, 2010). Again in Marazzi's words:

The very concept of accumulation of capital was transformed. It no longer consists, as in the Fordist period, of investment in constant and variable capital

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11 This means that capital gains tend to replace wages in the composition of households' income. As shown by Andrea Fumagalli and Stefano Lucarelli (2011), when the productivity of the economic system significantly depends on learning and network economies, cumulative growth occurs if and only if the sum total of capital gains-dependent investment propensity and consumption propensity is higher than the salary-dependent consumption propensity. Such dynamics can be analyzed also from the perspective of financial *wealth-effects* (Lucarelli and Leonardi, 2015).

(wage), but rather of investment in *apparatuses* of producing and capturing value created outside directly productive processes. (2011: 54)

My contention is that such an expansion is clearly visible in the field of climate governance, with carbon markets functioning as ‘apparatuses of producing and capturing value created outside directly productive processes.’ Two aspects are of peculiar relevance to the economy of the present argument: first, the pervasiveness of financial systems has not spared climatic alterations; in fact, carbon trading mobilises complex hybrid instruments (simultaneously financial *and* environmental), such as weather-derivatives and CAT bonds (*catastrophe bonds*);<sup>12</sup> and, second, carbon markets share with the financial sphere a constitutive attitude towards *instability*: the complexity of procedures for producing, measuring, and exchanging carbon commodities closely resembles the opaque trade in derivatives. What needs to be emphasized is that in both cases, such instability does not result from the imperfect application of otherwise correct protocols. Rather, it is a necessary condition for the production of these particular commodities.

### Information as use-value of carbon commodities

The double perspective provided by cognitive capitalism and financial governmentality is useful in addressing the following question: *Why are policy makers so reliant on carbon markets when empirical evidence suggests that they do not work?* In fact, their peculiar failure can be expressed through a curious paradox: from an ecological point of view – the environmental degradation that carbon trading is supposed to solve (through the reduction of GHGs emissions to slow down global warming) – it is fair to say that carbon markets are useless when not nefarious. Quite simply, they do not achieve the expected results or, worse, actually prevent such achievements from occurring.<sup>13</sup> From an economic perspective, however, such markets represent a gold mine for financial traders (as well as heavy polluting companies). These markets function through a logic that is similar to that described by Foucault for the pre-modern French prison

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12 Weather-derivatives are designed to price and trade both in the uncertainties of the weather and social uncertainties about the future of climate change. CAT bonds are insurance-like mechanisms that are putatively intended to disperse catastrophic weather risk and, in so doing, to protect vulnerable sectors such as agriculture and coastal property. For a compelling analysis of such financial tools, see Cooper (2010).

13 Along similar lines, Stefan C. Aykut and Amy Dahan (2015) propose the term *reality schism* (*schisme de réalité*) to indicate a twofold disconnect. First, the disconnect between policy inactivity and climate degradation. Second, the disconnect between the increasing exploitation of natural resources as fostered by global markets and the UN imaginary of powerful regulatory mechanisms that can control the crisis.

system: with Lohmann's brilliant paraphrase, it is possible to conclude that carbon trading 'has always been offered as its own remedy: the reactivation of its techniques as the only means of overcoming its perpetual failure [...] the supposed failure is part of its functioning' (Foucault quoted in Lohmann, 2011b: 102). Here again, we see how uncertainty and instability act as governmental tools to manage socio-environmental dynamics. There seems to be a manifest disconnect between the *environmental goal* and the *economic means* of carbon trading. In fact, although no ecological improvement has been made, a huge amount of value has been created and then transferred to fossil fuel-intensive companies through the production of what can be called *climate rent*.<sup>14</sup> As Lohmann aptly points out: 'The fact that governments are both suppliers and regulators of emissions commodities has encouraged rampant rent-seeking and complicated allocation schemes that profit, rather than penalise, heavy polluters' (quoted in Reyes, 2011: 6). It is probably more accurate, therefore, as well as more empowering, to say that carbon trading is *environmentally irrelevant*, rather than claiming that it simply does not work. Carbon trading has had a significant economic impact – though this has fluctuated over time (frequent carbon price collapses have repeatedly undermined the markets' credibility even on their own terms). This friction between environmental irrelevance and rent production has led to the entrenchment of the carbon trading dogma. Hence, although the ecological inconsistency of carbon markets has been empirically demonstrated on innumerable occasions, the assumption of a harmonic compatibility between

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<sup>14</sup> This point requires a clarification. In a compelling article, Romain Felli (2014) argues that carbon credits or permits should not be considered as commodities, since no socially-necessary labour time is crystallized in them. Thus, neither European Union Allowances nor Certified Emission Reductions are elements of a new accumulation strategy. Rather, they are conceived of as public entitlements to emit greenhouse gases and, as such, are essential components of *climate rent*. My use of the term *climate rent* significantly diverges from Felli's. The main difference is that I am convinced that (cognitive) labour – and its exploitation – is actually prominent in the production of carbon commodities. As a consequence, these latter disclose an unprecedented site of accumulation (which is governed by financial means). If this is true, then the social form of rent undergoes a significant transformation. Carlo Vercellone (2010; 2013) has named it *becoming rent of profit*. Rachel O'Dwyer articulates the very core of such a transformation: 'Capitalist accumulation is today characterized by a shift from the productive forms of capitalism that characterized the industrial era towards new modalities in which rent is no longer cast in opposition to profit. Through the growing role of property in extracting value from a position external to production, and the manipulation of the social and political environment in which economic activities occur, such as the management of scarcity and the increasingly speculative nature of capital itself, the core tenets of "rent" are confused with "profit"' (2013: 508). Thus, my argument is that *climate rent* is the form of value production symmetrical to the carbon trading dogma as a crucial instance of global warming governance.

climate stability and sustainable growth keeps orienting policymakers as well as market actors.

*Why are carbon markets characterized by this sort of productive failure?* A first hypothesis is that the marketization of global warming is a pure and simple ideological operation. According to Patrick Bond, for example, the green rhetoric based on the undemonstrable affinity between environmental preservation and capitalist valorization is actually aimed at sustaining the oil industry and co-opting social oppositions (Bond, 2012b). In other words, carbon trading is nothing but a smokescreen that conceals the logical and historical impossibility of a consonance between a healthy environment and the capitalist mode of production. A 'lucrative scam', in Naomi Klein's terms (2014: 8). Although such an argument has merit, it is also true that capitalism has repeatedly demonstrated, in the course of its history, a profound adaptability. Elaborating on this malleable feature, Actor Network Theory scholars such as Michel Callon approach carbon markets as social experiments susceptible to improvements (Callon, 2009). Moreover, it is not clear what a full rejection of carbon markets would amount to: an ambiguous nostalgia for a putative Golden Age can often be felt in the discourses of climate justice movements. At times, the shadow of Neo-Primitivism seems to haunt the critics of carbon trading, and while primitivist politics would surely imply a major reduction of GHGs emissions, it is debatable that it could drive desirable social change.

For these reasons, I propose to frame the critique of carbon trading by focussing on the particular nature of the commodities that are exchanged in it. As research-activists Tamra Gilbertson and Oscar Reyes have argued:

The commodity traded as 'carbon' does not actually exist outside the numbers flashed up on trading schemes or the registries held by administrators [...] This makes putting a price on carbon largely an arbitrary exercise. (2009: 12-13)

Analogously, the Transnational Institute's Carbon Trade Watch remarks: 'These failings [of carbon trading] are not caused by teething problems, but are symptomatic of the extreme difficulties of assessing the value of "carbon", a commodity which bears little relation to any single real world object' (quoted in Bond and Sharife, 2012: 15). In a similar vein, Descheneau and Paterson locate the difference between Carbon EXPO and other momentous market fairs in the irreducible non-comparability between the products being sold:

While new products such as the iPad are clearly hyped enormously, the hype has some relationship to the (purported) use-value of the object. By contrast, *the products in the carbon market have no use-value*. The tonne of carbon refers to a tangible unit of measure, but demands for the right to emit it arise purely out of government regulatory activity. The tonne of carbon has thus to be abstracted to

something more tangible for market actors, i.e. financial or monetary products. Thus, what is being sold is not the tonne per se but rather the financial or discursive representations of it. (Descheneau and Paterson, 2011: 667-668; my emphasis)

The big picture that emerges from these insights is a rather confused one: on what basis can we make sense of a use-value that would be, by turns, composed of numerical calculations, defined by its absence, and resembling an *unreal* world object? To answer this question, we might recall Marx's view of the relationship between use-value and exchange-value within the capitalist mode of production. According to Marx, capitalism can be adequately understood as a *machine of abstraction*. The process of valorization upon which it rests is first and foremost defined by its *indifference* toward the concrete qualities that, in other modes of wealth production, are used to define objects (or products, or 'things'). In the *Grundrisse*, Marx refers to the opposition between the 'natural distinctness' of use-values and the 'economic equivalence' of exchange-value (Marx, 1993: 141). Early capitalist real abstractions (labour, money, etc.) were grounded on a valorising detachment from the kind of usefulness that was presupposed as naturally existing *outside* the commodity-form. This is why use-value, in Marx, does not receive extensive elaboration: it is supposed to be the natural, pre-existing modality of satisfying equally pre-existing social needs. This is, in the last instance, what a commodity is, i.e. a 'good' kept in a bundle of social relations such that its value does not reside in its material usefulness but in its capability to be exchanged for money: 'The existence of the things *qua* commodities, and the value-relation between the products of labour which stamps them as commodities, have absolutely no connection with their physical properties and with the material relations arising therefrom' (Marx, 1990: 83). In the context of carbon trading, however, such a presupposition no longer completely holds true: what kind of natural, external, pre-existing need would a tonne of carbon dioxide equivalent (tCO<sub>2</sub>e) satisfy? None, I would argue. Should we then conclude, with Descheneau and Paterson, that carbon commodities have no use-value? I would argue that this is not the proper way to frame the issue: arguing for the non-existence of carbon use-value would expel any intentionality whatsoever from the valorization process. How, in fact, would capital self-valorise without the gap between a social need and the commodity which is supposed to satisfy it? In other words, the disappearance of use-value implies a too severe diagnostic: the economic system as a whole would suffer from Obsessive Compulsive Disorder.

A viable alternative consists in conceiving of carbon commodities' use-value as *information*. As such, this kind of use-value transcends (while still maintaining a relationship with it) the interplay between 'natural distinctness' and 'economic equivalence' as reciprocally indifferent. It is very difficult to isolate what is

*natural* from what is *economic* in them<sup>15</sup>. In fact, what makes carbon information useful? To answer this question, we need to trace the production of relevant carbon information back to the carbon trading dogma that links climate stability to sustainable growth via financial governing through instability. Against this background, *carbon commodities' use-value is simply the dogmatic assumption that climate markets will make the transition to a low carbon society in a manner that would be more cost-effective than any other political strategy*. If this is true, if carbon information possesses a use-value only insofar as it conforms to the carbon trading dogma, then it is impossible to view it as 'naturally distinct' from its exchange-value. Carbon commodities make it impossible to distinguish a *natural need*, at the beginning of the economic process, and *its artificial satisfaction*, at the end of the process. The commodity-form usually establishes its indifference between use-value and exchange-value precisely on the basis of this distinction. To the contrary, the regime of truth that affirms the manageability of the climate crisis only by means of competitive financial markets ends up establishing the paradoxical *self-indifference* of carbon commodities. It concerns a *social* use-value which originates directly from capitalist circuits of valorization and an *equally social* exchange-value, the status of which is irremediably split: on the one hand, to perform its monetary function, it must be indifferent to its use-value; on the other hand, however, it receives its very meaning by the same regime of truth that created its use-value, making the two aspects indissociable. In addition to the *extensive* tension between 'natural distinctness' and 'economic equivalence' (still active, albeit not thoroughgoing: after all, a tonne of carbon dioxide *does exist* beyond carbon information), there occurs an *intensive* division within the field of 'economic equivalence' in a way that perfectly mirrors the self-reflexivity typical of finance as a mode of capital accumulation. Whereas the extensive dimension of the commodity-form can be referred to as *first order abstraction*, in which the general equivalent acts as a counterpart to a putative external nature, the intensive dimension of the commodity-form should be labelled as a *second order abstraction*, since money becomes the unsurpassable limit, as well as the original seal, of the knowledge-based process by means of which new use-values are created to conform to neoliberal capital's needs.

From the perspective of carbon trading, therefore, the most significant process of valorization takes place in the internal stratification of carbon as a second order abstraction: in order for value to be created, various sources of collective knowledge must be put to work so that a permanent state of uncertainty allows

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<sup>15</sup> A powerful critique of the Cartesian dualism in green thinking is provided by Jason Moore (2015). This author also highlights how the ecological crisis needs to be read in connection with the historical transformation of capitalist processes of value-creation.



climate markets to re-instate their sovereignty over the management of global warming even in the face of their blatant environmental failure. As Jerome Whittington compellingly put it:

‘Carbon’ is not a physical commodity even if it includes certain physical parameters. ‘It’ is an assemblage of agreements, conventional practices, durable artifacts and rules held among people who operate in very different contexts around the world [...] The clearest demonstration that carbon dioxide is not a physical commodity is that lots of different GHGs are traded as equivalent based on units of ‘carbon dioxide equivalence’ (CO<sub>2</sub>e), expressed in tons, which is actually an equilibration of the gases’ effect on the warming of the atmosphere. *It is the gases’ warming effect that has value*, whether operationalized as a permit or a reduction. (Whittington, 2012: 118-119; my emphasis)

This quote illustrates the character of carbon commodities as *second order abstractions*. Within them, in fact, the distinction between ‘natural distinctness’ and ‘economic equivalence’ tends to blur, and a decisive element of their exchange-value resides in the *ex ante* creation of capital-based use-values. The underlying tension between the moment of *informational heterogeneity* (differentiated knowledge-sources organized by the general intellect) and the moment of *monetary equivalence* (situated both at the beginning of the process – capital’s need to self-value – and at the end of the process – realization through verification) is at the very heart of the mode of governing through financial instability. Let us note that the problem raised here is entirely political: the argument according to which carbon trading can be improved by means of creating more and better information hides the bare fact that knowledge production is today the very battlefield upon which the antagonism between capital and labour (in the form of the general intellect) takes place.

### How to make a CER: In the lab of carbon commodities

In order to better understand the notion of carbon commodities as second order abstractions, I shall now turn my attention to the production of Certified Emission Reductions (CERs), which are the credit units, or offsets, that are exchanged within the framework of the Clean Development Mechanism. In a nutshell, Annex I countries are allowed to meet part of their emission reduction commitments by buying CERs from CDM emission reduction projects in Annex II countries. In other words, the CDM allows the global North to invest in emission reductions through CERs where it is cheapest, which is usually in the global South.

As already discussed, the CDM is structured around the positive value attributed to economic flexibility and the assumption that cost-effectiveness is the one-best-

way to enact a transition to a low-carbon society. As corollaries to these two conceptual and evaluative pillars, there are three crucial assumptions that we can define as *intermediate apparatuses* of the carbon trading dogma:

- a) Emission reductions occur on a plane of perfect commensurability, which means that it does not matter *where*, *when* and *how* they materialise: a tCO<sub>2</sub>e is independent from its own spatio-temporal coordinates.
- b) As a consequence, it is more cost-effective to save emissions *not* at source, which is to say where they are actually produced, but elsewhere (or: on the plane of commensurability) through technology transfers or various investments in renewable energy.
- c) In order for the process of decarbonization to be effective, it is necessary that developing economies from the global South be included in it.

With the partial exception of the third assumption – whose geopolitical nature is unmistakable<sup>16</sup> – the truth-value of this entire structure strictly depends on the unconditional adherence to the dogmatic equation we uncovered above. In fact, there is no empirical proof of market superiority concerning cost-efficiency, nor is there evidence for the ineffectiveness of reductions at source, or the validity of the emissions' perfect commensurability. In essence, what provides the CDM categorical framework with its consistency is the putative impossibility to think climate change policies outside of their market-based dimension. The performative rhetoric of economic competition works as a pre-analytic vision that shapes global warming: outside of their translation into the empty and homogeneous grammar of money, rising emissions and increasing extreme weather events simply *do not exist*. The centrality of this market-element has been rightly and aptly critiqued by the climate justice movement on several points. First, by pointing out that the CERs' low price has spurred speculative investments rather than ecologically-sound practices, making it impossible to envisage and implement alternative ways of reducing GHGs emissions (Childs, 2012). Second, activists denounced so-called *double counting*, namely the simultaneous account of alleged CDM-induced emissions reductions both in the proponent state *and* in the hosting nation (Lohmann, 2006).<sup>17</sup> Finally, CDM has

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16 It is worth noting that this geopolitical issue is the most controversial within global warming governance as a whole. "The recent COP 21 in Paris (December 2015) and COP 22 in Marrakech (November 2016) have just confirmed this.

17 It is important to stress that double counting is *not* merely a technical problem susceptible to quick design-fixes; rather, it is an intrinsic risk pertaining to carbon offsets as second order abstractions. As James Kohm, associate director of enforcement at the US Federal Trade Commission's bureau of consumer protection,

been dubbed as *carbon colonialism* in terms of its reliance on the long-standing power unevenness that defines international relations. The carbon colonialism critical argument runs as follows: after having historically over-used the atmospheric carbon dump, the global North is currently postponing its emissions reductions by outsourcing them to the global South through the CDM (Bachram, 2004).

In general terms, such arguments would seem to fully justify the decommissioning of CDM as a tool for tackling climate change. From a theoretical perspective, however, it is instructive to push the criticism farther and consider one of the four requirements for the approval of a CDM project, namely *additionality*.<sup>18</sup> Additionality can be defined as the difference between a certain course of action linked to carbon markets and a counterfactual scenario built on the hypothetical continuity of past industrial behaviours. Although apparently simple and straightforward, on closer examination, the notion of additionality shows a significant number of critical flaws, both at the technical and the conceptual level. First of all, the intricate, highly complex structure of the documentation (e.g. the *Project Design Document* [PDD]) used to apply to the CDM poses a serious problem: although it is supposed to perform a quality-filter function, ensuring that only viable projects receive funding, it actually excludes those applicants who lack the skills to walk the labyrinth of climate bureaucracy (most notably local communities).

There are, however, other shortcomings affecting CDM and CERs, the most crucial of which is the distinction between *financial additionality* and *environmental additionality*. The former refers to whether a given project investment would have taken place in the absence of the credit-gaining CDM provisions. In principle, for a CDM project to be approved, carbon financing must be the decisive financial factor. Nonetheless, this presupposes yet another disconnect between economic and environmental rationales: lenders, be they private or institutional, follow market rules and tend to orient themselves towards projects that are profitable on their own, even without the CDM. As a

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has remarked: 'Offsets are not like products that you can touch or feel. I might sell you an offset for planting a tree, but how do you know that I have not also sold that offset to someone else?' (Kohm quoted in Schmidt, 2009: 65).

- <sup>18</sup> The other three requirements are: the compatibility between the project and the overall goal of sustainable development of the host country; the priority of environmental dimensions over economic ones (the project must demonstrate that it was not already registered for funding in the host country's development plan); the supplementarity of the project with regard to the investing country's reduction strategy, meaning that the CDM cannot represent more than a small fraction of the general approach to the KP's targets.

consequence, CDM traders find themselves in a paradoxical position: when facing their financial bankers, they need to emphasise the high profitability of their projects; but when discussing them with the CDM Executive Board, they need to claim that the same projects would not be financially viable without carbon funds. This is just further evidence of the instability of the contemporary climate governmentality: the carbon trading dogma finds itself constantly on the brink of potential sclerosis. By this I mean that carbon markets, in order to be offered as their own remedy, must always fail *to a certain extent*. Even on its own terms, carbon trading is extremely fragile, since it rests on an utterly insecure foundation.

*Environmental* additionality is even more problematic than its financial counterpart, and it allows us to reflect on the specific *sequestration of the future* enacted by the CDM. Determining environmental additionality requires: a project baseline, or reference case, that describes what would have happened in the absence of the CDM project; as set of methodologies for estimating a project's actual GHG emissions reduction. Moreover, environmental additionality requires a quantitative comparison of actual emissions to baseline projections. The difference between the baseline and actual emissions (i.e. the volume of GHGs abated) is the amount of environmental additionality achieved by the project. In other terms, CDM environmental additionality requires the mobilization of both a *calculative* and a *promissory* apparatus that, taken together, provide a *technical support* to the carbon trading dogma. This support takes the form of an ideological *de-politicization of decision-making* (Swyngedouw, 2011). In order to create a common plane of comparability between the (hopeful) future prescribed by the CDM project and the (catastrophic) future designated by the counterfactual baseline, any radical presupposition has to be ruled out: *the CDM is depicted as the only alternative to the hypothetical Business As Usual (BAU) scenario*. As a corollary of this, *the BAU future course of action must also be a continuum of the existing course, dependent on calculations conducted in the present*. But this path dependency is a political choice: the dark future projected by planetary global warming appears to be avoidable *only* by the intervention of the CDM. Lohmann poignantly elaborates on this ideological articulation of *market freedom* and *historical determinism*:

For accounting to be possible and carbon credits to be saleable, each project must be framed as generating a determinate number of credits. That becomes possible only if the counterfactual scenario of the 'baseline' world is framed as singular, that is, separated out from a large number of other theoretically possible without-project scenarios. [...] To disentangle a single baseline necessitates framing the political question of what would have happened without projects as a matter of technical prediction in a deterministic system about which near-perfect knowledge is in principle possible. Social conditionalities that do not easily lend themselves to prediction (socio-economic development, demographic trends, future land use

practices, international policy making, etc.) are reduced to technical and methodological uncertainties. Project proponents, by contrast, must be framed non-deterministically, as free decision-makers, if their carbon project initiatives are to be seen as ‘making a difference’. (Lohmann, 2009: 511)

Thus, the calculative/promissory support of carbon trading dogma relies on a perverse admixture of *salvation* and *catastrophe* that resonates with what Jean-Pierre Dupuy (2002) has called ‘enlightened doomsaying’ (*catastrophisme éclairé*). This notion marks a curious inversion of the present-future relationship by means of which a contemporary assessed worst-case scenario is assumed to be already verified in order for its actual future verification to be avoided. Paradoxically, then, the future ends up being conceived of as simultaneously deterministically defined *and* caused by societies’ political decisions. As Dupuy puts it, the future is ‘counterfactually independent from the present’ (2002: 107). Such independence, however – at least with regard to carbon trading – is predicated on the putatively indisputable assumption that *only* the market can eventually prevent the apocalyptic consequences of climate change. Here resides the main strength of the carbon trading dogma: by enacting a regime of truth in which the market appears as the sole saviour in the face of impending ecological collapse – despite its role in bringing about global warming in the first place – political alternatives and social oppositions are rendered not only useless, but also environmentally damaging, since alternative solutions would impede or delay the market-based solution so urgently advocated. In a compelling article, Frédéric Neyrat has argued that such enlightened doomsaying is not only compatible with Foucault’s biopolitical hypothesis, but represents its contemporary configuration in the form of a *biopolitique des catastrophes*. Neyrat rightly points out that ‘the biopolitics of catastrophes occludes a proper ecopolitics. The political management of the possible future devours it [*la gestion politique du possible est la digestion du possible*] and makes another politics impossible’ (2006: 115).

## Conclusion

With this analysis of the historical and technical specificity of carbon commodities, we can now address the questions posed in the Introduction, of the ideal conditions of carbon markets, and whether carbon trading can actually help mitigate climate change. First, with respect to the ideal conditions under which carbon markets could be expected to work the concept of carbon trading dogma provides a suitable perspective to read the emergence and evolution of carbon markets in relation to both the fundamental tendencies of contemporary capitalist development and the material features of carbon commodities. Furthermore, we can see that the central element in the analysis of the carbon

trading dogma is the *discursive entrenchment* of its essential equation (environmental preservation = production of surplus value/sustainable growth), that is, its ability to crystallize the will and political imagination along market lines. While internally differentiated, such crystallizations are marked by the same formal, governmental principle: economic competition. The discursive entrenchment of market solutions makes it virtually impenetrable to criticisms or to contradictory empirical evidence. This makes it difficult, perhaps even impossible, to specify any sort of 'ideal' conditions of carbon markets: they constantly enact a sort of *productive failure* which, far from being a side-effect of their deployment, could more accurately be described as their fundamental logic. Failure is their ideal condition!

The second question posed in the Introduction asked whether carbon trading could be beneficial to climate change mitigation efforts. Answering this question is more difficult, because it is so tempting to shout a resolute: 'No!'. There is little doubt about it: carbon markets have been not only useless in fighting climate change, but also damaging. Moreover, insofar as carbon commodities conform to the carbon trading dogma, it is to be expected that the disjunction between (putative) environmental goal and (actual) monetary means will remain operative. However, if we wish to avoid throwing out the baby with the bath water, recognition of this disjunction will not be sufficient.

What do I mean by this? From the perspective of *operaismo* (workerism)<sup>19</sup> – namely the theoretical basis of this paper – struggle precedes capitalist organization. As Mario Tronti stated:

We too have worked with a concept that puts capitalist development first, and workers second. This is a mistake. And now we have to turn the problem on its head, to change perspective and start again from the beginning: and the beginning is the class struggle of the working class. (Tronti, 2006: 39)

If this is true, then both the new role of the general intellect as the organizing principle of production and the new governmental function performed by financialization have their roots in the tremendous waves of global struggles of the 1960s and 1970s. Environmental issues are no exception: without social movements that placed ecological issues on private and public agendas alike, nobody would have cared about ecology. The crucial role of social struggles also holds true for climate change and carbon markets. Thus, the carbon trading dogma is not an unassailable fortress; on the contrary, even its internal consistency shows signs of decay (not to mention all the opposition it has elicited

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<sup>19</sup> On the heterodox stream of Western Marxism named *operaismo*, see Dyer-Witheford (1999); Borio, Pozzi and Roggero (2002) and Wright (2002).

and continues to bring forth). This is the level of abstraction at which something like a *climate* class struggle is taking place.<sup>20</sup> This is also the crucial terrain upon which political ecology and climate justice should wage their battles: framing resistance as the catalyst of political instances that cannot be reduced to a governmental rationality based solely on the market logic. Antagonism, then, would become the vehicle of translation of those instances into the institutional language of environmental policy, not only as it is currently conceived, but also as it could be envisaged after the incorporation of new political horizons. Thus, I contend that contemporary climate struggles – including the protest by hundreds of thousands across 150 countries who took part in the People’s Climate March on September 21<sup>st</sup> 2014 – are *disarticulations of the carbon trading dogma* which simultaneously undermine its functioning and prefigure alternative solutions to global warming. Following an intuition of Italian philosopher Carlo Sini (2012), I would like to conclude on a provocative note: what if financial (carbon) markets themselves are but the most amazing commons awaiting to be saved from themselves, from their own privatistic disease?

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20 In a recent article, Steffen Böhm, Maria Ceci Misoczky and Sandra Moog address the issue of carbon trading by arguing that ‘even if a decarbonized capitalist “green economy” were possible, such an economy would be characterized by uneven growth and disparities of income, and by unequal distribution of economic, social and environmental risks that global markets produce’ (Böhm, Misoczky and Moog, 2012: 1621). They put forward such an argument by reviewing four Marxist approaches as articulated by John Bellamy Foster, Jason Moore, David Harvey and Rui Marini. It is my impression that these concluding remarks may embryonically gesture towards a fifth Marxist approach to carbon markets, namely a *workerist* one.

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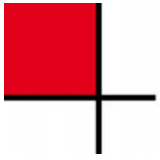
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# Shape of things to come: From the ‘laws of form’ to management in the post-growth economy

André Reichel

## abstract

Departing from George Spencer-Brown’s *Laws of form* and the works of German sociologist Dirk Baecker, a formal model of the firm in the post-growth economy is developed. In following a post-classical approach – and some reference to system theory by Niklas Luhmann as well as the works on autonomous systems by Francisco Varela – we, first, show the explanatory power of Spencer-Brown’s indicational notation for conceptualizing organizational and managerial problem situations, thus contributing a novel approach to the theory of the firm. Secondly, model insights about the nature of the firm, its management, and its relation to a changing environment with limits to economic expansion and increased societal demands are contrasted with existing strands of more classical managerial research and their findings. Thus, it is possible to theoretically substantiate new perspectives on the future ‘hard core’ of management practice around the notions of ethics, values, and collaboration, while also describing the scope and direction of changes in the firm’s societal, economic, and ecological environments.

## Introduction

This paper is an experiment about the future of organization and management theory as well as its changing contexts. We use a post-classical and model-oriented approach that takes its point of departure from Dirk Baecker’s *Form of the firm* (Baecker, 2006a), expanding it towards a comprehensive framework for management in what we call the ‘next economy’. Paying reference to Peter Drucker’s *Next society* (Drucker, 2001), the next economy is described as emerging from technological changes that enable new forms of organizing and co-creation of value (Belova et al., 2008; Brafman and Beckstrom, 2008; O’Hern

and Rindfleisch, 2010; Pitelis, 2009) as well as changes in the natural environment of business, signalling an 'End of growth' (Gilding, 2012; Gordon, 2012; Heinberg, 2011). This next economy is actually a 'post-growth economy' (Demailly et al., 2013; Marglin, 2013; Speth, 2009) – an economy that by and large has seen the best of economic growth in its past. The next economy thus appears exceedingly stationary (Mill, 1848) as regards capital, production, consumption and population. We do not normatively postulate the necessity or desirability of a post-growth economy or advocate degrowth policies (Demaria et al., 2013; Kerschner, 2010; Latouche, 2004; Martínez-Alier et al., 2010); instead we construct a general model of the firm using the notational language of the *Laws of form* (Reichel, 2011a; Robertson, 1999; Spencer-Brown, 1969), contrasting theory with empirical instances from contextual changes in business, technology, the natural environment and society. In the course of this study, this exercise will then lead to the emergence of the form of the next economy that, in the words of Spencer-Brown (Spencer-Brown, 1969: 57), *can be confused with* a post-growth economy, and with the precise form of its firm and of its management.

This paper has two goals. First, it seeks to develop and demonstrate the explanatory power of Spencer-Brown's indicational notation for conceptualizing organizational and managerial problem situations; secondly, it outlines the future of management under radically different economic, social and ecological conditions that comprise an economy beyond growth. We will start with a short overview of the laws of form and their possible application in the social sciences. We then present a revision of the original form of the firm as developed by Baecker, contrasting his model with other works on the nature and form of the modern economy. This adapted form of the firm can then be changed step by step by introducing minor changes in the contexts of the firm and by postulating how these changes might be interpreted from the perspective of the firm's core purpose: its product (Beer, 1970). The changes are connected to existing strands of organization and management research in order to explain the heuristic value of this approach.

## Laws of form

There is hardly any publication that stirred the systems and cybernetics community in the way that *Laws of form* (Spencer-Brown, 1969) did. Both the 'father' of management cybernetics, Stafford Beer (Beer, 1969), as well as the 'Socrates of cybernetics', Heinz von Foerster (Foerster, 1969), gave the book enthusiastic reviews. In one sentence, *Laws* can be described as a conceptual inquiry into the origins of mathematics as well as a mathematical inquiry into

the origins of concepts – summarized in the form of a question: How to inquire? The answer Spencer-Brown gave was simple: draw a distinction and create a universe. Drawing a distinction is a threefold operation consisting of the *distinction* itself, that which, for example, separates a sheet of paper into two distinct sides; the *indication* that is made, i.e. distinguishing ‘this’ side of the sheet of paper from ‘that’ side, thus labeling them; and the *continence* of all aspects of the operation that are bound together by itself into the *form of distinction*. Figure 1 shows the notational device used in *Laws*, the so-called token or cross that stands for both the operation of distinction and its sign. Drawing the distinction on a blank sheet of paper means inscribing it into an ‘unmarked space’ *n*; the space on which it is inscribed then becomes a ‘marked space’ *m*. Not only can you call the space marked when you see the cross, but it is also possible to tell the history of turning unmarkedness into markedness by indicating the two sides of the distinctions with *n* and *m*. What we are looking at here is the spatial expression of a temporal unfolding of the operation of distinction, that which Spencer-Brown calls the ‘form of the distinction’, containing everything created by it (Spencer-Brown, 1969: 3). This idea of continence strongly resonates with ideas of systemic closure, the distinction of an inside as opposed to an outside (also in an organizational sense), and autonomy of operations arising from such a closure, e.g. the ability to decide within an organization, thus enforcing its autonomy and opportunities for self-identification, in opposition to an operationally excluded environment (Reichel, 2011a: 649-651).

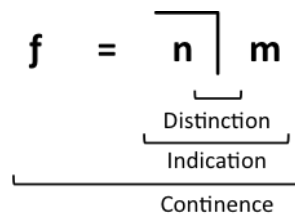


Figure 1: *The Form of Distinction (Author's Description).*

With these very simple ideas and the trinity of the form of distinction, two axioms can be derived. It is important to keep in mind that the cross is both operator and operand. It is a *description* of a cross in a marked space (telling you ‘this is a cross’) as well as an *injunction* to cross into that marked space (demanding from you to ‘cross!’). The first axiom, then, is the ‘Law of calling’. If you draw a distinction, you describe the marked space, e.g. drawing a cross on a blank sheet of paper. Drawing this distinction again, e.g. drawing a second cross next to the first one, means to describe it again as marked. ‘Calling’ the markedness of the space again does not change its markedness; it only reinforces it. Thus, you can *condense* the different callings into one, e.g. draw only one cross.

If I tell you that the sun is shining, and after a few seconds, I tell you again, nothing has changed in your state of awareness of it. In a Batesonian sense (Bateson, 1972: 386), where information is understood as a difference that makes a difference in a later event, you can argue that calling the same information again and again does not make any more differences than calling it the first time.



Figure 2: Law of Calling (Condensation), (Author's description).

The second axiom is the 'Law of crossing'. Here, the injunctive aspects of the cross are important. Drawing a cross, and thus a distinction, is not only the act of describing that something has been marked. It also demands a crossing from unmarkedness into markedness. This points to the temporal aspect of Spencer-Brown's indicational notation. When you demand another crossing, you can only cross into unmarkedness again, as these are the two states that are available. Notationally, you write a cross under a cross. The result, however, can also be written with a blank space, the 'void', because with an even number of so-called nested crosses, all crosses are *cancelled* out.

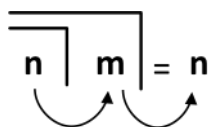


Figure 3: Law of Crossing (Cancellation), (Author's Description).

These two basic laws of the form give rise to both a simple arithmetic, a system of rules how to operate with the cross and turn markedness into unmarkedness and vice versa, as well as to an algebraic system denoted as Brownian algebra, a system that allows calculating with unknown variables according to the rules derived from the ideas of distinction, indication, continence and the two basic laws of form. It is one of the simplest origins of mathematics that starts with nothing, the void, and then adds a distinction to create something (Robertson, 1999: 53).

One aspect of such a Brownian system is how it embraces paradox. Classically, a paradox arises from the condition of *tertium non datur*: a third is not given, something cannot be its opposite, *a* cannot be *not-a*, a pipe can only be a pipe, despite René Magritte's famous painting '*Ceci n'est pas une pipe*'. Spencer-Brown's laws of form however can cope with paradoxes and pipes quite well. First, we have to create a paradox with the indicational notation in order to see



how we can work with it. Let  $f$  be an expression in the Brownian algebra in the form as shown in Figure 4.

$$f = \overline{f}$$

Figure 4: *The Form of Paradox* (Reichel, 2011a: 651).

The expression  $f$  is here to be taken equivalent to  $f$  under a cross. In Spencer-Brown's terms (Spencer-Brown, 1969: 57), the expression  $f$  can be confused with  $f$  under a cross. The first step is to take the cross for  $f$ , i.e.  $f$  equals the cross equals markedness  $m$ . The second step is inserting a cross for  $f$  under the cross on the right-hand side of the equation. Due to the law of crossing, this will cancel out the expression on that side and leave only the void, i.e.  $f$  equals the void equals unmarkedness  $n$ . And this is a paradox: we take  $f = m$  and arrive at the conclusion that  $f = n$ . You can easily see that if we start the other way round, we also create the paradox: starting with  $f$  as being unmarked, we come to the conclusion that it is marked. Some-thing is no-thing and from no-thing there is some-thing (Robertson, 1999). The notation and the very basic two axioms of the 'Laws' allow for one thing being its polar opposite. Here we have to remember that drawing a distinction is not just an operation in *space* – to draw a distinction somewhere creating this somewhere while naming it. But it is also an operation in *time*: there is a before and an after of drawing a distinction. If we now think of  $f$  as being a recursive expression, so that the output of its past operations are fed back into its future operations, we arrive at an oscillating behavior, a *temporally unfolding* of unmarkedness turning into markedness, turning into unmarkedness, turning into markedness... and so forth. Inserting the distinction within itself is called *reentry* of the distinction into its own indicational space. Figure 5 shows the notation of reentry, with the hook attached to the cross depicting from what position the reentry is observed.

Spencer-Brown's calculus of indication was picked up by Francisco Varela and expanded into a calculus for self-reference (Varela, 1975) that can be viewed as the groundwork for giving a formal notation for describing complex system-wholes that are autonomous against their environment, autopoietic, and determined primarily by their own operations (Reichel, 2011a).

$$\overline{f} = \square$$

Figure 5: *The Form of Reentry* (Reichel, 2011a: 652).

Despite the initial turmoil and euphoria that *Laws* caused – most notably experienced in the American University of Masters conference where Spencer-Brown left after only two days (AUM, 1973) – it has had no lasting impact on either systems research or organization theory today. The only exception is found in the works of German sociologist Niklas Luhmann (Luhmann, 1995, 2006b) and his former student Dirk Baecker (Baecker, 1999, 2002). Luhmann used only one concept of the *Laws* in his own system theory of society, the form of reentry. Social systems operate with reentries constantly. The creation and management of their own paradoxes is what defines and drives them. Luhmann starts his system theory not with the notion of unity, of a system-whole, but with the notion of difference. A system is first and foremost defined by what it is not: by what is excluded from it, by the fundamental distinction between the system and its environment. Drawing this distinction creates the system, and the constant production of the distinction with intrasystemic means ensures the system's viability: without distinction there is no reproduction. At the same time, the system can observe this distinction in operation and in its outcomes. It reenters the distinction between itself and its environment within the system through observing how it is drawing the boundary. In a social system perspective, reentry is thus understood as a *self-observation of the system within the system*. This is the origin of reflexivity, of the ability of being aware of oneself, of what you are, of what you become. In organizations, this process can be observed as strategic thinking, as envisioning, and in organizational change projects. Hoogenboom and Ossewaarde (2005: 616-617) argue that organizations can only become cohesive and thus viable through building reflexivity via self-interpretation and self-observation. For Luhmann, the dominant task of management is not a simple plan-do-check-act but a rather ambiguous balancing of self-references within an organization and the provision of means for self-description for organizational members (Luhmann, 2006a: 433).

In social systems, communication is the means by which systems observe themselves and what is going on. A new business strategy in a company, a decision about new product development, or the hiring of new employees becomes real by communicating it across and/or beyond the organization. As long as they remain inside the head of a CEO or within the board of directors, these ideas or thoughts cannot be observed by the organization. Communication as the basal operation of all social systems, from interaction groups to society, can be observed as the unity of the distinction between understanding, announcement and information. Information has to be announced, this announcement has to be understood as a communicative effort, and the information announced also needs to be understood. In using the English term 'announcement' for Luhmann's German original '*Äußerung*' over 'utterance', we follow Moeller (2005), who argues that 'utterance' hints at its psychological

motivations and something beyond communication, whereas ‘announcement’ is more technical and restricted to communication.

Only when these three ‘selection processes’, as Luhmann calls them, occur simultaneously and form a synthesis – a unity – can we speak of communication (Luhmann, 1992). Figure 6 shows the form of communication in the indicational notation. You can see the three distinctions and different forms of reentry: i.e., observations within communication of information, announcement and understanding. Note that any distinction can be observed from any other distinction, depicted by the various hooks attached to different crosses. The reentry from information into announcement means that the announcement of one particular information is weighed against the announcement of all other information. Announcement reentering understanding denotes that this particular announcement is relevant against a backdrop of all other announcements (that are deemed irrelevant). Information reentering understanding implies that the announced information is understood regarding its context. From how we described this, it is clear that all these reentries have to be taken simultaneously in order to establish communication; they are context to each other, without which no meaningful synthesis could be achieved. The narrative descriptions above can be depicted rather economically in the form of communication.

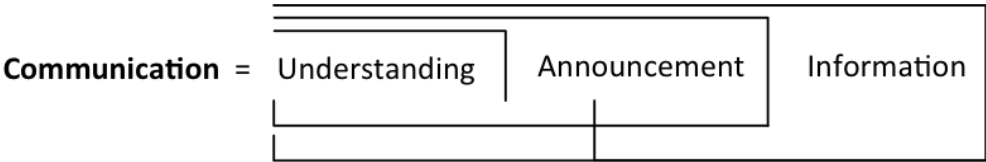


Figure 6: The Form of Communication (Reichel, 2011a: 659).

This is one particular way of using the laws of form in social science research: to simplify complex social phenomena of self-referentiality. The laws of form then become a descriptive language for describing a facet of the social in a different way, sensitizing researchers to reentry relations and asking new questions. Steffen Roth’s work on alternatives to capitalism was influenced by form theoretical reasoning, using Spencer-Brown’s ideas as a heuristic for understanding the observational standpoints of capitalism (Roth, 2015). In asking for the distinctions necessary to be drawn in order to observe capitalism, i.e. understanding its form in form-theoretical language, Roth was able to define capitalism ‘as an (maybe politically motivated) observational bias to the economy at the cost of a lack of observation of science, art, religion, law, health, education, sport and the mass media system’ (Roth, 2015: 119). Fritz B. Simon went further, applying the indicational notation as a formal descriptive language for

understanding the different management styles of stockholder companies as opposed to family-owned businesses (Simon, 2005). This enabled Simon to focus on changes in self-descriptions and reality construction of management depending on the type of organization. Using the indicational notation of Spencer-Brown in such a way can be regarded as the first step in exploring organization and management studies with a formal description language. Either we can try to reformulate established theories in these fields in a Brownian notation; or we can apply its perspective directly to empirical phenomena and formulate them accordingly in order to construct new theoretical insights (Reichel, 2011a: 662). Here we will attempt to combine the two approaches by starting with social systems theory and the works of Dirk Baecker, expanding it to recent empirical occurrences with organizations, management and the wider economic environment.

### The form of the economy

In his works on economic sociology, Baecker (2006b) uses the notational form of the 'Laws' to visualize the different contexts of the core economic question of scarcity. Scarcity is the central problem of the economy, of economic thinking and economically oriented organizations. Whatever one wants to achieve, means and resources are scarce, and because they are scarce, you have to economize on them. The result of the economic process is then a temporary relief of scarcity – for the price of a different kind of scarcity in the future. To overcome the scarcity of not having enough to eat, you mobilize resources and create food, but these resources are then no longer available for other uses. It might well be that scarcity is a very fundamental principle of the *conditio humana*, the rock that is pushed upwards, yet keeps rolling down again. From a Luhmannian perspective, the economy then observes scarcity and the activities connected to it and communicates about it e.g. via means of prices expressed in the medium of money and goods traded on markets. Figure 7 depicts the form of the economy (Baecker, 2006b: 45). Going beyond Baecker's construction, we also explored the most likely reentry observations – understood as self-observations within the economy.

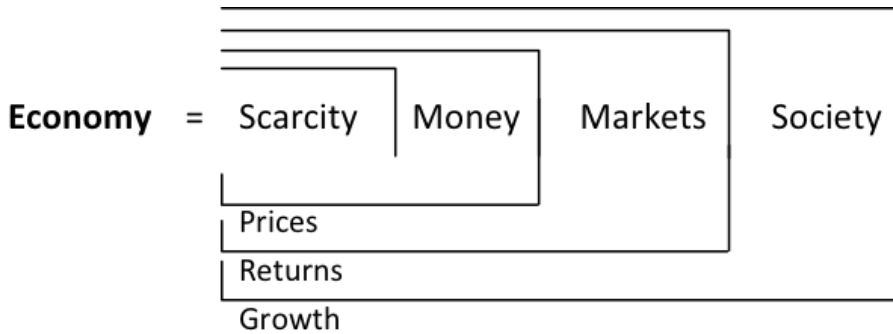


Figure 7: *The Form of the Economy*, adapted from Baecker (2006b: 45).

Scarcity is the fundamental operation and problem for the economy (Tellmann, 2015: 23-28). The distinction between scarcity and money can be read as money *being the context against which scarcity can be evaluated*. The reentry between money and scarcity, the observation of the distinction between the two from the viewpoint of scarcity, is achieved by the formation of prices. The price *relates* money and scarcity, tells you where scarcity, measured in prices, resides, and economization is both necessary and beneficial. This is another reading of the reentry operation: relating what is distinct through (self-)reference (Spencer-Brown, 1969: 57). Markets are another context, related to scarcity through monetary returns on investments. Money is directed onto those markets where the highest returns can be realized for overcoming scarcity. The overarching context of the society in which economic action takes place is the containing context of all economic operations and their contexts. The notion of growth, expressed in the increase of the sum of all traded goods according to market prices, enables the observation of how scarcity is relevant to society. In this observational form of the economy, economic growth is the predominant means to overcome scarcity via investing in markets with optimal returns and trading monetized goods via the price mechanism. With this self-observational form of the economy of modern society, it becomes clear that we are dealing with a growth economy – economic growth is hegemonic and orients all economic activities towards more growth (Schmelzer, 2015). It should be added that we are dealing with the form of the *modern* economy, an economic system unfolding over a period of several hundred years and coming into full force in the 20th century (Luhmann, 2012). If we wanted to observe the economy in pre-modern times like the economy of Roman Europe, it would look rather different. Markets how we come to know them were nonexistent before the 11th century (Casson and Lee, 2011); money in the modern form of bank money was unknown (Ryan-Collins et al., 2012). Most likely, the economy was not at all independently observable from the rest of society, leaving markets more to social institutions

like a ruler’s court. Instead of money, we would probably see property of both land and people as the contexts of the problem of scarcity.

In using the Brownian notation, we can formalize, in a single picture, very precisely what is happening in such a complex system like the economy without having to explain the whole story in detail in sequential sentences. Whoever is familiar with this notation understands what is shown. At the same time, the core ideas of the cross, being both a description of what is there as well as an operation to move from one side of the distinction to the other, enables us to understand this form of the economy as a dynamic interplay of contexts, referring to each other and changing each other simultaneously. One is the context of the other, yet all influence each other. You can, of course, focus on a specific sequence; e.g., focusing on how prices allocate investments in search of returns or how growth shapes new markets. There is no causality assumed in form theory. Rather, it offers analytical flexibility when applying the indicational notation.

Revisiting the form of the firm

In his 2006 article on *The form of the firm*, Baecker (2006a) continues drawing crosses around organizational issues, thus giving a form-theoretical model of a company.

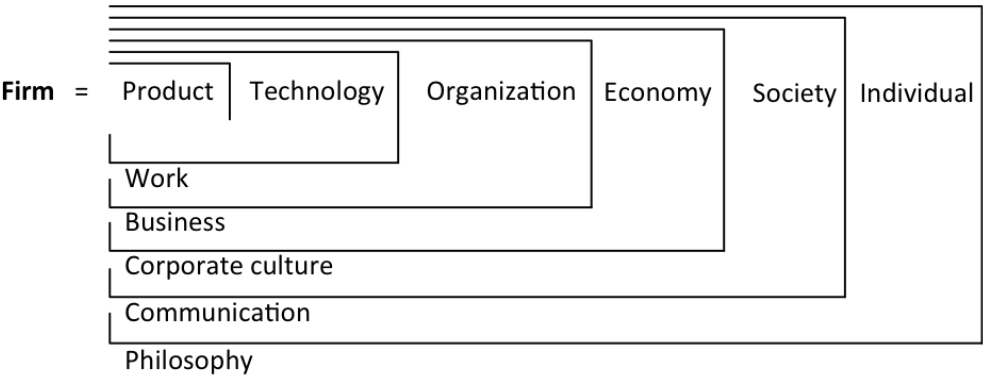


Figure 8: Baecker’s Form of the Firm, adapted from Baecker (2006a: 128).

In order to establish a point of departure incorporating the contextual changes already underway in the economy, we chose to reconstruct the form of the firm slightly differently, placing more emphasis on the economic contexts detailed in the form of the economy. In doing so, we enable the form of the economy to change along the lines of other contextual changes in business, technology, the

natural environment and society, revealing the nature of the post-growth economy. This requires us to zoom in and replace 'economy' in the form of the firm with 'scarcity', 'money' and 'markets'. This will also change some of the reentry operations; that is, it changes the foci of observations in the economic reasoning of a company. Think of Baecker's form of the firm as a mathematical equation in which 'economy' is a variable  $X$  that has its own underlying equation given with the form of the economy, as shown in Figure 7. We substitute  $X$  with its own underlying equation, thus changing the equation for the form of the firm. This is a generative step, though nothing truly new is added. We merely rearrange the form of the firm with a stronger focus on the economic contexts between the organization and society. The following description shows how this rearrangement unfolds, step by step.

First, we start with the product as the basal operation of the firm. Any firm, be it predominantly economic or not, aligns itself around the production of its product. This defines the firm more than anything else. In Stafford Beer's words: 'The purpose of the system is what it does' (Beer, 2002). Production of the product then implies technology as the context of the product. There is no product without technology, even a 'non-technical' product like a bank account needs some form of *techné*, of craftsmanship and instrumental knowledge that are inseparable to the definition of technology. The distinction between product and technology is reentered i.e. observed from the perspective of the product via the means of work. Through work, technologies and technological knowledge are oriented towards the creation of a product and, moreover, demanding some form of organization as the context of work (Scheiber, 2012). Organization, understood as a nexus of decisions that is distinguishable from other nexuses of decisions i.e. other organizations (Blaschke et al., 2012), structures product and technology via work, thus giving rise to the well-known form of Taylorist scientific management. Work in the modern economy is always work in a, more or less, hierarchical organization that defines goals, outcomes and operations of the work process. The entire field of operations research is focused on the relation of technology and product in an organizational setting (Schmenner and Swink, 1998).

Drawing the next distinction enters the economy into the equation. We have chosen to start with scarcity as the core problem of the economy, thus making scarcity the core problem in the environment of the organization. The question of scarcity is translated into the question of the business case of the product. How can we sell the product that is our business? If you view the interrelation of product, technology and organization from a business perspective, you construct the form of strategic management. Strategic management is then clearly visible as the reflexive operation that converts scarcity into business.

Reentering scarcity into the product creates the need for accounting as self-observation (Ahrens and Chapman, 2007). It is interesting to note that accounting is not as fundamental as organizing for work or developing a business strategy. In the hierarchy of nested contexts in the form of the firm, however, accounting is hovering above all of them. This dominance of accounting in the form matches the empirical world of companies and their decisions quite accurately, where there is a dominance of accounting over most other functions (Burns and Vaivio, 2001; Kaplan, 1992). The difference towards money as the medium of economic transaction and the relation to the product via prices is sheer necessity. Only from an environment of monetary calculations can accounting derive its importance, only through accounting money, calculating costs and prices, can the product be made sensitive to a resource-scarce environment.

Where do all the products go? The next distinction answers this question: markets, understood as the inner environment of the economy in which all communication about exchange of goods and the valuation of their property rights occur (Viskovatoff, 2004). The prices with which accounting relates scarcity to products are negotiated on markets, and through this process, investment decisions become both necessary and meaningful. Through calculating returns on investments, a company can decide what products to develop and manufacture for what markets. Return-oriented thinking, be it internal to the company or external via investment funds and banks, even trumps accounting in the firm of today. Products then become the vehicle for investments, while organizations are mere containers of investment processes and their associated returns.

Introducing society as the final distinctions, we observe that it most likely does not relate to the company and its product by corporate culture, as Baecker suggested, but by plain and simple growth. Growth of sales, growth of market share, growth of accounting and investment measures, most prominently cash flow and return on investment follow logically from the form we constructed here. The form of the growth economy inserted into the form of the firm leads to companies that are obsessed with growth, just like the rest of society (van Griethuysen, 2010). The final distinction drawn by Baecker, extending somewhat the form of the economy, is the human individual. The individual here can be the customer, the NGO activist, the worker, the manager or whatever individual or group might be a stakeholder, even the most distant relation (Freeman, 2010). Instead of philosophy being the reentry here, thus reminding us about everything that is not economical or firm-oriented, we relate it to the firm and its product via consumption. Within a firm of the growth economy, the individual cannot be observed outside a consumptive relation with it. Individuals consume



as workers, as activists, as managers, as politicians from the actions of the firm. In the firm of the growth economy, philosophy is replaced by consumerism (Miles, 1998).

The revised form of the firm can then be depicted as in Figure 9 and used as an analytical device for understanding corporate reality. You can zoom in to certain context like the relation of product, technology and organization when you are concerned with OR issues, keeping in mind the other context that may influence decisions about reorganizing the firm; or the relation of markets, money and scarcity in order to make sense of investment decisions, pricing strategies and accounting measures; or the seemingly distant relation between the individual, your organization and scarcity, thus understanding that all business strategy has to aim for a business case fixed on consumption of a product.

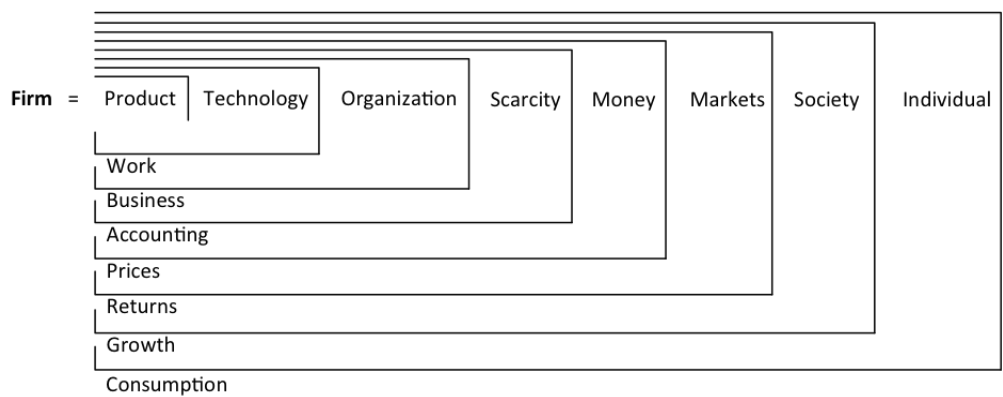


Figure 9: The Revised Form of the Firm (Author’s description).

Changing contexts, changing form

As helpful the form of the firm is for today’s business contexts, these contexts are changing. They have been changing for quite a while, with the development of information technology and the deregulation of global markets. At the same time, ecological aspects from the natural environment have been marked in communication as limits, barriers, new forms of scarcity, as well as new business opportunities in the guise of green and clean tech. Especially the advent of the computer, understood as a system of connected networks of algorithmic computing capabilities, most notably the internet, has stirred discussions about a new economy beyond mere speculative bubbles (Kline, 2015). The buzzwords of the past decade are ‘Wikinomics’ (Tapscott and Williams, 2006), the ‘Starfish

Organization' (Brafman and Beckstrom, 2008), 'Open Innovation' (Chesbrough, 2006) and 'Collaborative Peer Production' (Botsman and Rogers, 2011).

From a more conceptual and theoretical perspective, the underlying mechanisms of an emerging 'next society' (Baecker, 2007c, 2007d) – a term originally coined by management philosopher Peter Drucker (Drucker, 2001, 2007) – can be traced to a dominant new variation of a societal distribution medium. Just as the printing press and its dominance – supported by converging developments such as the Renaissance, Protestantism, the rise of new economic organizations like publishing houses and trading companies – enabled the creation of the modern age and laid the groundwork for the 'Great Transformation' (Polanyi, 1944) that brought about our growth economy, the computer as system might well entail the potential for changing society yet again. This is, of course, highly speculative, but it is an empirically substantiated and theoretically well-informed speculation. In other words, our speculation is the result of abductive reasoning (Queiroz and Merrell, 2005). The argument, based on Luhmannian system theory, is as follows: as society consists of and is driven by communication, any lasting changes in the dominant distribution medium will alter the process and content of communication and, following from that, will alter society and the way society is structured. The proliferation of printed books from 1500 onwards created an overflow of communication that was unprecedented. New forms of order emerged and engaged in a Darwinian struggle for the survival of an order that best fitted this new world of communication. Functional differentiation became the order of the day up to the present, society was structured in a heterarchical manner with separate yet connected realms of politics, economy, science, law, religion, education and so on (Luhmann, 1995).

#### *Intra-organizational change and the notion of limits*

If the buzzwords of the business and tech world have any meaning, they have it within such a theoretical framework. Can we guess abductively what the form of the firm, and therefore the 'next economy', will look like when we take these empirical incidents and the insights from theory seriously? Let us start with the inner core of the form of the firm, with its product, technology and organization. Organization, understood as the nexus of decisions that give form to the alignment of product and technology via work, is the classical form of economic order as exemplified with the 'Large-Scale Corporation' (Drucker, 1964) of Alfred P. Sloan's General Motors in the 1930s. This form has been dominant throughout the 20th century and continues to dominate in our day. However, the changes depicted by such labels as Wikinomics or Starfish point in a different direction. The drive towards fragmentation, outsourcing and cooperation is not new, in the classical industries this started over 30 years ago in sectors such as

automobile manufacturing, with what are now global supply chain and production systems (Hätönen and Eriksson, 2009). But networks in the automotive sector are not networks in the next economy. When you fully incorporate the computer as system as the backbone of your organization, in fact as the very foundation on which all your value-creating activities rest, the logic of value creation itself changes (Afuah, 2003; Sytch and Tatarynowicz, 2014). The possibilities of connecting to new partners, new ideas, new customers; incorporating these customers as active 'prosumers' (Toffler, 1984); opening up all your processes to innovation distant from your old decision core, will shift the nexus of decisions away from the organization. The term 'organization' will no longer be appropriate as a way of making sense of how, why and where your value creation is taking place. Replacing 'organization' with 'networks', with diverse and heterarchical networks of value creation, makes the inner core of the form of the firm look very different (Baecker, 2007a). It is no longer work in the Taylorist sense we are looking at, but collaboration between value creators bound only by the idea of providing a specific solution. Some of these collaborators may be bound by traditional work contracts or similar formal agreements, but this most likely will not be the only type of arrangement (Paskewich, 2014). Collaboration becomes even more important, as the nature of technology also changes. When we speak of technology, we imagine installed hardware, the tangible results of technological processes. Today, however, technology is increasingly embedded into social arrangements, creating and shaping these arrangements while being recursively influenced by it (Reichel, 2011b). The potential of social innovation (Mulgan, 2006) can be utilized only through such a collaborative relation. Therefore, innovation, be it technological or social, understood as changes in social practices, will comprise the new context of the product. Reentering networks into the distinction between products and networks requires a different kind of observation than business. What is a business? It is a specific answer to a specific economic question dealing with scarcity. The specific answer of a collaborative effort in a diverse and dispersed network combining technology and social innovation will not just be about economics and scarcity. Diversity here means also diverse values and motivations to engage with the process of value creation. The entire field of social entrepreneurship (Beckmann, 2009) is oriented towards solutions to societal problems from which a business can be derived as a means to solve these problems. Business becomes a metaphor for problem solving; hence, we change the reentrant expression from 'business' to 'solution'.

Looking at this new inner core of the firm, as depicted in Figure 10, you can immediately spot the tensions of transformation from organization to networks; from work to collaboration; from business to solutions. If these tensions resonate with you and your organizational environment, you are on a trajectory of change

that can hardly be fought, just dealt with. Contrast the classical form of the firm with this new inner core, and see where the tensions could be resolved. What is the solution you are aiming for? For whom is it a solution, and with whom do you have to collaborate in order to deliver? Where is the locus of value creation now, and what does this mean for your management skills and capabilities? The form-theoretical perspective and the indicational notation can be used as sensitizing devices for these changes and as a heuristic for asking the proper questions.

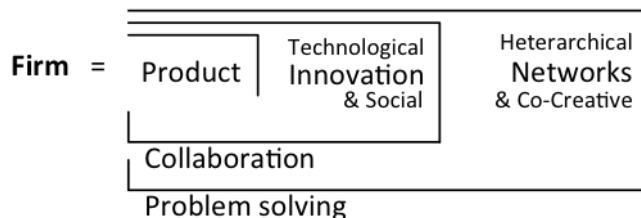


Figure 10: *The Inner Core of the New Form of the Firm (Author's description).*

Of course, this is not the end of the new form of the firm. There is another, even larger driver for change: the reintroduction of the natural environment into economic reasoning. From the 19th century onward, nature did not play a significant role in economic thinking; for business activities, nature was but a resource to exploit. Nature was an enabler, something to be taken and utilized for production. It was not until the 1960s that the coming economy of the 'Spaceship Earth' (Boulding, 1968) started to cast its long shadow. Today the overarching challenge of climate change and the need to transform our economy into a carbon-free economy, the societal demand for carbon disclosure and accounting of companies, and the growing resentment of customers and employees alike against ecologically 'un-sustainable' corporate activities represent a new economic reality. We introduce a new distinction between society and individual, leaving the individual as the final distinction, but creating a new context: nature. All firm activities now reflect concerns about the natural environment and how to deal with it (Robbins, 2001; Shrivastava, 1995). From the perspective of the company and its product, the means with which to observe this development is that of 'limits'. Limits are the bogeyman of economics and business development. Since the publication of the first report the Club of Rome in 1972 (Meadows et al., 1972), the discussion about limits – to growth, to human activity, to further development – has remained within the wider field of sustainable development. If we omit the changes made to the inner core and stick to the old form of the firm, the strategies of resource and energy efficiency as well as ideas about a 'Circular Economy' (Braungart et al., 2007) become apparent as dominant growth-enforcing and consumption-enabling moves in a

limited natural environment context. If we stick to the changes made, with networks and collaboration, other strategies become understandable e.g. sharing and access solutions with collaborative use of products and resources. Depending on the contexts and their change, various aspects come into focus. Figure 11 gives the preliminary state of the form of the firm.

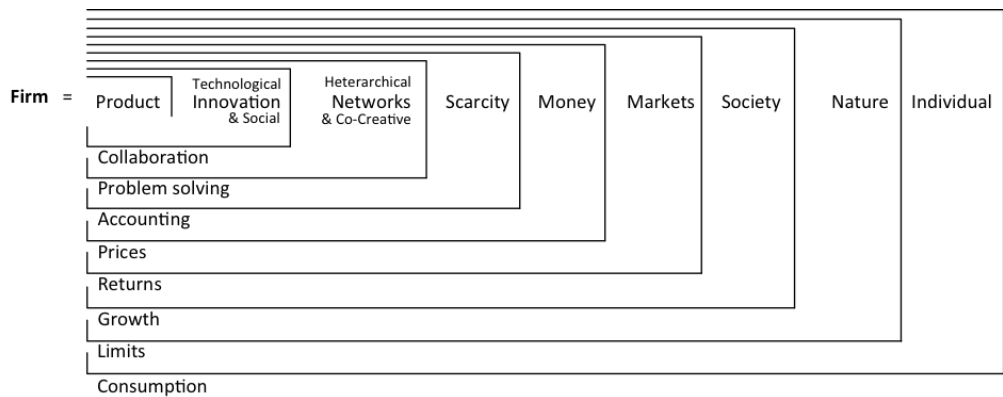


Figure 11: Intraorganizational Change and Ecological Limits (Author’s Description).

By looking only at this form, even more tensions are made visible. Can limitations from nature really be aligned with consumption as an overall framework? Will solutions to social and ecological problems alter the way we interact economically (Newell and Paterson, 2010)?

*From markets to networks*

Another context that will most likely be transformed is that of markets. Markets are a cultural product of 11th century Europe (Casson and Lee, 2011) that evolved into what Luhmann termed the ‘inner environment’ of the modern economy (Luhmann, 1988; Viskovatoff, 2004). When the economy observes its own activities, thus drawing the distinction between itself and what it is not – its external, non-economic environment e.g. politics or law – it observes how resources are allocated, goods are produced and exchanged via the means of the price mechanism. These observations give form to markets as internal, economy-related environments. A company can then act with reference to markets and use these synthesized observations as input for its internal decision processes about allocation, production, and distribution of goods and services. If we consider the shift from organization as the nexus of decisions and ordering structure for relating products and technology towards diverse and dispersed networks, we can only conclude that markets of the economy will cease to be the single dominant environment for companies. Of course, markets will always be important in one way or another, but not all value creators in these networks will consider

themselves economic actors, nor it is questionable that the economy will be the dominant system of reference for value creation in the 21st century. Collaboration and sharing, collaborative consumption (and production), and the 'Open' paradigm not only imply the involvement of different rationalities and motivations of value contributors at the inner core level of the company – the company's internal environment. These developments also imply that we become sensitive to a different internal environment society-wide. Instead of solely concentrating their observations on the inner environment of the economy, companies are starting to take into account *cross-sectoral market places* that span a wide array of societal spheres: market places of politics, of civil society, of science, of religion, of arts, of love and so forth (Baecker, 2007b). The term for this is 'polyphony' (Belova et al., 2008; Hazen, 1993) and it means, in system-theoretical terms, that a company will have more than one dominant system of reference. In fact, its new core capability will playfully balance different rationalities and utilize different sources of motivation in fulfilling its task (Roth, 2012) – a task that is also playfully negotiated within these new diverse and dispersed networks of value creation and across many different parts of society, not in a single system of reference, but in its totality. Investing in *reciprocity* will be the reentrant relation that will mediate between the product of this company and the cross-sectoral market places with whom it is dealing (Fassin, 2012). Stakeholder dialogue and management are then elevated into strategic relevance, becoming a *sine qua non* condition for survival.

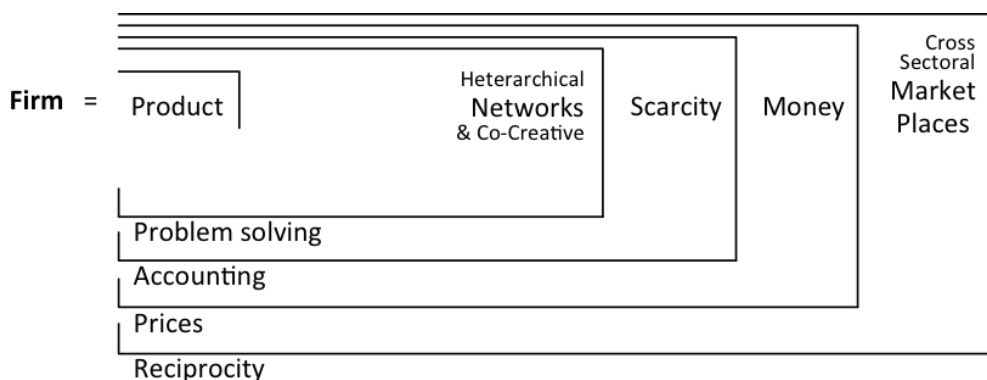


Figure 12: Networks as Intraorganizational and Intrasocietal Environment (Author's Description).

The form in Figure 12 also reveals the challenges companies are facing when dealing with networks and market places on various scales as soon as the question of rewards and gratification comes up. In the Open Source community, for example, reputation, knowledge and social capital are just as important as money (Klewes and Wreschniok, 2009). In networks of collaborative

consumption, e.g. energy or food cooperatives, the focus might be more on participating in the solution provided.

Money in the form of bank money and the dominant medium of economic action will still play a role, but it will lose its dominance, especially as polyphony replaces monophony and networks of value creation become more heterogeneous as regards motivations and participants' values. *Value* is the key term here, and value might provide the medium into which money can be subsumed, being only one specific realization of value. The abstract meaning of value, denominating something of absolute worth, of being valuable 'beyond doubt', is a direct reaction of modern society to the problem of contingency (Luhmann, 2008; Zak, 2010). Values can now act as new anchor points that cannot be questioned. From a system-theoretical perspective values act as a meta-medium, providing orientation for communication (Luhmann, 1996). Values allow communication to take certain assumptions for granted, providing a non-contingent communicative context, thus enabling the continuation of communication. In a way, values fill the gaps that modernity has created between the different function systems in society (Rasch, 2000). If we are now dealing with both diverse and dispersed networks of value creation in the context of cross-sectoral market places throughout society, then values become the currency of what Drucker and Baecker term the 'next society' (Baecker, 2007c; Drucker, 2001). And this next society has a different form of the firm than does modern society, for which Baecker himself developed the original form of the firm in Figure 8. Hence, with multiple values instead of money, the reentrant observation can hardly be expressed as prices. There are no unambiguous numbers attached to values negotiated and exposed in cross-sectoral market places, as prices have been attached to communicating about products sold on classical markets in the medium of money. What is attached is a certain *ethics*. Ethics observe values, their origin, function and also the conflicts caused by the presence of different values and how to resolve these conflicts (Baecker and Priddat, 2010). Management ethics, as a field, can draw its legitimation and future importance from becoming the study of how this particular reentry is achieved. Needless to say, such a management ethics is logically beyond and above economic or business ethics.

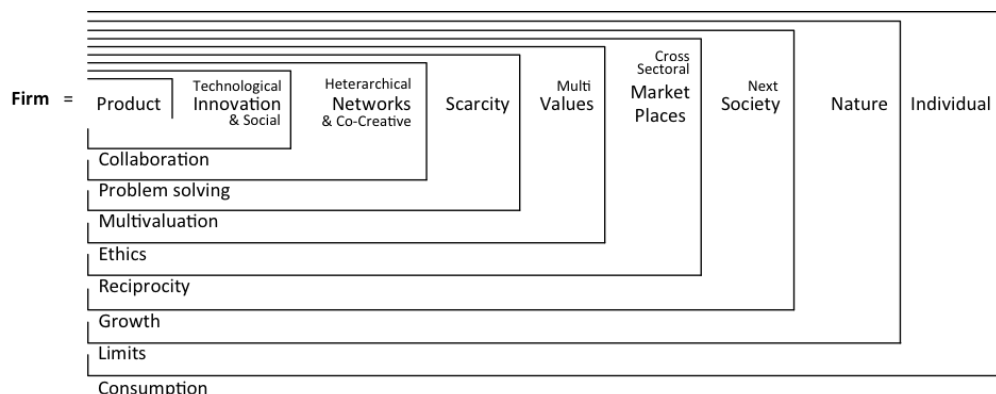


Figure 13: Values, Networks and Ethics in the Form of the Firm (Author's Description).

The narrative of the firm as depicted in Figure 13 unfolds along the lines of

- i. collaboratively producing a product in combining technology with social innovation in diverse and heterarchical networks of value creation;
- ii. managing by ethics and accounting for a value-based solution in a cross-sectoral arena;
- iii. within a next society focused on collaboration,
- iv. that is aware of natural limitations and bound by individual consumerism in order to overcome scarcity of needs.

#### *Towards the next economy*

There are several weak spots in this narrative. Accounting is one of them. How do we make an accounting of values? As values differ, products have to be related to them in an appreciative manner, offering a solution but not forcing it. The more feasible observation with which product and values can be related is by negotiation and appreciation of difference, by an open process of mutual and multiple evaluation of multiple values: *multi-valuation* of what is needed and what is provided. Traditional accounting, then, is a special case of this multi-valuation. The next weak spot, of course, is the relation between product and individual. Consumerism does not work well with limitations, values, ethics and so on (Chatzidakis et al., 2014). Also, the fixation on growth as the dominant motif of present-day modern society can hardly be dominant in the next society. It is clear, however, that both will have to change simultaneously, emerging from the interplay of diverse value creations, ethics, and collaborations. This points to the fundamental objective and problem of the economy: scarcity. The modern economy communicates scarcity with prices. What does the next economy do? Elinor Ostrom has provided insight on this issue when she was referring to the commons (Ostrom, 2010). If a resource is abundant, you do not have to deal with



scarcity; if it is not abundant, you can pool and share the resource, and you also do not have to deal with scarcity. Scarcity is not a fundamental problem, especially not in a highly technological society with surplus farming and high levels of automation and productivity. It is a problem of the social organization of economic transactions. In markets, with money and prices attached to a product understood as a business, scarcity can hardly be ignored. But in cross-sectoral market places, with multiple values, negotiated evaluations and a product understood as a solution to a problem, scarcity is not central anymore. Given the greater context of reproduction and circularity, this next economy does not operate on and with scarcity but with *abundance*. The logic of abundance is thereby totally different from the logic of scarcity. Whereas scarcity forces the economy to overcome it via growth, abundance forces the economy to organize the ‘plenitude’ (Schor, 2010). It actually enables this next economy to relate its central issue, abundance, to the product of the firm as a problem of *enoughness* (Dietz and O’Neill, 2013).

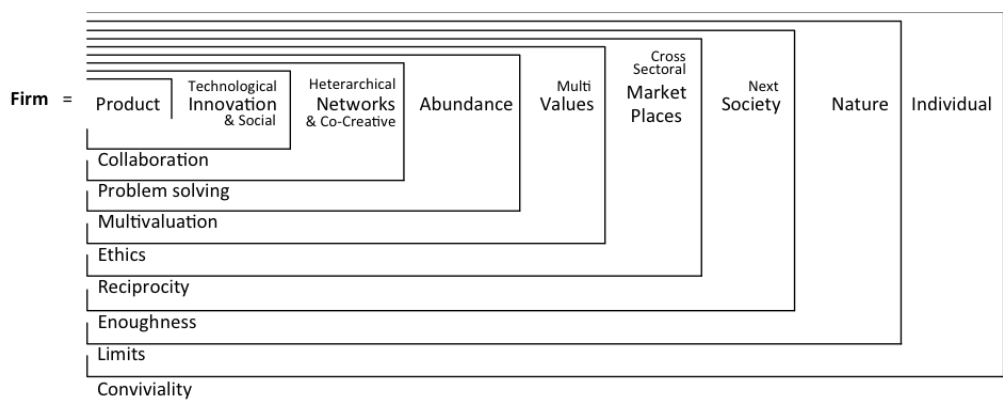


Figure 14: The Form of the Firm in the Post-growth Economy (Author’s Description).

Enoughness is not a slow and tender economic context for the firm; on the contrary, it is revolutionary, maybe even more so than the scarcity that preceded it. Whereas scarcity produced a never-ending growth economy, enoughness has the potential to produce an oscillatory economy of novelty within the confines of a limited planet. This elevates the relation of the individual to the rest of the firm and its economy beyond consumerism, towards what Ivan Illich termed *conviviality*. Conviviality, as opposed to consumerism, is ‘autonomous and creative intercourse among persons, and the intercourse of persons with their [natural] environment’ (Illich, 1973: 11). Enoughness, multiple values, cross-sectoral market places, products and solutions for convivial lifestyles now give rise to the form of the next society’s economy, which can observe itself as a post-

growth economy: an economy beyond the growth imperative, beyond scarcity, and beyond consumerism.

## Implications for management

The form of the firm in the economy of the next society i.e. in the post-growth economy, as depicted in Figure 14, can be used in various ways. It is a description of the shape of management to come, should all contextual changes described here materialize in full swing. It has been argued that this transformation is in fact already underway, and the form of the firm of yesterday, as described in Figures 8 and 9, is experiencing extreme pressures. Of course it is management and organizations that suffer from these pressures. In contrasting Figures 8/9 with Figure 14, different levels of change in different contexts can be focused, for example how the diffusion of the nexus of decision into diverse and heterarchical networks challenges the way management defines and exerts control over the value creation process. In fact, the new form of the firm 'in-forms' management that control itself has to be dispersed, enriched with values from the firms internal and external environment and guided by a managerial ethics dealing with collaborative evaluations of what kind of value is created, why this particular value should be created, and who benefits from it and in what form. Highlighting collaboration points towards the shortcomings of those portions of the supply chain and other partnerships that fail to take into account the systemic nature of collaboration (Neumann, 2012). Change can be traced and focused with the form, but it also provides a sensemaking device for management (Weick, 1995; Weick et al., 2005). If the old form of the firm made strategic management visible as an interrelation of product, technology and organization from a business perspective, turning scarcity into business, the new form provides managers with a different understanding about the future of strategic management in the post-growth economy: post-growth management will be mostly about how to relate product, social and technical innovation with each other as well as with diverse and dispersed networks of value creation from a solutions oriented perspective, thus providing for abundance – of whatever kind that 'enough' may be. The theoretical core of strategic management will then cluster itself around ideas first expressed in Dyer and Singh's work on the 'relational view' (Dyer and Singh, 1998; Dyer et al., 2008), but it will extend towards a management by ethics undertaken by diverse stakeholders (Carroll and Buchholtz, 2014; Carroll, 1991; Freeman, 2010) under the overarching framework of abundance and enoughness, thus deconstructing the customer from consumer to active prosumer and co-creator of convivial value (Le Ber and Branzei, 2010; Pitelis, 2009; Rocchi, 2005). Strategic management and management ethics can be confused with each other in the future.

But there is more to be gained. When management turns inward, to the value creation and its immediate environments, everything beyond cross-sectoral market places is omitted in order to focus on the relation between operations management – who should and how to collaboratively create a product from social and technological innovations – and strategic management as described above. When management turns outwards, everything between the product as core operation and abundance as core orientation is omitted. From the context of abundance towards the individual and the relating operation of conviviality, this reentry reassures the firm of why it is doing what it is doing. This is the realm of normative management and organizational sensemaking. If you now look at these two sections of the firm, you notice there is a mediating core between them. In the next economy, this mediating core of product, abundance, values, and cross-sectoral market places, along with their reentrant relations, becomes the hard core of management of the firm. In other words: it is the form of management in the post-growth economy. It is the era of post-growth management.

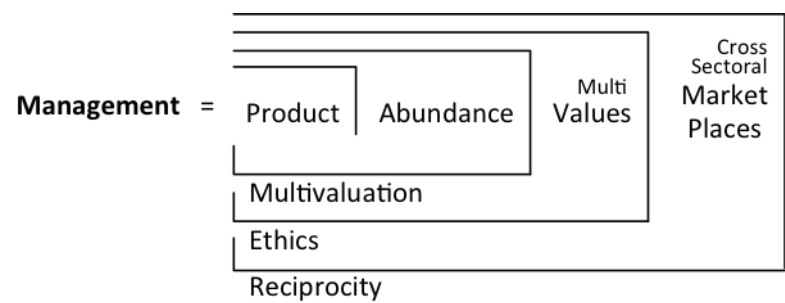


Figure 15: The Form of Management in the Post-Growth Economy (Author’s Description).

Management, then, consists of all the activities that establish the relation of the product in providing for abundance via evaluation in the medium of multiple values, interpreted and negotiated by ethics from a cross-sectoral arena that is triggered by and rewards collaboration. Switching back the contexts, we discover that management used to be about all the activities that established the relation of the product in dealing with scarcity, interpreted via accounting in the medium of money and oriented by prices on markets that triggered and rewarded investments.

Conclusion

Our model of the firm in the post-growth economy gave rise to a new perspective of the emerging next hard core of organization and management practice. It also

provided an example of how seemingly ‘soft’ issues in organization and management theory can be formalized with the indicational notation developed by Spencer-Brown. By strictly applying this notation and using it as some form of ‘abductive heuristics’, the story of the firm in the post-growth economy, the emergence of that new kind of economy, and the management of a firm immersed in its contexts unfolded almost by itself, with various connections to existing research and empirical observations. Of course, the results of this experiment should be taken with extreme caution. It is not what will happen. It is what is consistent within the framework of Luhmannian system theory and Spencer-Brown’s calculus of indication. We suggest the forms developed here be taken as epistemic devices for checking against unfolding empirical backgrounds in the reality of organization and management.

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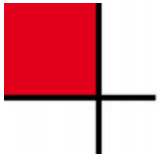


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## Looking to food sovereignty movements for post-growth theory

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### abstract

This paper analyzes ‘food sovereignty’ and the movements that work for it at local, national, and supranational levels and at the intersection of markets, governments, and civil society. The goal is to illuminate potential aspects of post-growth socio-ecological systems management regimes. These aspects include: (a) socially and ecologically embedded and politically engaged market activity, as evidenced by ‘peasant’ modes of food production and distribution; (b) deliberative and ‘agonistic’ democratic models for policy construction, as evidenced by internal organizational processes within the transnational food sovereignty network La Vía Campesina; and (c) multi-sited ‘relational’ forms of understanding and institutionalizing sovereignty, as evidenced by the complex of institutions engaged by food sovereignty movements and the ways that ‘power over’ aspects of classical sovereignty are combined with more ‘power with’ and ‘power to’ conceptions emergent in food sovereignty. Although this case relates fundamentally to issues of food and farming, the resulting aspects may be applicable to other realms of post-growth economic regimes. Fundamentally, it is argued that politically engaged movements of producers, whose productive surpluses are invested into non-growth ends with support of governments, will construct post-growth economies.

### Introduction

We need to replace capitalism with a new system that seeks harmony between humans and nature and not an endless growth model that the capitalist system promotes in order to make more and more profit. (Vía Campesina, 2014)

How social movements relate to social theories has long been a concern for activists, scholars, and activist-scholars alike. It is increasingly accepted that theory and action are dialectically intertwined, and that movements can

themselves theorize, while theory can but is not guaranteed to aid movements (Edelman, 2009). ‘Movement-centered’ theory has brought to the forefront knowledges produced by the social actors themselves, outside of and in correspondence with the academy (Bevington and Dixon, 2005). In the search for post-growth futures, the importance of both theory *and* action (converting theory to action and subjecting action to critical-theoretical scrutiny) must be emphasized.

Some scholars have advanced a ‘food utopias’ framework to analyze how utopian social action informs and precipitates developments in food systems (Stock et al., 2015). Food Sovereignty Movements (FSMs) are a prime example of such action. ‘Food Sovereignty’ is a concept popularized by La Vía Campesina, a transnational social movement organization formed in 1993, comprising small-scale food producers, farm laborers, fisher people and indigenous peoples. The Vía Campesina coalition claims to represent at least 200 million people through respective national and regional member organizations and sub-coalitions that are mainly agrarian in origins and focus (Torres and Rosset, 2010; Desmarais, 2008). As a coalition, Vía Campesina has focused on confronting international bodies that structure the global food system, introducing food sovereignty as a counterpoint to neoliberal agricultural and trade policies that, it argues, disempower farmers and rural communities.

As such, Vía Campesina has opposed the free trade agreements, the World Bank, the World Trade Organization (WTO) and neoliberal ‘Washington Consensus’ policies through advocacy, protest, and communications strategies. Dramatically, a South Korean Vía Campesina member committed suicide during protests outside the 2003 Cancun round of WTO talks, while carrying a sign stating ‘WTO Kills Farmers’. Vía Campesina has also engaged diverse United Nations agencies to incorporate a human rights perspective into issues of food, agriculture, and trade policy. All this engagement has been grounded in the coalition’s proposed policy alternative: that of ‘food sovereignty’. Though Vía Campesina is not the only group to mobilize food sovereignty, it is by far emblematic of the concept.

Most generally, food sovereignty is construed to mean the ‘right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems’ (Nyéléni, 2007: 1). Crucially, food sovereignty ‘prioritizes local and national economies and markets and empowers peasant and family farmer-driven agriculture, artisanal-fishing, pastoralist-led grazing’ (*ibid.*). The concept of a ‘peasant’ form of production counterpoised against globalized capitalist agriculture thus undergirds food sovereignty.

Like ‘freedom’ or ‘civil rights’, food sovereignty is a contested, evolving, multi-faceted concept, and a goal rather than a fully achieved reality. Yet it exists to degrees, in different places; even if it cannot be fully ensured, it can be supported and advanced. FSMs have thus instigated national policies for ‘food sovereignty’ in at least six countries (Claeys, 2014: 47). In 2013, the Food and Agriculture Organization of the United Nations formally agreed to partner with Vía Campesina to improve the status of small farmers via food sovereignty; in 2015 the United Nations officially recognized the ‘rights of peasants’. In this and other examples, Vía Campesina has succeeded in moving institutions of global food systems governance towards food sovereignty (Brem-Wilson, 2015).

One important aspect of Vía Campesina is its intention to represent food producers directly: the cadre and leadership of the Via Campesina coalition are farmers rather than professional activists.<sup>1</sup> In bringing together farmers from around the globe, and attempting to fashion a unified position and identity as a coalition, Vía Campesina has settled on a collective identity as ‘peasants’ (Vía Campesina translates as ‘the peasant way’). Peasants offer an analytical challenge, because they vary so widely as a category, and their relationship to capitalism and economic development has been debated politically and academically for over a century (e.g. Bernstein, 2009; Edelman, 2013). Here, rather than seek to resolve these debates, I use the descriptor ‘peasant’ to denote small-scale, diversified, and family farm-based food producers, with an emphasis on the descriptor as a political (self-) construction (similar to how Vía Campesina itself mobilizes the term). Just as food sovereignty exists to degrees, ‘peasants’ vary in matching any narrow analytical depiction. While painting with a necessarily broad brush, I will still attempt to address nuances in the composition and ostensibly progressive role of peasantries.

A common refrain from food sovereignty critics is that peasants cannot ‘feed the world’. Yet global institutions and assessments have found that peasants (variously described as smallholders, family farmers, small-scale farmers, and pastoralists) already produce more than half the world’s food and can be more productive than large-scale industrial, corporate farms (FAO, 2014: vi; Graeub et al., 2015; IFAD, 2013; HLPE, 2013: 26).<sup>2</sup> Only about 12% of foods are exported

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1 However, the line between farmers and activist professionals is fuzzy, and agrarian activists can lose their credibility as farmers insofar as they end up traveling to work off the farm (Borras and Edelman, 2016: 89).

2 Estimates include 80% (FAO, 2014), or ‘over 80 per cent of the food consumed in a large part of the developing world’ (IFAD 2013: 6). It is important to note that each study uses particular metrics of what and whom it measures (e.g. based on *inter alia* farm size, family ownership structure, labor source), using statistical data the

across national borders, which means that globalized food systems are the *exception* rather than the rule for how human beings obtain their food (Oosterveer and Sonnenfeld, 2012: 15-16).<sup>3</sup> Peasant producers have a long history, and remain the producers of the bulk of the world's food, contradicting the conventional wisdom that humanity survives only because of industrial and globalized agriculture.<sup>4</sup>

The peasants represented by Vía Campesina are often marginalized socially, economically, and politically (IFAD, 2013: 9), but they are far from 'marginal' in terms of impact on the global food system. To ignore their contribution to development politics, agricultural policy, and global economics is to misunderstand the world's true food production base, and to overlook one of its largest contemporary social movements. Thus, this paper takes the historic role of peasantries seriously, considering their lifeways and forms of political organization as valuable and worthy objects of study. It uses the example of FSMs (particularly Vía Campesina), the food producers they represent<sup>5</sup>, and the concept of food sovereignty itself, in order to elaborate how post-growth economies might be envisioned and constructed.

The ethics of ecological production, egalitarianism, and democratic control that underpin food sovereignty are common to much of the post-growth literature. This literature promotes a 'steady state economy' of ecological production (Daly, 1973), an egalitarian redistribution of wealth within and between countries (Paris Declaration, 2008), and a qualitatively different idea of development made possible through strengthening democracy (Gudynas, 2013)<sup>6</sup>. Another

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availability of which varies country to country. These sorts of estimates are always educated guesses.

- 3 Unfortunately, these statistics leave unclear the *character* of production that goes into local or international markets: *some* peasant farms *do* produce for export, while *some* industrial capitalist farms *do* produce for local consumption. While the former occurs regularly in production of colonial crops like coffee and chocolate, these are exceptional cases for contemporary peasant agriculture.
- 4 A related myth is the unsubstantiated allegation that peasant production is more likely to lead to famine, in times of drought, etc. On the contrary, Davis (2000) provides historical evidence that famines have been created and exacerbated by colonial relations, while pre-colonial peasant-based agricultural states like China and India implemented effective measures for internally redistributing surpluses in times of localized scarcity.
- 5 See Borras' (2010) excellent analysis of representation within transnational agrarian movements, and further comments by Robbins (2015: 453) on how representation is rarely 'full' or static.
- 6 Democratic control, rather than simply a matter of elections, entails the 'empowered inclusion of those affected in collective decisions and actions' (Warren, 2004: 333).

proposition shared by the post-growth literature and the food sovereignty movement is that capitalism is at the root of ecological crises: the problems of destructive growth are rooted in tendencies of capitalist firms and capitalist state forms (Foster and Magdoff, 2011). Confronting growth means confronting capitalism. But with what?

Peasantries have extensive pasts as agents of non-growth economies, and many actively continue to struggle to maintain their non-capitalist way of life (van der Ploeg, 2013: 14-16 and *passim*), increasingly under the banner of food sovereignty. By struggling against capitalist markets (and dominant players in them), and constructing alternative markets based on food sovereignty principles, FSMs and the peasants who compose them challenge the notion that capitalism is the only or even the dominant form for food production or agricultural markets.

Analysis of FSM actions thus provides hints for how to address general questions of post-growth economics. Hence, we can ask questions such as: Who are the agents and units of post-growth production? What are the methods of that production? What characterizes its governance structures and market forms? This paper argues that post-growth economies would benefit from practical and theoretical elaboration of the following three elements of food sovereignty: (1) socially and ecologically embedded and politically engaged market activity, (2) deliberative and ‘agonistic’ democratic models for constructing rules and policies, and (3) multi-sited ‘relational’ ways of conceiving sovereignty.<sup>7</sup> Before defining and developing these three aspects, the next section clarifies the conceptual and historical bases necessary for such analysis. The concluding section reiterates the potentials and challenges for design of post-growth systems, based on the case of FSMs.

### **FSMs and the economic/cultural/political construction of ‘regimes’**

Economics, culture, and the politics of human organization are inseparable. Economic organization is subject to a wide variety of decision-making institutions and conditioned by shifting norms and values (Thelen and Steinmo, 1992). All forms of human organization (including family and community) condition life economically, culturally and politically, even if they are not ‘official’ venues of politics. Over the past few decades, for-profit transnational

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7 Even if FSMs have not explicitly proposed such elements as guides for post-growth economic organization, these can nonetheless form a theoretical basis for engagement with many areas of post-growth concern (such as transportation, energy, clothing, housing).

corporations (TNCs) have become key organizations constitutive of the growth economy. Political-economic structures composed of a complex of these institutions and organizations can at times become cohesive and stable enough to be considered a 'regime'. Harriet Friedmann (1993: 30) first developed the concept of the 'food regime' as a 'rule-governed structure of production and consumption of food on a world scale'. McMichael (2013) suggests that the current global food economy operates under a 'corporate food regime' dominated by TNCs and economic growth-focused state actors and characterized by industrial capitalist agriculture with 'accelerating biophysical contradictions' (Weis, 2010). Growth regimes of this kind also exist in sectors other than food production, such as mining, energy, transport or consumer goods.

To achieve sustainable food economies, new forms of social power over food systems and ideally, a new regime are needed. These new forms will involve governments (to regulate and set rule-based parameters to economic organization), market actors (to implement and refine non-harmful economic processes) and civil society (to set agendas, to engage with and hold governments and market actors accountable). But what potential is there for change through these sectors? Poulantzas (1978) and Fox (1993), in different ways, argue that most capitalist nation-states prioritize continued capital accumulation, but balance the worst outcomes of this accumulation against the need for continuing governance legitimacy. State theorists have claimed relatedly that imperatives of state revenue and political stability influence state actors to support general economic growth (Block, 1977). It has long been noted that under competitive capitalist circumstances, businesses tend to innovate, grow, or risk failure (e.g. Schumpeter, 1943). At the same time, businesses and states are not uniform. Not all actors in markets are equally 'capitalist' (Gibson-Graham, 2006), and state actors do not always prioritize economic growth over other interests, including ecological ones (Barry and Eckersley, 2005). Civil society influences state actors and shapes state forms, while states, in turn, shape the composition and disposition of civil society. Furthermore, local normative values and social structures intersect with ostensibly universal capitalist logics, affecting how market agents act, how states regulate them, and the interactive process between states, markets, and civil society that determines outcomes (Tsing, 2005).

FSMs consist of small, family, and collective farmers, nongovernmental organizations, informal community groups, communities of fisher people and nomadic pastoralists, political advocacy and direct action groups and networks, seed sharing networks, market networks, and so on. This assemblage is indicative of the fact that 'politics', in the sense of regime formation, operates through production, markets, governments, *and* the prefigurative creation of alternatives in an interactive, hybridizing, and chaotic fashion. No sector (market,



state, civil society) is ideal in terms of guaranteeing outcomes, and any categorical description of any sector is likely to be inaccurate, since conditions vary greatly across the planet. As mentioned, states and markets are not uniform, and neither is 'civil society': studies on 'uncivil' society have challenged views of civil society as uniformly beneficent (e.g. Monga, 2009). Individual intention can impact all sorts of institutions and the ways they interact. These interactions in turn (re)compose the sectors themselves and their organization. Progress towards food sovereignty can thus emerge in each sector and through linkages made between them, and by creating, contesting, or repairing institutions in any sector.

FSMs work in these ways in many forms, at multiple scales, and based largely on longstanding social-agricultural traditions, towards a regime instituted on food sovereignty's three central ethics. FSMs align local and regional markets, societal values, state and interstate policies, and their own internal organization with these ethics, through six principles developed at the international Nyéléni gathering in 2007. According to these principles, food sovereignty: (1) focuses on food for people (not profit), (2) values food providers, (3) localizes food systems, (4) puts control locally, (5) builds knowledge and skills, and (6) works with nature (Nyéléni, 2007). Taken together these principles can be seen in Polanyi's (1944) terms to promote markets that remain 'embedded' in social and ecological relations.

FSMs call for both *change within* and *the replacement of* capitalism. This is important to post-growth theory, which in its most radical forms seems to imply that capitalist markets and states must be abandoned to achieve post-growth economies. Certainly, modern ecological crises indicate the need to challenge capitalist accumulation and nation states that unduly orient themselves towards that accumulation. Yet in the short term, barring catastrophic disruptions, the end of pro-growth structures (capital and state) remains unlikely. Using the example of FSMs, I argue that it is possible to operate in the service of creating better environmental governance and non-growth forms of economy (reformism), while advocating the replacement of capitalism (radicalism). In fact, this economic-political strategy is what most immediately defines and creates a post-growth economy, as current practices and organizational forms provide the testing grounds for post-growth structures. In the area of food, the key practice to start with, obviously, is food production; hence, the next section introduces the

‘peasant’ mode of agricultural production rooted in agroecology<sup>8</sup> as the basis for non-growth food production.

## Peasant production and agroecology

Peasant modes of production predate industrial agriculture and continue alongside it. These modes of production, often tied to ethnic/cultural traditions, underpin the food sovereignty project, and can be models for embedded, post-growth economies. It is often assumed that peasants produce primarily for subsistence while capitalists produce for markets, but in fact peasants often produce for markets as well.<sup>9</sup> By seeking markets as means for reproductive livelihood rather than expansion, and by reinvesting surpluses from production into the natural capital of functional agroecosystems (via agroecology), peasant production offers an alternative to growth-driven agriculture. Though there are important questions about how often and to what extent family and small farmers match an idealized ‘peasant mode of production’, empirical evidence from the extensive peasant studies literature shows that this mode exists and differs substantively from the industrial capitalist mode of production.<sup>10</sup>

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8 ‘Agroecology’ is a science, farming practice, and social movement rooted in the use of ecological processes for more productive and sustainable agricultures, and based on traditional farmer and ecological knowledges (Altieri, 1995; Holt-Giménez and Altieri, 2013). Concretely, agroecological techniques include biological rather than chemical control of pests and disease; farm-made fertility rather than purchased chemical fertilizer inputs; agrobiodiversity rather than monocultural production; nutrient cycling; crop rotation; diversity and integration of farm elements; soil building through nitrogen-fixing plants and composting. These elements look different depending on where they are practiced, but examples abound of their use and success (e.g. Altieri et al., 2012; Oakland Institute, 2015; Pretty et al., 2006) and high-level experts consider agroecology a viable form of agricultural knowledge, science, and technological development (De Schutter, 2010; IAASTD, 2009).

9 This links to FSMs’ contentions that peasants *can* feed the world if supported by governments and when using agroecology. Though the right to subsistence is at its core, international assessments (e.g. FAO, 2014; HLPE, 2013; IFAD 2013) consider agroecological peasant production viable precisely because it is seen as able to produce livelihoods and surpluses while manifesting values of ecology.

10 Clearly, peasant production is an ‘ideal type’, and both scholarly depictions and self-descriptions can purposefully or inadvertently downplay variation. Instead of assuming that any peasant/family farm acts like this ideal, ‘the full complex of characteristics of local production sites must be investigated to gauge whether farms cohere to the food sovereignty paradigm’ (Roman-Alcalá, 2014: 17). Robbins’ (2015) helpful typology includes characteristics of scale (in terms of farm size and distribution reach), methods (from agroecological to industrial), and character (from peasant to capitalist). For any point defining pro-food sovereignty production, there are farms that will follow more closely in some areas than others. Peasants

To help define what peasant production is and does in this section, I rely on empirical and theoretical research by Robert Netting, an anthropologist, and Jan Douwe van der Ploeg, a rural sociologist, whose work builds on the Russian agronomist Alexander Chayanov. Their studies include details about many farming communities, and certain generalizations/theories made from these details. As the head of the Russian agronomic research unit that analyzed turn of the 20th century rural farming communities, Chayanov utilized historic demographic and production data and interviews with farmers to determine their logics of farm and economic organization. He described these as distinctly non-capitalist (Thorner, 1988). Chayanov's contention was that farms that did not pay land rent or hire wage labor based their operational choices on various 'balances' rather than profit maximization. The economic calculus of such a peasant farm is structured to *reproduce* the farm through an overall 'labor product', rather than to *grow* through 'profit'. Chayanov's 'balances' (like the balance a farm family finds between desired 'utility' and the 'drudgery' needed to achieve it) are concepts that help explain how this calculus emerges (van der Ploeg, 2013). Rather than elaborate the many balances, the important takeaway from Chayanovian thinking is that family labor-based farms do not operate by the same logic as capitalist ones, because factors of production (labor, land, inputs) are less commoditized.

Netting (1993) and van der Ploeg (2009; 2013) note the persistence of peasant production systems, varying and changing over time, but generally resulting in increased (labor) intensiveness, farm productivity, and ecological sustainability but not farm size. These systems have contributed to local and national food security, viable rural livelihoods, cultural reproduction, and biodiverse landscapes despite the spread of politically dominant capitalist markets, institutions, and actors.<sup>11</sup> The demise of peasantries was predicted by Lenin and many other Marxist theorists (see Bernstein, 2009), but has yet to occur, indicating that capitalism has less decisive structuring force than is often supposed. Marxist

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sometimes seek export markets, hire wage labor, or use chemical inputs, improved (even biotechnological) seed, and machinery when accessible (Agarwal, 2014; Burnett and Murphy, 2014; Jansen, 2015). The descriptive factors used here are not 'make or break' and are better conceived as *constituents* of peasant production, which operates on a spectrum.

- 11 Examples of existing, persistent peasant production are found around the world (FS, 2014). Netting (1993) offers many cases of peasantries that avoid growth, including Swiss alpine peasant villages that developed social and economic mechanisms to maintain (demographic) stability in a highly adverse environment for millennia – a showcase of steady-state economics. Netting and Ploeg base their findings and theoretical constructs on over 30 years (each) of peasant community fieldwork and statistical analysis in 'developed' and 'developing' countries, including Nigeria, Switzerland, Italy, Colombia, Japan, Netherlands, Guinea Bissau, Ghana, Peru, Ivory Coast, Spain, Portugal, Mexico, Kenya, and the United Kingdom.

agrarian theory often predicts that peasants will exploit each other (by becoming buyers of labor power), become class differentiated, and pursue narrow and parochial politics (*ibid.*). This has led scholars to dismiss advocacy for peasant production as a viable alternative to capitalism (e.g. Bernstein, 2014). While examples of intra-peasantry class conflict and peasant-driven ‘capitalism from below’ (Jansen, 2015: 218) can indeed be found, so can counterexamples of peasant cooperation and anti-capitalism. Again, peasants may not always match the peasant production ideal, but certainly many do.<sup>12</sup>

Peasant farms are not isolated from capitalist influence, but they exhibit economic, cultural, and political mechanisms capable of subverting it. Chayanov’s balances are *economic* mechanisms. *Cultural* values, often called ‘moral economies’, are another aspect, and include ideologies and practices that encourage intra-community redistribution (Scott, 1976). Moving up from the farm or community level, FSMs are a *political* mechanism to protect peasants (and their ways of producing) against incursions from capitalist agriculture, reiterating the value of their lives and production not for growth but for feeding people. Peasants persist through various struggles, linked by social and political and not simply economic interests.

According to van der Ploeg (2013 *passim*), peasants endeavour to increase their autonomy, primarily by distancing from upstream input markets (for pesticides, herbicides, synthetic fertilizers, indebting machinery), but also from downstream markets increasingly controlled by TNCs. One way peasants do this is through (*ibid.*: 48-49) ‘coproduction’ of this autonomy with nature: farmers seek to increase the productive base of their (often limited) resource holdings by increasing their ecological capital rather than replacing such capital’s role in production with synthetic or purchased inputs. This is why agroecology is promoted heavily by FSMs: agroecological development is both *a target of investment* and *a source* of peasant (non-commodity) capital. Improving the farm’s ability to produce in a manner that can sustain the farm family’s reproduction is the prime target of surplus investment. Peasant communities also often pursue forms of cooperation in order to ‘scale up’ autonomy beyond the farm level (van der Ploeg, 2010: 12), such as the *subak* irrigation societies that enable families to

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12 Still, existing peasant (class) variability poses difficult political questions to food sovereignty, such as how to align the interests of (landless) laborers with (small) landholders; how to deal with gender inequalities that are prevalent within some peasant communities; and what policies could support peasant producers, if they vary in farm size, character, and so on.

cultivate rice terraces in Bali (Netting, 1993: 179) or by developing new ‘nested markets’ for their products (van der Ploeg et al., 2012).<sup>13</sup>

Nested markets are ‘nested’ ‘in normative frameworks (and associated forms of governance) which are rooted in the social movements, institutional frameworks and/or policy programmes out of which they emerge. In other words they are not anonymous markets’ (*ibid.*: 139). Peasantries create nested market networks to revalorize farming ‘re-embedded’ in local ecological and social contexts; these include shorter-circuit circulation of products but also peasant engagement in fair trade networks (Campbell, 2009; McNair and Friedmann, 2008; van der Ploeg et al., 2012; Raynolds, 2000). FSMs push states to provide markets through government procurement at public institutions such as schools, as well as for land redistribution and support for agroecology (as seen in Brazil; Chmielewska and Souza, 2010; Petersen et al., 2013). Community Supported Agriculture (CSA) schemes are another form of urban-rural market connection founded more on a (social) ‘coproduction’ ideal than competitive price making (Watson and Böhm, 2014; Ostrom, 2007). Values-based certification schemes for products consumed locally have combined market-serving production with other food sovereignty goals, such as protection of biodiversity and cultural sustainability (Da Vià, 2012). These local projects have also relied upon trans-local solidarity through collaboration with a network of regional seed sharing organizations formed across Europe to protect the right to share locally developed seeds, against impositions of government regulations (*ibid.*). The ‘Potato Park’ of the Andes mountain region of South America shows how indigenous communities pursue food sovereignty goals (in this case, the preservation of agro-biogenetic diversity in potatoes and other locally developed crops) through markets, nongovernmental organizations, political movements, and governments at various levels from local to global (Iles and Montenegro de Wit, 2015).

These examples show how FSMs have worked at regional, national, international, discursive, and cultural levels to challenge growth in capitalist agriculture and support their own alternative modes of production, with nested local, regional, and international markets operating alongside FSMs’ more political pursuits. This work has contributed to ‘social learning’ about the challenges and opportunities of squaring ecological and social goals with the economic structures that exist at present. Social learning processes have been identified as crucial elements in the advancing transitions to sustainability (Wals, 2007).

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13 No doubt, peasants also use monetary surpluses to buy cell phones, televisions, and other modern conveniences – which illustrates some of the more contradictory aspects of the peasant/growth nexus. How to address food producers’ desires for advanced technologies and infrastructures associated with macroeconomic growth is a question seldom considered by FSMs or food sovereignty’s academic advocates.

Instead of assuming that peasant production alone will subvert capitalist, growth-centered, unjust governance, FSMs have utilized multiple forms of organizing (direct action, policy advocacy, protest, media production, education), hybridizing a multiplicity of theories of change and venues of action into a common movement (see Borras et al., 2008). Though there are problems within this movement, including questions about the authenticity of representation of the world's peasants by *Vía Campesina* (Borras, 2010: 782), it seeks solutions beyond simply naïve localism. When FSMs assert their ability to feed the world, this presumes that their rights to productive resources are protected, their modes of production respected and supported by governments, and their communities politically empowered in relation to state and corporate actors. In advocating more local control, FSMs seek to alter food systems in ways that privilege the transformative potential of relocalized political control, but do not assume that food systems can be governed at the local level alone.

FSMs demand an ecological economy focused at the local level, egalitarian resource allocation and use, and democratic forms of decision-making (Nyéléni, 2007). The *result* of peasant production is often claimed by food sovereignty proponents to be the same: an egalitarian, ecological and democratic economy. Even if industrial agriculture causes major problems in ecology, democracy, and equality, this does not mean that peasant production automatically results in the opposite. While values of (agro)ecology can be found in much peasant production, egalitarianism and democracy are more constrained; in fact, ethnic, gender, and generational inequalities at household and community levels have long been present in many peasant communities. Still, the combination of economic factors of the family farm unit, community 'moral economies', and reflexive political resistance including food sovereignty as a political project combine to make non-growth agroecological food production possible (Molina, 2013). Insofar as food sovereignty offers a different model of agricultural production that connects with transformative political aspirations such as 'an end to violence against women' and 'radical egalitarianism' (Patel, 2009: 670), it informs how post-growth economics will be generated: by classes of producers who are structurally distanced from, if not opposed to, growth-as-goal, and are culturally/politically determined to produce on another logic.

Market activity that (re)distributes surpluses to social needs and spreads social and ecological innovations contributes to human development without compounding growth. When accompanied by strong social movements capable of shifting policies, political debates, and cultural values, these efforts may even redefine 'growth'. What peasant production shows is that the reinvestment of surplus need not go to 'growth' in the capitalist sense, when economic, cultural, and political forces allow or promote alternative logics of distribution of this

surplus. In this way, peasants offer promising lessons for post-growth logics of production.

### **Deliberative and ‘agonistic’ democratic models for rule construction**

In leveraging the term ‘democracy’, it is necessary to clarify its meaning. The current conjuncture in many countries is one of democracy corrupted by everyday ‘violations of the democratic norm of inclusion’ (Warren, 2004: 328). It is this inclusivity, particularly of those most marginalized by existing systems but also of all non-elite actors, that is demanded in democracy. FSMs (among other social movements) contend that voices in society concerned about capitalist growth are consistently left or forced out of decision making over important socially structuring institutions, as in the boardrooms of firms and offices of elected officials. Further, the ‘empowered’ component means that inclusion (like ‘participation’ in development projects) must be effective in working towards ends. Having a ‘seat at the table’ is not the same as deciding what gets eaten.

Many academic thinkers have joined such social movements in promoting the hope that deepening democracy, by improving inclusion, can lessen corruption and elite capture and thus subvert societal tendencies towards ecologically harmful growth. Many have promoted ‘deliberative’ face-to-face democracy as a more participatory form of decision-making to be applied in political and economic worlds (e.g. Dryzek and Stevenson, 2011). Noorgard (1994) has argued that improvement of social-natural ‘co-evolutionary’ processes requires values-explicit political deliberation that can supersede representational, ostensibly ‘rationalized’ decision-making structures that currently promote economic growth. Some theorists combine the localist impulse with the democratic one, resulting in anarchist/green politics that emphasize decentralization towards an ideal of bioregional human organization (Biehl, 1997; Davidson, 2009). Prugh et al. (2000) agreed with such theorists that indeed, a localized ‘strong’ democracy is needed to achieve global sustainability.

Looking over this canon, common threads include democratic forms that combine deliberation, empowered inclusion, iterative social learning and a bias towards the local. Food policy councils are examples of these common threads. Food policy councils are deliberative spaces, set up at municipal level, which gather citizen voices representing various sectors in the food system (e.g. low income consumers, urban farmers, food banks, public health departments, etc.). Such councils work towards changing policy, supporting local initiatives, and strengthening connections between sectors and elements within the local system (e.g. Harper et al., 2009). The councils also provide spaces of connection to other

levels of political organization (the California Food Policy Council, for example, brings together dozens of local food policy councils in order to tackle similar issues at the state level<sup>14</sup>). As noted in the previous section, the local level cannot in and of itself create food sovereignty or counter endless growth. Thus, deepened democracy must be pursued at multiple levels.

Vía Campesina gives us hints to how this multi-level approach might work (Menser, 2008). FSM scholars Martínez-Torres and Rosset (2014: 979) have described how Vía Campesina has been ‘sustained and shaped’ by internal dialogues that happen ‘on multiple levels’ among its diverse, global membership. Within their component organizations and in international gatherings, Vía Campesina members raise and hash out issues such as the cultural/political meaning of land, the importance of gender in agrarian issues (and the need to address patriarchy both within and outside FSMs), and the use of ‘human rights’ norms and instruments to protect peasants. Amidst their diversity, the shared experience of those members who have been ‘left out by the dominant monoculture of ideas’ has led to the development of concepts like food sovereignty and ‘social methodologies’ for challenging the corporate food regime (*ibid.*). More detailed information on these deliberations can be found in Rosset (2013) on land, Desmarais (2004) on gender, and Suárez (2013) on rights, but the operative point is that Vía Campesina effectively unites a diversity of non-elite actors confronting widely varying conditions, but whose interests and values are potentially in conflict. Vía Campesina has maintained a ‘big tent’ of ‘locals’ who have pursued mutual social learning and (internal) rule-making through multilevel processes of inclusive deliberation.

Importantly, ‘Vía Campesina rejects [the] kind of process where they would be forced to find a mid-point with completely unacceptable positions’ that is common in so-called ‘multi-stakeholder’ processes where non-elite actors engage powerful elites (Martínez-Torres and Rosset, 2014: 982). Deliberative dialogue functions best to ‘collectively construct... understanding and positions’ rather than to achieve compromise among unequal actors (*ibid.*). Even among pre-existing allies, deliberation does not necessarily require eventual consensus, nor is consensus a likely outcome in many circumstances. Some social antagonisms are so entrenched in certain social positions, cultures, and interests that they simply may not be resolvable. Mouffe (2011) has proposed an ‘agonistic’ model of deliberative democracy opposed to more liberal versions of deliberative democracy that emphasize the importance of reaching a ‘rational’ consensus. Mouffe opposes obliterating difference simply to achieve consensus, viewing difference as strengthening the quality of ‘agonistic’ dialogues. Similarly, Vía

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14 See <http://www.rootsofchange.org/content/about-cafpc>.



Campesina's dialogues treat positions not as potentially universal truths that must battle each other for dominance but as potentially useful relative truths that should be aired and discussed in order to strengthen movement towards agreed upon underlying values. For example, Vía Campesina's 'peasant'-centered promotion of agrarian reform was challenged by indigenous members who saw land as culturally-integrated and not just a means for production, and by nomadic pastoralists, whose use rights could not be encompassed within a land reform frame (Rosset, 2013). While differences and debates are appreciated, major 'conflicts ... are typically tabled for later consideration when tensions have abated' (Martínez-Torres and Rosset, 2014: 980). Some differences present continual challenges not easily resolvable within FSMs, such as the issue of whether food sovereignty is best advanced through top-down or bottom-up means (Claeys, 2014). Still, differences do not *necessarily* prevent unity or action.

In similar fashion, multiple and overlapping processes of democratic dialogue might illuminate the problems of growth and potential solutions and enhance the ability of intersecting institutions of society to formulate, enact, and vet these solutions. However, *deliberation is no panacea*, and deliberative processes themselves are no guarantee of achieving food sovereignty or counter-growth outcomes. In fact, deliberative processes can compound pre-existing social inequalities if they lack safeguards to ensure that relevant parties are authentically included and heard, and that no party holds undue influence.<sup>15</sup> Introducing deliberation into a community with previously existing power inequalities (as in so many well-intentioned but failed 'participatory' development projects<sup>16</sup>) can merely amplify those inequalities. When deliberation results in decisions that structure action, it creates winners and losers. Currently, peasants are 'neglected' in policy-making (IFAD, 2013: 6). Hence, crucial preconditions to *any* functional deliberative democratic approach must include attention to marginalization within particular societal and decision-making contexts and means must be developed that can address this inequity.

This issue of deliberation points to another challenge to deliberation as a tool of post-growth governance. Even if Vía Campesina's dialogues started from a place of united opposition to the corporate food regime, and even if it has elaborated a more comprehensive vision for that opposition, these activities have not always led to agreed-upon, comprehensive, and nuanced policy recommendations that

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15 FSMs are skeptical of the inclusion of TNCs in 'multi-stakeholder' processes, or the direction of those processes by economically powerful countries, the assumption being that their participation will likely only reproduce TNCs' existing power (Via Campesina, 2011).

16 See Mansuri and Rao (2013).

are appropriate to all participants and their relevant circumstances. That is, even with authentic empowered inclusion, a prioritization among socially agreed upon goals like food sovereignty's three ethics applied to both producers *and* consumers might still remain difficult due to the on-the-ground contradictions between their concurrent actualization (Agarwal, 2014; and see Woodhouse, 2010, who questions whether small-scale farming can satisfy producer *and* consumer interests, since prices and wages are tied to relative labor productivity). This combination of challenges shows the difficulty of translating agreed-upon principles and values into concrete, implementable strategies and policies. Furthermore, the 'deeper' the democracy, and the more inclusive it is, the more there will be trade-offs between comprehensiveness of inclusion and efficiency in decision-making. While Mouffe argues that differences are key to a healthy democratic process, her own model makes it unlikely that groups will find easy agreement about the relative importance of 'moving forward' on decisions (into policy and implementation), versus the more knowledge- and values-oriented process of 'agnostic deliberation' itself.

### Forms of sovereignty for a post-growth regime?

Mouffe's agonistic model links well to new visions of 'sovereignty' indicated by FSMs. Classical definitions of sovereignty have centered on nation-states. More generally, sovereignty entails a 'sovereign' unit that holds (internal and external) legitimacy, makes rules which codify the sovereign 'will', and has the capacity to enact that policy within a specified territory. Historically, sovereignty has relied on 'over' and 'against' power, in that the sovereign's power was 'over' the collective of individuals gathered within its territory, and 'against' the sovereignty of other sovereigns. This means that states (the main spaces for sovereignty) maintain power over the individuals within them, and do not compete with other sovereignties within their territories. FSM members have argued that states (by themselves) are not effective guarantors of food sovereignty, especially because the 'role of state institutions is decreasing in importance, with private institutions taking their place' (Purwanto, 2013: 3). Purwanto, an Indonesian peasant member of *Vía Campesina*, argues that FSMs must 'link their demands through actions at the local, national and global level, challenging power at each level' (*ibid.*: 9). But by 'blowing apart' the centrality of states in ordering food systems, food sovereignty 'displaces one sovereign, but remains silent about the others' (Patel, 2009: 668). If states fail to act as growth-inhibiting or food sovereignty-promoting institutions, and large TNCs even less so, where and how should sovereignty be sited? Can 'local communities' themselves be relied upon to advance alternatives to growth?

FSMs' multi-sited strategies for food sovereignty map onto pre-existing shifts in states and sovereignty, but FSMs do not uniformly push for a dismissal of state sovereignty (and the reinstatement of sovereignty to the local/community level). Rather, sovereignty is dispersed to all centers of legitimate power capable of crafting rules and implementing them in favor of food sovereignty. FSMs certainly desire some 'over and against' institutions capable of rolling back corporate power. Such institutions would be crucial to overcoming capitalist growth more generally. However, they construct sovereignty in a different way. In this project, the state can be included, but in a facilitative rather than commanding role. An example of this is Venezuela's food sovereignty 'experiment' researched by Schiavoni (2015). In this case, local communities of food producers were organized into self-managed '*comunas*' and supported in material ways by the state, in a collaborative (albeit contentious) process of 'co-responsibility' for reducing dependence on imported foods nationally, and improving local food security, resource equity, and empowered inclusionary democracy. Schiavoni's research shows that state and community sovereignties, while competing in many ways, can also be co-constructed.

Similarly, 'local' sovereignties can be integrated into trans-local and supranational institutions, like the governance of global food policy through the United Nations' Committee on World Food Security and its 'Civil Society Mechanism' (CSM). After years of pressure from civil society and the shock of the 2007 global food crisis, the Committee on World Food Security was structurally reformed to empower civil society voices in its processes, through the CSM. This restructuring has enabled FSM input into new supranational land governance norms: an apparent success for food sovereignty, but perhaps too early to tell how effective it will be (Brem-Wilson, 2015).<sup>17</sup> The CSM process of uniting non-elite actors in global processes, like *Vía Campesina*'s dialogues, contributes to social learning. However, the inclusion of the most-marginalized actors relevant to debated issues (like land tenure) has been difficult in the CSM, for reasons of distance, time, and capacity (Schiavoni and Mulvaney, 2014: 26). The principle of including marginalized constituents in deliberation is being pursued, but realization presents an ongoing challenge. Imagining such processes as applied to the development of post-growth policies, this pursuit should additionally empower future constituencies. Proxies who represent groups and interests of the future in processes like the Committee on World Food Security could potentially avoid the worst of bias towards the present, but

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17 Important to note is that the CSM might not fully represent 'empowered inclusion', as civil society is merely consulted on deliberated matters, rather than included as decision-makers.

this principle would likely also be controversial and a practical challenge to implement.

These examples are of state-involved processes, but sovereignty need not be construed as purely state-based. For instance, increases in communities' 'power to' (i.e. sovereign capacity) through improvements in food productive capacity *can* but *do not necessarily* rely on state intervention. Furthermore, sovereignty need not be limited to 'over' and 'against' notions of state power, and can instead or simultaneously rely on the creation of interdependent power, or 'relational sovereignty' (Iles and Montenegro de Wit, 2015). Relational sovereignty, simply put, is about building 'power with', through networked collaboration, such that legitimacy, capacity, and rules are developed not *against* other sovereign units, but *with* them. FSMs build their own productive capacities, recognition of their existence as sovereign, and connections with governmental, market, and civil societal allies, engaging many venues across scales, in order to bolster embedded and accountable food systems in localities everywhere. Relational sovereignty, processes develop, link, and engage institutional centers of power over food systems. These processes hold more promise for post-growth sovereignty than relying on corrupt and hollowed out states, or alternatives that would eliminate or exclude the state completely (and thus lose some 'power over'). FSMs, then, generally seek greater sovereignty partly *with* and *through* states, but never merely by expanding state sovereignty.

Like peasant production and multilevel deliberation, relational sovereignty may be a useful strategy, but it does not guarantee an outcome of food sovereignty or post-growth economies. Nor does it resolve tensions between actors in a pre-ordained fashion. A valuable addition to the equation would be the grounding of relational sovereignty processes, with deliberation as a key component of the relations between sovereign units, in explicit and shared values like food sovereignty or human rights. Relational sovereignty must be driven by values that promote the participation and prioritization of the most marginalized. Fox (2004: 3) argues that institutions that carry forward policies 'must be biased in favor of the poor'. Similarly, Mouffe argues that certain minimum shared commitments are necessary to carry out agonistic deliberation, such as the commitment to democracy itself. As FSMs indicate in their non-cooperation with organizations like the WTO, no relational sovereignty can be constructed between units that fundamentally disagree on basic principles, such as the WTO's commitment and FSMs' opposition to capitalist growth (see Vía Campesina, 2013).

FSMs' development through dialogue of new 'peasant human rights' has resulted in more communal visions of rights holders, and a less state-centered

vision of enforcement (Claeys, 2014). This de-centering of the state exists in tension with the necessity of a 'return to the state' called for by green theorists (Barry and Eckersley, 2005). Concurrently, the de-individualizing of rights leaves unresolved existing tensions between more collectivist sitings of sovereignty (that would prioritize groups and states over individuals) and more individualist views. Patel has come down on the side of the individual (2009: 671), but perhaps there is no 'proper' siting of sovereignty. Sovereignty's placement (in terms of classical 'over' and 'against' components) between individuals, communities, nations, supranational institutions, and different actors within those spaces, cannot be predetermined. Cultures and situations vary across the planet, each calling for particular complexes of norms and methods to achieve similar outcomes. Any effort to establish 'the right institutions' amidst human diversity will face inevitable tensions between actors and social groups whose values differ on (among other issues) the proper relation of individual to collective sovereignty. Thus, the siting of 'over/against' sovereignty (in the pursuit of food sovereignty as well as post-growth efforts more generally) will be negotiated within territories and between them. The 'power with' conceptions of governance embodied in FSM's relational sovereignty and deliberation-based rules development cannot be expected to fully replace this classical sovereignty nor resolve its negotiation process.

Thus, the key question is how to combine 'power over' with 'power with' and 'power to' forms of sovereignty. The deliberative model of relational sovereignty may work to elaborate pro-food sovereignty or counter-growth principles, and to gather capacity, legitimacy, and rules behind them. Yet deliberation itself is unsuited to defining how institutions are to enforce these rules in relation to many 'competing sovereignties' within and between units. One potential hope beyond this impasse is that there are many ways to relate those units, each potentially appropriate to different situations, resources, and conditions. Whether sovereign units overlap, are federalized, or relate on principles of subsidiarity<sup>18</sup>, structural and values-based checks and balances must frame inter-sovereign relationships. 'Power with' forms might be appropriate for some aspects of democratic governance processes (such as values development, prioritization, rule-making, and aligning advocacy pressure) but are less suited for others (like rule implementation within specific territories). Different kinds of democratic decision-making (voting, representation, direct involvement, citizen juries, roundtables, symposia, etc.) can coexist in any truly democratic regime, as long as they are guided by principles of empowered inclusion (Mouffe, 2011). It will be necessary to experiment with these forms in various contexts in order to

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<sup>18</sup> Which means, essentially, that rules are made at the lowest level possible.

develop institutional relations of sovereignty that are conducive to post-growth political-economy.

## Imagined pathways and uncertain futures

FSMs and their academic allies combine action and theory to confront specific socio-ecological problems (like food systems) across diverse contexts. Through social learning and iterative redesign, forms of post-growth action change over time. This iterative approach to post-growth economies includes:

- a) modes of production and distribution that are not grounded in capitalist logics, that rely on coproduction with nature and are linked to political movements that challenge the capitalist calculus of growth;
- b) multiple forms of (self-)critical, deliberative, and ‘agonistic’ dialogues as post-growth forms of democracy; and
- c) relational sovereignty within and between sectors driven by shared ethics and accompanied by pro-poor forms of rule implementation as post-growth sovereignty.

The challenges of turning deliberation into policy and policy into implementation, combined with sovereignty’s many contests and confusions, indicate that ‘good design’ is not a panacea for institutional systems (Ostrom et al., 2007). In addition, there are clear limitations to applying lessons from the directly land-based production of food to broader industrialized economic production, such as computer technologies. Co-production, family-based production units, and agroecology are not easily transferable ideals (though ‘cradle-to-cradle’ production, cooperative businesses, and industrial ecology are existing parallel initiatives that could be investigated). Agonistic deliberation and relational sovereignty, however, seem to be more applicable outside food systems.

In constructing and refining better forms of political-economic organization through social learning, post-growth movements must institutionalize values that underpin this organization. This institutionalization of values will rely on the legitimization of non-capitalist modes of production, not their dismissal by academic critics (e.g. Bernstein, 2014). While critically assessing claims about peasants as ‘non-capitalist’ can be useful, material and theoretical support for ‘post-capitalist’ projects is crucial to combatting the pessimistic view that ‘there is no alternative’ to capitalism (Gibson-Graham, 2006). Rather than dismiss alternatives, like those developed by FSMs, as being of limited effectiveness or not sufficiently comprehensive (academically), theorists should examine the ways

in which these alternatives open up new avenues for rethinking and rebuilding society. One can maintain ‘pessimism of the intellect’ and question complexity-flattening descriptions of peasants while maintaining ‘optimism of the will’ – that is, a belief in the power of values and social action to bring about change towards those same descriptions. It is not enough to be critical – post-growth theorists must also be hopeful, maybe even utopian.

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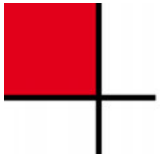
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## A not-for-profit world beyond capitalism and economic growth?

Jennifer Hinton and Donnie Maclurcan

### abstract

At the heart of the failing growth-based, capitalist system is the ‘for-profit’ way of doing business. It is based on the idea that humans are mostly selfish and competitive, so the best way to motivate economic activity is to appeal to individual self-interest. Most approaches to resolve capitalism’s tendency to increasingly create socioeconomic inequality and ecological devastation entail either greater emphasis on the role of the state as the regulator or owner of industry, or, at the other end of the spectrum, voluntary market initiatives from the angle of ‘conscious capitalism’. However, there is a growing trend that points the way to an entirely different approach: not-for-profit enterprise. In this article, we first illustrate the connections between capitalism, for-profit enterprise and the growth-based economic system. We go on to explore how not-for-profit enterprise offers a way beyond the market-state dichotomy, highlighting the current trends and macroeconomic shifts that support the emergence of an entire economy based on not-for-profit enterprise. We finish with an introduction to the Not-for-Profit World economic model we have developed, exploring the hypothesis that the future of business lies with not-for-profit business models, and that such a shift, for the first time, enables a modern economy that is both socially and ecologically sustainable.

### Background: Capitalism, for-profit enterprise and the growth fetish

Capitalism is an economic system in which most businesses and the means of production are privately owned and operated for profit (Shleifer, 1998). Underlying the modern evolution of this system has been the neoclassical concept of Homo economicus, in which humans are believed to be mostly selfish and competitive, and the best way to incentivize innovation and facilitate economic activity is to appeal to individual self-interest (Gintis, 2000). Across

capitalist markets, this principle is enacted via various forms of the for-profit firm, ranging from joint stock corporations through to benefit corporations. In most for-profit companies, owners and investors expect to maximise their returns on investment by receiving a portion of the company's profits in the form of dividends, options, shares or other types of equity. The for-profit firm is so common that for most people, the term 'business' is synonymous with 'for-profit'. The prevalence of for-profit business ensures we have a capitalist system and live in a 'for-profit world'.

The extractive nature of the for-profit system requires an ever-growing economy (Hinton and Maclurcan, 2017). In order to allow a larger number of people to accumulate more and more wealth, the base of physical resources from which profits are generated must constantly expand. However, the pool of resources from which private wealth is accumulated cannot grow forever because the planet is finite; there are ecological limits to growth and, on its present track, the global economy is set to manifest full-systems collapse by 2050 (Turner, 2008). While its benefits have been numerous, the for-profit drive to accumulate wealth and property has led to massive ecological devastation.

Many believe that capitalism's innovative potential can and will come to the rescue (see, for example, Hawken et al., 2008). Yet, as Jackson (2011) makes clear, the levels of innovation that would enable an absolute decoupling of economic growth from ecological destruction are totally unrealistic in a growth-based system.

The for-profit way of conducting business has also led to extreme socioeconomic inequality, with capital gains and company dividends being the greatest contributor to income divides in the US (Hungerford, 2011). This tendency to create evermore inequality is an inherent feature of capitalism (Piketty, 2014), and a natural outcome when private profit is seen as the primary driver of economic activity and profit maximization is *the* priority of most big businesses.

### **Moving beyond the state versus (for-profit) market dichotomy**

Characterizing a residual tension in political economy literature, the most common suggestions for addressing this dysfunction focus on the role of the market versus the role of the state (Ostrom, 2009; Underhill, 2002). The market and state are often seen as being complementary forces that simultaneously constrain each other. The market is said to be the optimal force for producing and exchanging goods and services, while the state forces self-interested players in the market to contribute resources necessary for maintaining the basic

conditions for public health and wellbeing (Ostrom, 2009). Thus, the state constrains the market's self-interest, while the market limits the state's centralized control. This dichotomous way of looking at economics has restricted most economic thought to the market-state spectrum. At one extreme of the spectrum is free market capitalism, with the government playing a minimal role, while at the other extreme is state socialism, with the government controlling most economic activity (Arnold, 1996). As with any spectrum, there is also a variety of mixes of state and market along the spectrum. The majority of critical economic decisions revolve around what the optimal mix of market freedom and state control is, in terms of balancing productivity and efficiency with meeting the needs of the wider population (Ostrom, 2009).

On the state-heavy side of the economic spectrum, the high levels of inequality and ecological degradation are attributed to the self-interest of the market (see, for example, Klein, 2015). Such a perspective sees a greater role for the government in regulating the market and increasing taxation in order to address these issues (see, for example, Piketty, 2014). But while regulatory responses are critical in addressing social and ecological challenges, they can only do so much, given a heavily regulating state often proves politically divisive (Busemeyer, 2009). Furthermore, with politicians so commonly working to further the interests of big business, what is touted as regulatory reform is often just window-dressing for 'business as usual' (Fuentes-Nieva and Galasso, 2014). Because taxes and regulations are a purely top-down approach, any legislation that would have a high impact in terms of redistributing wealth is very difficult to pass in the current context of political capture (i.e., corporate control of politics) and corporate tax avoidance (Godfrey, 2014).

Corporate taxes and regulation can be considered ideologically at odds with the maximisation of private profit. Business owners and entrepreneurs receive conflicting messages that they should seek to maximise their financial gains via for-profit business, but that they should also give a large portion of their financial gains back to society or that they should forgo potential profits in order to operate in ways that benefit the broader community. In the capitalist context, taxation and regulation are methods to mitigate the destructive tendencies of profit-maximising corporations. Progressive taxation, for instance, is an attempt to compensate for the siphoning of wealth from the working classes to business owners and wealthy capitalists that naturally happens via for-profit business (Hinton and Maclurcan, 2017). This fundamental conflict is why, despite widespread calls to increase taxation and regulation, the crises of inequality and ecosystem collapse continue to worsen.



Others believe there is great value to be had in the state owning many of the enterprises in the industries it seeks to regulate (Belloc, 2013). The associated reasoning often lies in the idea that if corporations are not adequately meeting society's needs, then the state is the only other actor that can provide essential goods and services, such as health care, education, infrastructure, and energy. Some successes can be noted, especially at the municipal level (see: Dubb, 2005) and in countries that have focused on developing state-owned enterprises, as distinct from commercial government agencies<sup>1</sup>. However, in most countries the state has generally proven too large, centralized and bureaucratic to allocate resources more efficiently than the private sector (Boycko et al., 1996), and corruption within large bureaucracies remains an ever-present challenge<sup>2</sup>. Even in countries where taxation is high and there are a large number of government-owned enterprises, inequality continues to rise (OECD, 2011).

At the other end of the state-market spectrum, there is the argument that the state concentrates power and is prone to inefficiency and bureaucracy, so state-driven responses create more problems than they solve (see, for example, Booth, 2011). Instead, this side of the spectrum calls for market-driven responses to the ecological and inequality crises of the 21<sup>st</sup> century, which entail voluntary efforts on behalf of business owners and managers to take more than profit into account in their operations. Ideas such as 'conscious capitalism', 'shared value capitalism' and 'triple bottom line' business put forth visions of a for-profit market that balances the focus on profit-maximisation with concern for social and ecological wellbeing (Mackey and Sisodia, 2014). Here, avenues like the benefit corporation and the B Corp certification are presented as some of the more appropriate vehicles for the market's self-regulation (Porter and Kramer, 2011; Surowiecki, 2014).

Yet, while these avenues bring attention to important questions of sustainability, they fail to address a root problem. Such forms of business continue to treat profit as an end in itself, rather than a means to an end, encouraging the destructive greed inherent in a system that relies on the profit motive and the privatisation of the economy's surplus. For-profit businesses are set up to financially benefit private owners and so have an inherent incentive to prioritise their owners' financial concerns over the concerns of other stakeholders (O'Toole and Vogel, 2011). This is inherent in the for-profit legal model. Environmental

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1 Take, for example, Sweden, in which state-owned enterprises contribute approximately 8 per cent to the national GDP. See: <http://www.government.se/content/1/c6/24/81/93/3ofcec38.pdf>.

2 See, for example, Transparency International's 'Corruption Perceptions Index 2014', available at: <http://www.transparency.org/whatwedo/publication/cpi2014>.

health and wellbeing are an afterthought in for-profit business, not built into the fabric of the legal structure, even in 'conscious capitalist' models. These businesses take environmental and social concerns into account only if they are also able to generate high profits for their owners, because it is antithetical for them to sacrifice shareholder value for environmental or social concerns (Crane et al., 2014). Therefore, the attempts at triple bottom line business, unfortunately still result in single bottom line thinking when it comes to difficult decisions in which profit, people and planet do not all naturally align.

It is also important to note that, because these businesses privatise profit, they require constant expansion (Hinton and Maclurcan, 2017), which is fundamentally at odds with the planet's ecological limits. Furthermore, in the context of self-interested businesses competing for market position, concentration of wealth and power are inevitable, as more wealth enables owners to buy even more equity and assets which generate more wealth for the owner, making increasing levels of inequality inherent in capitalism of the 21<sup>st</sup> century (Piketty, 2014).

Although there have been some attempts to describe the potential for a worker-led economy dominated by worker-owned co-ops (see, for example, Luvienne et al., 2010), this is just another flavor of capitalism, as worker-owned co-ops entail the profit motive and private ownership of businesses. They fall into the for-profit economy category and will, thus, face the same challenges discussed above.

Both state-driven and market-driven responses assume a for-profit market. The advocates of state-driven solutions are right that the for-profit market has led to the crises of inequality and ecological degradation because it promotes short-term thinking and acquisitive behavior via the profit motive. Similarly, advocates of market-driven solutions are right that the state does tend to concentrate power, as a hierarchical, centralized authority, and is thus prone to bureaucracy and inefficiency. This seemingly leaves us in the famous realm of TINA (There Is No Alternative). What if there was a third way? What if we could have a purpose-driven market that uses all financial surplus only as a means to a greater end?

While calls for economic pluralism have become more mainstream (see, for example, Kanter, 2014), in both the state-centred and pro-market approaches, the not-for-profit (NFP) sector has received scant attention in terms of its potential to fundamentally transform the economy (Salamon and Anheier, 1997). Rather, NFP entities have typically been viewed as supportive actors to the market and the state, supplementing residual deficiencies, where relevant. But what if the recent evolution of NFP entities offers a path beyond the market-state dichotomy?

## The emergence of not-for-profit enterprise

While the informal NFP economy has kept human civilization running since time immemorial, through care-giving and forms of non-monetary exchange, the emergence of the formal NFP economy is now fully underway.

Around the world, hundreds of thousands of entrepreneurial companies have business plans, make profits and pay good wages, yet are legally incorporated as 'not-for-profit'. They are a bold response to the common misunderstanding, compounded by use of the words 'nonprofit' and 'charity', that NFP entities cannot make money. To the contrary, NFP organisations are increasingly generating their own revenue through the sale of goods and services (Salamon et al., 2013), as opposed to the traditional 'nonprofit' approach of depending on volunteers, grants and philanthropy. With a focus on income generation, these entities can be considered NFP enterprises, as distinct from charity-dependent nonprofit organisations.

Yet they also differ from for-profit enterprises in that these businesses must reinvest all financial surplus into mission-related uses (International Center for Not-for-Profit Law, 2013; Glaeser, 2003). None of their profits can be privatised, per the principle of non-distribution, which is part of the legal NFP distinction in all regions of the world (*ibid.*). So, not-for-profit really means just what it says: the primary purpose of the organisation is not profit. The company exists for a deeper purpose. So, rather than focusing on profit as a goal itself, profit is just a tool to help these organisations achieve their missions.

The number of NFP businesses entering the market is dramatically rising (Roeger et al., 2012). What can be considered an NFP enterprise is actually quite broad. Cooperatives, community interest companies, government-owned corporations, social businesses and social enterprises often operate as NFP businesses. In fact, there is renewed focus on successful, age-old business structures that most commonly exist as 'not-for-profit', such as consumer cooperatives, in the food, health care, insurance, housing, utility and finance sectors (Utting et al., 2014). From construction and manufacturing, through to software development, food catering and retail, NFP enterprise is permeating global commerce.

BRAC, a well-established NFP enterprise, very clearly illustrates the power of this business model. The Bangladesh Rural Advancement Committee (BRAC) was started by Sir Fazle Hasan Abed and two dozen volunteers in the early 1970s, just after Bangladesh gained its independence from Pakistan. The country had been ravaged by war and genocide and many people were struggling to meet

their basic needs. Abed was an executive at Shell Oil at the time, but he quit his job to help build houses, rehabilitate farmland and open healthcare clinics through the organisation he founded as BRAC. Over time, Bangladesh recovered and BRAC's mission transformed from disaster relief to long-term development (Smillie, 2009).

The organization now has 115,000 employees, making it the largest NFP business in the world in terms of employment (BRAC, 2014). BRAC's social mission is to meet the needs of financially disadvantaged people in Bangladesh. Specifically, they run educational programs and provide healthcare services to rural populations. Rather than depending on donations and philanthropy to fund the good work they do, BRAC runs businesses. They fund their social efforts through many different revenue streams, operating banks, food processing plants, renewable energy infrastructure, professional print and copy shops, and department stores that sell products made by rural artisans (BRAC, 2012). In 2012, BRAC's revenue was 521,400,000 U.S. dollars, seventy percent of which was generated through business activities (*ibid.*). It is estimated that BRAC positively impacts the lives of 135 million people (BRAC, 2014).

By changing the nature of incentive and ownership in business, the NFP model enables companies to make more sustainable decisions. For instance, American consumer food cooperatives<sup>3</sup> outperform their for-profit grocery store counterparts in terms of a wide array of economic, environmental and social indicators. They work with more local farmers and producers, carry three times as many locally-sourced products, donate more than three times as much income to charities, sell twenty-four times as many organic groceries, spend six percent more of their revenue on local wages and benefits, have significantly higher rates of recycling, and are more energy-efficient (National Coop Grocers, 2012).

What is facilitating the rise of NFP enterprise? Across many sectors, the costs of starting a business are falling dramatically (Miller and Bound, 2011). Large capital investments are proving less and less necessary to seed innovation, enabling the emergence of NFP businesses such as car manufacturing company Wikispeed and solar power plant designer Zenman Energy. Furthermore, new forms of capital-raising, such as crowdfunding, revenue-based finance, peer-to-peer lending, membership-shares and community bonds, are now available to NFPs.

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3 All consumer cooperatives are not-for-profit, as they are purpose-oriented and have no private distribution of profits. Any 'dividends' will never come close to the amount the member has spent at the co-op during the year, so this is more accurately seen as refund for some of the money spent at the co-op, rather than a dividend based on equity.

Even in cases where start-up costs are high, NFPs have been able to use such capital-raising strategies to generate impressive amounts of financial capital. This includes the Dutch NFP company, The Ocean Cleanup, which raised \$2 million from a crowdfunding campaign, enabling the business to make capital investments in the research and development of technology to extract plastic pollution from the oceans (The Ocean Cleanup, 2014). Another example is Glas Cymru, an NFP company in Wales that raised £1.9 billion by issuing community bonds in order to buy Welsh Water from a for-profit company in 2001 (Glas Cymru, 2016). They paid down the bonds in 6 years, providing a small financial return and a big social return to their community investors (*ibid.*).

This is not to say that NFP businesses don't face challenges. In the U.S., for instance, tax exempt NFPs are limited in the amount of 'unrelated business income' they are allowed to generate, which means that the large majority of their revenue must come from activities that directly relate to their charitable purpose (IRS, 2015). However, it is fairly easy for American NFPs to overcome this barrier by starting a subsidiary company, which is allowed to undertake business activities that are not related to the parent company's purpose (*ibid.*).

Regardless of the limitations, which vary by region, it is always possible to run a for-profit company like an NFP by including a primary social or environmental objective, an asset lock and a non-distribution clause in the business's by-laws or statutes. There are a number of for-profit businesses that act like NFPs, due to real or perceived barriers to being legally incorporated as not-for-profit (Hinton and Maclurcan, 2017).

Many NFP managers also struggle with not having much knowledge or experience in running a business (Massarsky and Beinhacker, 2002). However, this can be overcome by intentionally bringing on board members, managers and other staff with business experience.

## **The transition to a not-for-profit world**

The performance of not-for-profit entities in the marketplace has long been a topic of study (James and Rose-Ackerman, 2013). Yet, analyses assessing NFP performance commonly start from the perspective that significant NFP competitiveness in the marketplace might be an inappropriate irregularity. Often, the underlying aim of such research is to question whether NFP competition limits the capacity of a functioning market (see, for instance, Liu and Weinberg, 2004). But what if, rather than an irregularity, the next natural step in the evolution of the global economy was towards an NFP market? What if, ironically,

the growing ability for NFP businesses to outcompete for-profit peers was part of a larger cultural shift towards a collaborative Not-for-Profit World?

We see the possible transition to an NFP market economy building on two current trends: the weakening of the for-profit system, and larger social and economic trends creating more fertile ground for an ecosystem of NFP businesses.

A few important macroeconomic developments are weakening the global for-profit economy. The first is that inequality is steadily rising and is forecast to continue on that trajectory (Piketty, 2014). Inequality adversely affects economic growth (Cingano, 2014). Thus, the for-profit economy inhibits the very growth on which it depends in order to allow capitalists to amass ever more wealth. The ongoing automation of production and the emergence of a zero marginal cost economy only serve to reinforce this downward spiral (Rifkin, 2014). Thus, due to a combination of extreme inequality, stagnant real wages (ILO, 2014), extreme indebtedness (BBVA, 2015), and slowing economic growth (World Bank Group, 2016), the capitalist economy is faltering, globally. Combined with the reality of limited natural resources, it is very difficult to see how this growth-based system will continue to function well through the coming decades.

At the same time, the foundation for an NFP economy is being laid. The dominant story about human nature is rapidly changing as research increasingly shows that, under the right conditions, human nature has a tendency towards cooperation, generosity and altruism (Bowles and Gintis, 2013; Rand and Nowak, 2013). This is manifesting in the economy through trends such as collaborative consumption (Botsman, 2010), peer-to-peer production (Bauwens, 2006), and the rise of a workforce increasingly motivated by purpose (Pink, 2009). Fitting with this shift, NFP enterprise appeals to the best aspects of human nature, given the primary purpose of NFP enterprises is to fulfill social and/or ecological needs.

The evolution of business is also beginning to lead us away from the purely for-profit paradigm (Laszlo, 2001). Calls for more ethical, environmentally-friendly forms of business have driven the emergence of 'conscious capitalism' and the triple bottom line business models we mentioned earlier, as well as the emergence of social enterprises, community interest companies and a renewed interest in cooperatives in many parts of the world. In essence, the crises of the for-profit world are driving the market in a more ethical, socially and environmentally conscious direction over the long-term (Hinton and Maclurcan, 2017).

This general direction of business competitiveness means that NFP businesses hold increasingly important advantages in the marketplace of the 21<sup>st</sup> century. In a world with rising demand for ethical products and services (Long and Murray, 2014), organizations that focus on fulfilling human and ecological needs are ahead of the game. Not-for-profit entities also have an advantage in a context in which the workforce is increasingly searching for employment that offers a deeper sense of purpose, because workers are purpose-oriented, rather than profit-oriented. Not-for-profit businesses more easily draw on the support of passionate volunteers. They are also able to gain tax exemptions and have the ability to receive tax deductible donations (Glaeser, 2003). And their propensity for flatter organizational structures (Borzaga and Solari, 2001) enables exciting prospects for productivity and innovation. Not-for-profit businesses also do not have to pay dividends and can often offer lower prices (Lakdawalla and Philipson, 2006; Yong and Weinberg, 2004), primarily *because* they are not-for-profit, as many NFP businesses declare on their websites<sup>4</sup>.

For example, American credit unions, which are required by U.S. law to be not-for-profit, offer their 100 million members consistently higher returns on deposits, lower loan rates, and are increasingly recognized amongst consumers (ABCUL, 2014). Likewise, NFP hospitals in the U.S. are more profitable than their for-profit equivalents (Sesana, 2014). In the U.K., not-for-profit leisure centers are significantly outperforming for-profit health and fitness chains (SE100, 2014). And globally, mutual and cooperative insurers have significantly outperformed the rest of the insurance market since the onset of the 2007-2008 financial crisis (ICMIF, 2014).

Other evidence of these advantages includes job growth and average pay gains in the U.S. not-for-profit sector outpacing gains in the for-profit sector since the 2008 downturn (Morath, 2014). In fact, NFP enterprises have proven largely resilient to impacts of deregulation and recession, with the U.S. not-for-profit sector having grown significantly faster than the for-profit sector between 2001 and 2011, and this from a large base of 1.259.764 organizations (Roeger et al., 2012).

Unlike implementing regulation and taxation, which depends on lawmakers who are not easily swayed by corporate interests, the emergence of an NFP World does not rely on a narrow group of people to make drastic top-down changes. It also doesn't require a battle against vested interests in political arenas. Therefore,

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4 Including: Ebico (<https://www.ebico.org.uk/about-ebico>) and Ethex ([https://www.ethex.org.uk/how-we-are-financed\\_52.html](https://www.ethex.org.uk/how-we-are-financed_52.html)) in the U.K.; and Healthfirst (<http://healthfirst.org/about/business-model/>) in the U.S.

it is not nearly as constrained by political capture as are so many other proposals. Instead, the transition to an NFP economy requires that consumers and governments increasingly buy products and services from NFPs instead of for-profits, that entrepreneurs increasingly start up businesses as NFPs instead of for-profits, and that workers increasingly work for NFPs instead of for-profits. Considering the macroeconomic and social trends mentioned above, this transition seems feasible.

That is not to say that a transition from the current for-profit economic paradigm to an NFP economic paradigm would be without difficulties. Potential challenges to the development of an NFP World include inertia as well as active resistance from the for-profit world. The for-profit way of thinking about business and the economy is so deeply embedded in social norms throughout the world that it is very difficult for many people to imagine an economy that doesn't revolve around private accumulation and the profit motive. In fact, many people are very attached to these ideas and have built their lives around them. In addition to this inertia, there might very well be active resistance to NFP enterprise in the form of large for-profit corporations pushing for legislation that restricts NFPs from doing much business. If for-profit companies feel threatened enough by NFP competitors, there is the possibility of for-profits deliberately co-opting NFP language, creating an 'NFP-washing' phenomenon. Similar to 'green-washing' wherein corporations claim that they are actually more 'green' and 'eco-friendly' than they are, for-profit companies could give the inaccurate impression that they are NFP. The potential of such co-option is limited, though, as the NFP legal distinction is not something that for-profit companies can co-opt. In an extreme scenario, for-profit business owners might even try to sabotage the NFP reputation by starting up NFPs and intentionally running them in corrupt ways.

This is why a transition to an NFP economic paradigm requires a strong social movement, the foundations for which already exist. The NFP World model has the potential to resonate with, and perhaps even unite, many diverse existing social movements all over the world, as a vision worth working towards collectively. This includes movements that focus on social justice and inequality like Occupy Wall Street, Move Your Money, Make Poverty History, campaign finance reform, and the divestment movements, as well as the global environmental and climate change movements.

Capitalism is what Rianne Eisler (1988) calls a dominator model, as it is organised around the principles of competition and private accumulation, whereas the NFP model is what Eisler calls a partnership model, as it is



organised around principles of cooperation<sup>5</sup> and collective wellbeing. As such, the NFP World has the potential to resonate with groups that have been marginalised under the dominator capitalist regime, such as women, ethnic and religious minorities, indigenous groups, migrants, and lower-income groups.

The transition to an NFP World requires activists to raise awareness about the failings and flaws of for-profit business and the strengths and potential of NFP business. It requires consumers to continue to become more conscious about their consumption patterns, deciding to support the companies they deem most ethical. It requires entrepreneurs and business leaders to continue to move away from the strict focus on profit-maximization and to be open to the NFP business structure.

Traditional nonprofits can support this shift by moving in a more business-minded direction. Policy-makers can support it by maintaining or implementing wide tax exemptions for NFPs as well as policies that require a high level of transparency and accountability of NFPs. Educators can support this transition by teaching NFP enterprise as a viable business structure, as well as encouraging students to question the assumptions of the for-profit economy.

Over time, the failing of the for-profit economy coupled with increasing support for NFP business and the corresponding ethic of enough could result in a transition from the for-profit economic era to the not-for-profit economic era.

How might a world look in which every business was operated not-for-profit? And how might the NFP World successfully function? Doesn't the end of the 'profit-motive' (as associated with private profit) and the end of economic growth spell social decline and collapse?

### **A closer look at the not-for-profit world model**

While the NFP World model is radically different from the for-profit capitalist system, it also builds on the strengths of the existing system. As a conceptual model, the NFP World has a truly efficient market, created by shifts to NFP structures within the business sector; increasing entrepreneurialism and autonomy in the NFP sector; and increasing social innovation and

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5 Competition is an important element in the NFP World model, as in any market economy, but it takes place within a larger framework of cooperation, as all NFPs have social and environmental goals, so it is often appropriate to collaborate to achieve shared goals. This level of cooperation is not possible in a market economy that is geared towards private accumulation.

entrepreneurialism in the public sector, which is already not-for-profit. Yet such an economy requires less taxation, because many large bureaucracies are replaced by localised, financially independent not-for-profit service providers.

The shift of the financial sector from for-profit to NFP is vital. Banks, money, loans and interest remain in the NFP World. It is just that, within an NFP framework, these things have vastly different consequences. Not-for-profit banks have no shareholders, owners, or partners that they need to keep happy with dividends and private returns (Glaeser, 2003). Thus, they have no reason to exist other than to provide high-quality financial services to their customers, and they have very little to distract them from this mission.

Presumably, the owners of for-profit banks take more money from their banks than they pay into them each year, while the borrowers who take out loans from those banks pay more *into* the banks than they take from them each year. In this way, for-profit banks move money from the hands of people who don't have enough money (those who take out loans) to those who have more than enough money (those who own banks), exacerbating high levels of financial inequality. In contrast, NFP banks have no owners and must allocate all profits according to their social mission (Glaeser, 2003), enabling the circulation (rather than accumulation) of wealth.

Consider the hypothetical example of a woman who wants to start an NFP enterprise. She goes to a bank to take out a loan. Irrespective of whether her business is successful, the loan is repaid with interest, contributing to the bank's profits. If the bank she went to is for-profit, that bank distributes its profits to its owners, investors and/or shareholders. Following existing trends, the money would then remain concentrated in the hands of a few, with the distributional effects from taxation and philanthropy insufficient to curb widening economic divides<sup>6</sup>.

Alternatively, if the woman went to an NFP bank, after covering its operating expenses such as paying wages, it would use any profit to make financial services even more accessible to its customers, such as the woman herself. It would give better loans, and higher returns to all of its customer accounts. So, the interest on any loan is put back into the real economy, which in turn helps the woman's business, because more people will have enough money to buy the goods and services they need.

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6 As evidenced by the record levels of global inequality described in Oxfam's 2014 report 'Working for the Few: Political capture and economic inequality', available at: <http://www.oxfam.org/en/research/working-few>.

The differences between for-profit and NFP banking are extremely important, because banks are central to the modern market economy. Now imagine the entire financial sector being NFP. Imagine the entire retail sector being NFP. Imagine all manufacturing being NFP. All businesses in the economy would be facilitating the circulation of wealth, rather than its accumulation.

The NFP World keeps the surplus flowing throughout the system, as NFP companies invest 100% of their profits into their missions; this model keeps the wealth circulating throughout the real economy, rather than concentrating in the hands of a few wealthy capitalists. This circulation of money through the economy means that the pool of resources does not have to incessantly grow in order to compensate for money being siphoned out, because money isn't being siphoned out. In this hypothetical scenario, overall levels of consumption actually decrease because reduced levels of debt and disparity remove the main drivers of the growth imperative inherent in the capitalist economy. In essence, the Not-for-Profit World does not require endless growth because surplus of the economy (i.e. profit) is reinvested according to social and environmental goals rather than being amassed by individuals. There is a constant circulation of wealth built into the NFP World. Indeed, the NFP World represents an 'economics of enough' and a truly circular economy for a post-growth future.

An economy that serves people, rather than the other way around, also has a healthier relationship with the wider ecological system within which it is embedded. In building on and reinforcing trends such as open source manufacturing, cooperative business, and relocalisation, the evolution to an NFP World promotes reduced ecological footprints. By making the ways in which the economy services needs more local and efficient, the whole system becomes more eco-efficient. Because the NFP market economy does not seek to constantly expand and maximise profit, it allows people to increasingly recognize that not all human needs can or should be met by the market and they can rely more on community ties to get things done and the monetized economy can shrink. Overall, this means less consumption, less work, more leisure time and stronger communities. As the economy becomes more purpose-driven, rather than profit-driven, the need for economic growth disappears.

## Conclusion

The for-profit way of doing business is at the heart of capitalism. The extractive nature of the for-profit economy is worsening current social and ecological crises. For-profit enterprise is also becoming obsolete in a world that is increasingly oriented towards collaboration. As Western culture shifts and becomes more

sustainability-oriented, and as capitalism and the era of economic growth reach their demise (see Heinberg, 2011; Rifkin, 2014), it is becoming clearer that our transition to a new economic system might be rooted in the strengths of an existing business model: not-for-profit enterprise.

The foundation for an economy based on NFP enterprise is already being laid. It is taking shape in new and old business forms and can be seen in every sector of the economy. Not-for-profit enterprises are increasingly prevalent in the marketplace, due to numerous competitive advantages linked to underlying cultural shifts. Rooted in their social mission and the ‘purpose motive’, these enterprises are based on a more complex story of human nature and meet human needs in ways that are healthier for people and the planet (Hinton and Maclurcan, 2017). It is only when profit is a means to an end, rather than an end in itself, that an economy can truly address social and ecological needs. By changing the nature of incentive and ownership in business, the NFP World model enables deep sustainability, and redefines the meaning of an ‘efficient market’.

To say that the NFP World might be the natural next step in the evolution of economics is not to say that it is inevitable. To the contrary, the transition requires human agency on the part of entrepreneurs, citizens, consumers, activists and lawmakers. Nor is it our claim that a transition to a completely not-for-profit economy would equate with an entirely equal, sustainable society. Rather, our hypothesis is that society cannot move beyond the current social and ecological crises without also moving beyond the privatisation of profit. Likewise, for-profit business is not compatible with a post-growth economy. In essence, a NFP World is necessary, but not sufficient, for deep sustainability. The NFP World model has the potential to effectively address the issues of inequality and ecological deterioration, because it resolves the internal conflicts of capitalism that neither the typical state-driven responses nor the for-profit market-driven responses can.

For the first time in modern history we have the structures, capabilities and impetus to evolve to a Not-for-Profit World, in which the best energies and drivers of good business are harnessed for our collective flourishing.

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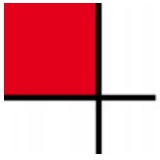
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## The politics of transition: From ecology to money ... and back

Ole Bjerg

### Introduction

This text is a transcript of a keynote held at the conference: *Economy, people and planet – Towards a new economic paradigm*. The conference is an annual joint venture between Copenhagen Business School and the Danish network of transition activists Omstilling.Nu. The stated goal of the conference is ‘to qualify the economic thinking and discourse in the light of the current sustainability challenge.’ The transcript has been lightly edited for readability but the verbal style of the text is retained:

What I can offer you are some thoughts that I am still trying to figure out. I am not through thinking about them and as a result some of these thoughts may be a little rough.

I believe we all share the vision of a transition. Yet, there are two questions that we must consider. The first one is this: what shall we do? I will argue that I think we know the answer to this question already. I think that many of the solutions, if not all of them, are available to us now.

Most politicians say that we have to wait for this transition until scientists and technology have come up with a solution. This may be true if we want cars that run on water, nevertheless I think we will have to wait a long time for those. In order to create the transition that we want, I do not think we need cars that run on water. I think we already have the ideas available.

This leads me to the second question that I think is very important. We need to ask ourselves, why is it that we have not made the transition already? The challenges that we are facing are not new. We have known about these challenges for decades. I believe that if we look at the political situation today, we find a paradox. The general awareness of the ecological crisis is greater than ever before. Very many people, including the politicians, know and talk about it. At the same time, it seems that the political consensus on the necessity of economic growth is stronger than ever before. All of the politicians seem to agree that we must grow.

What I will offer you is a sketch of an explanation to this disconnect. Furthermore, I am also struggling to answer the following question: why is it that we have not succeeded in creating a mass mobilization around the issue of growth itself? Even though we are many people who share a vision of transition, we have to be honest with ourselves and accept that we have not succeeded in creating a mass mobilization with the message: ‘we do not want any more growth – we want something else’.

Take a look at the photo of Earth taken from space by the Apollo 17 crew in 1972, as they were traveling towards the moon. This photo was taken around the same time as the environmental movement began. Moreover, this image often appears on the cover of political papers and books about the environment, climate or sustainability. It is also one of the images that Al Gore uses and even Barack Obama has used it in his recent climate change speech. The reason why we connect this image to the environment and the climate may be that this picture gives us of a sense of global responsibility; we are all living on the same planet. However, in my opinion this image illustrates some of the things that are wrong with the way we talk about sustainability in our society today. When I use the word wrong, I do not mean factually wrong or morally wrong. I mean wrong in the terms of mobilizing people in the right way.

Now, let us play a game that I think you might be familiar with. Let’s see if we can find 4 errors in this famous photo of Earth.



*Figure 1: The Earth.*

The first error in this image is that the earth is round. This is wrong. I believe the earth is flat in the sense that our immediate experience of the world is flat. I have never experienced a world that is round. When I walk out the door in the morning, my earth is flat. This means that my immediate and political concerns are concerns experienced in a world that is flat.

When we talk about the ecological crisis, there are a number of issues such as resource depletion and eco-systems degradation, however the central issue in politics today is the issue of climate change. Of course this issue is important, yet I am not sure that this issue will mobilize people in the right way. It is a very abstract issue and it is not something of which very many people have any immediate experience.

For example, I have been thinking that the summers are quite long now and I have wondered whether this is a consequence of climate change. Even if it is climate change in a scientific sense, I do not think of climate change when I go to the park. I will most likely think, 'Oh, what a nice day'. The issue of climate change and the idea of a round Earth lack the immediate physical experience of a problem. Most people recognize that a problem exists. Still they are not sure of what they can do about it.

Another error in this image is that there are no people. This may be a little controversial, but we need to understand it in a philosophical way. I think that this image is the ultimate ecological fantasy: a world without people. Ecology is based on the notion of an inherent balance of nature. But people, throughout history, have been constantly upsetting this balance. That is what we do. It is almost part of who we are as human beings. My point is not that people are inherently bad and therefore, we might as well not care and destroy the planet. What I am trying to explain is that although many of us believe in ecology, there are people who feel alienated by ecology. We must recognize this. I believe these people are reacting to the fact that ecology is inherently misanthropic. People are not part of the ultimate ecological fantasy, which is why many people feel alienated.

The third error is that there are no borders in the image. The image makes us believe that we are all connected and in the same boat. This is also what climate change is about. There is going to be a massive catastrophe and therefore, we must all work together to prevent this. I have been reading a number of policy papers regarding climate change. What I have found is that the word 'we' appears again and again. Every other sentence begins with 'we'. While I was reading these policies, I started thinking, and I am not convinced that this 'we' exists. The entire problem is that we are calling for a 'we' to act. Yet, who is this 'we' and how can it act?

I do not believe that we are all in the same boat. Some people are on a luxury cruise ship, other people are in a high-tech battleship and some are in a small wooden rowing boat. As a result, we are not in the same boat. We are often met with the idea that a huge catastrophe will hit us all, forcing us to work together. Yet, this is not going to happen. The catastrophes are already happening. However, they are happening at different times, to different people in different locations on the planet. In a world where there are people and borders, there are also different classes. The struggle for transition is similarly a class struggle. Talking about a 'we' and waiting for some kind of global solidarity to emerge ignores the central conflicts of interest that is standing in the way of a transition.

The final error is the perspective from which the photography has been taken. We may have seen this image, but we do not physically watch Earth from this perspective. It is not a normal way for people to look at Earth. It made me wonder, who is really looking at Earth in this image? I think that it could be God looking at Earth. Furthermore, this made me wonder if maybe this is a postcard from God. This of course made me curious. What is on the back of this postcard? What is He writing to us? I think there are two options. The first option is that God wrote, 'So long suckers. Screw this – I am leaving'. We have now caused so

much trouble that even God has given up on us. The other option is that God's message is, 'Do not worry, I will fix it'. Either way, the end result is the same, as both options put our destiny in the hands of God.

Now, I would like to go back to discussing the transition with the help from an image of a Danish krone. I believe that there are alternatives to the current way in which we talk and think about transition. In fact I believe that this conference signifies a new way of talking and thinking about it. The title of this conference is: Economy, People and Planet. This title is right on the money in the sense that these three elements are in the correct order. My point is not that economy is more important than people or the planet, yet if we want to mobilize people we have to start with economics. The rest will follow.



*Figure 2: Danish Krone.*

First of all, a money approach allows us to address the kind of problems that people who live on a flat earth experience. Money is something that we are all very personally familiar with. We all have experience with money. There are very few people who have a melting ice mountain in the backyard. If we want ordinary people to mobilize and get up and act, then we have to connect the need of a transition to their immediate experiences. What are their problems and concerns? People have and use money. They have debt and fear of losing their jobs. What money can do for us politically is that rather than having to push

forward a new agenda on to the mainstream agenda, we can take the existing agenda, recognize the problem and introduce our solutions. 'Here is another solution to the problem that you have already formulated and are immediately experiencing'.

The second advantage of a money approach is that it allows us to shift the blame of the crisis. Some of the analyses of the crisis say that there is something wrong with people. They consume too much, they work too much, and they are too greedy. This rhetoric evokes guilt and shame. In regards to mobilizing people, I am not sure that a good way of doing this is shaming people and making them feel guilty. The money approach allows us to say, 'There is nothing wrong with you. There is something wrong with money'. The reason why we are in the growth paradigm is a result of money.

Furthermore, the money approach makes the class struggle visible. As mentioned earlier there is a tendency to think of a collective 'we' when we talk about climate change. Yet, the 'we' is an illusion. We have to realize that there are certain institutions, certain groups and certain people who are screwing the rest of us. This is extremely important in terms of mobilizing people. This may be controversial, but if we look throughout history, people tend to round up when they can point to a common enemy. We tend to think that this is a bad thing. Well maybe it is not so bad if we point at the right enemy.

When we talk about class struggle, we often think about Marx, workers and capitalists. My point here is that we have to realize that class struggle and class division has changed. Rather than talking about workers versus capitalists, maybe we need to talk about debtors versus creditors. There are the people who make the money and the rest of us who need to borrow money and pay interests to become part of the economy. Global solidarity does not seem to bridge these two classes of people.

I think that money is perhaps one of the most human of all human creations. Money is in fact nothing but human. Nature has no part in the creation of money. It is a purely human and cultural creation. This also makes it very easy to change. Global patterns of consumption are difficult to change. Global patterns of production are also very difficult to change. However, money is easy to change. If we wanted to, we could do it tomorrow. It may not be politically easy, but technically it is not difficult. What a money approach does is that it points to very concrete and down-to-earth solutions.

To sum up, my point is not to forget the environment or to stop worrying about ecology. Of course we should worry about these matters. Nevertheless, I think we

should begin with the money. Once we open this issue of money and realize that we can actually change it, I think a political and economic space will open, which will allow us to solve all the other issues. What the current money system is doing now is closing the space of politics. The system makes us think that there is nothing we can do. We can merely roll with the system, because the system is too strong. Yet, if we change it, then we could have a discussion of whether we should have more economic growth or less economic growth. The terms of this discussion would be very different than from having it within the system we have today.

I would like to end with a little story, which I believe captures the structure of the political field today. The story is about a drunk who has been out at bars all night. He finally decides to go back to his house. Unfortunately, he loses his keys and starts looking for them under a street lamp.

A police officer comes by and asks him, 'What seems to be the problem?'

The drunk says, 'I lost my keys'. 'Oh, I will help you find them' the police officer responds.

They both start looking and after ten minutes the police officer asks, 'Are you sure that this is where you lost the keys?'

The drunk then replies, 'No no, I lost them over by the door, but there is no light over there'.

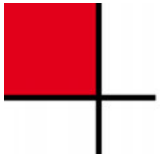
I think that this is the way that politics is structured today. It is saying, 'Come over here. We need to invent a car that runs on water. We need to add more liquidity to the banks'. We are being led to look in the wrong places. What we need to do is to insist that we will not look where it is convenient. We want to look over by the door. Because if we look over there, what we will find is money.

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## The dark side of management: Gerard Hanlon in dialogue with *ephemera*

Gerard Hanlon, Stephen Dunne, Christian Garmann Johnsen, Stevphen Shukaitis, Sverre Spoelstra, Konstantin Stoborod and Kenneth Weir

Towards the end of 2015, the ephemera collective organised, chaired and participated within two separate Q+A panels celebrating the launch of Gerard Hanlon's *The dark side of management: A secret history of management theory*. The events took place in The University of Leicester's School of Management and Copenhagen Business School's Management, Politics and Philosophy Department. Each of the events were recorded, transcribed, edited and amalgamated into the following feature.

*ephemera*: Let's start with an overview and some introductory remarks.

**Gerard Hanlon (henceforth GH):** The book starts with the period around the 1830s in the United States and tries to explain the emergence of management there. It considers how management, understood in a broad sense as the management of society and populations as well as the management of organizations, is really one part in a much wider socio-political struggle. This struggle is largely waged from above and involves three institutions: the state, the market and then later the organization.

The introductory chapter maps out the book while the second chapter looks at capitalism and organizational life in the United States by considering the transition towards corporate capitalism. Here I ask why Americans in the 1800s prioritized personal independence and the Republican ideal of not being beholden to an employer or to a manager. Or, put differently: why was it so important to be independent in terms of owning land and independent in terms of holding a craft?

I use the example of the Amherst Carriage Company in Massachusetts here. The creation of this company sparked intense arguments between a group of craftsmen, on the one hand, and a group of investors, on the other. The craftsmen were basically saying that they were the value producers. That the investors, by contrast, just had wealth and were set on converting a public company into a monopoly for their own private benefit. So they saw the investors as a threat to their livelihood and their progression from apprentice to master. These matters were debated in the Senate and the House of Representatives in Massachusetts State and in different communities within Massachusetts. In the end, Amherst Carriage received company status. The main argument used in favour of this decision was that private wealth led to entrepreneurship, to new forms of organization, to new forms of authority and to new market forms, all of which were considered good and progressive. The old system organized around craftsmanship and community based production suddenly became yesterday's news.

This and many other similar legal decisions beckoned in a new economy and a new way of organizing life. Abraham Lincoln said, in 1861, that if you are an employee you had somehow failed. It was a bit like what Margaret Thatcher said over a century later: if you're on public transport past 26 years of age, you've failed<sup>1</sup>. Being employed in your 30s just wasn't the American way. The American way is about being independent. So what we see here is a transition that occurs around a period of 30 or 40 years. This was not only a transformation of society, but also a transformation in how Americans thought about themselves, employment and corporations.

Accompanying this change was the rise of the industrial factory, often staffed by immigrants. Consider the example of Lowell's Textile Mills. Previously, the factory had been a place where women worked for a few years before they returned to another life. In the new economic landscape, however, factories grew bigger and bigger and were mainly staffed by immigrant women with nowhere else to go. As a result, the factory became a place organized around immigration and dependency. It contributed to the collapse of other forms of independence, like the ownership of 'free land' as the Americans used to call it, but also the collapse of independent craftsmanship. One of the major consequences of this transition is to make dependency and personal vulnerability a fundamental part of organizational life.

And so I consider the role of management theory and practice around the time. I consider the role of Taylor and his peers within this wider social process. The

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1 <http://www.economist.com/node/7970987>.

book explores the emergence of corporate capitalism in America as a political project. Management, that is, need not be understood as the creation of functional solutions to a set of operational problems but rather as a political project which changes how people think about their lives, their employment and their autonomy.

Take, for example, the mental transition that occurs from the 'inside contract' to Taylorism. Essentially, the inside contract consisted of the fact that owners with capital hire craftspeople to produce certain products. Every year, the owners with capital had to bargain with the craftsmen over the price for their services. The craftspeople, for their part, could use their knowledge to innovate and act entrepreneurially in order to make sure that they could make a profit, even while the price of the product decreased. On this basis, innovation was a by-product of the interaction between capital owners and craftspeople. This inside contract was killed off, however, because people like Taylor pushed for the deskilling of labour and the expropriation of knowledge. The state plays an important role here. In the United States, the state has often pushed for the extension of market forces, even without democratic sanction. So, if we are to believe some historians, Presidents managed to push through pro-market reforms with the support of the elite government representatives and elite judiciaries, even though the population voted against these sorts of proposals. This period of transformation fascinated me and, through a Marxist analysis, I wanted to understand the role played by management within these broader social trends.

Marx emphasises compulsion and cooperation: how employers hire individuals to do a job but gain the added benefits of their cooperation and their sociality. The cooperativeness of labour allows capital to extract profit. And yet, within that situation, management acts as a sort of authority figure. Marx argued that the free gifts of sociality, of shared knowledge, of the shared capacity to innovate and to change, are provided by labour and expropriated by capital. Feminists have long highlighted the free gift of social reproduction – that free work is done for the owners of capital long before people get to the factory. Capital, that is, has already been given these free gifts, people have already been socialised and form a base on which capital is reproduced.

So I was interested in these hidden abodes of cooperation, inside and outside of work, and in how these were generative of value for capital. I suggest, through modern debates around labour, that these free gifts have been increasing. That, in the transition from independence to dependence, we give more freely and more frequently. And I was interested in the work of Panzieri who said that, with the increase in the giving of these free gifts, what also increases is social planning.

On the interplay between freely chosen activity and centrally planned activity, I was inspired by Silvia Federici's book *Caliban and the witch*. Federici suggests we should pay more attention to Hobbes and to Descartes, rather than to Rousseau, if we want to understand the current situation. In Hobbes, we find the centralizing office, repression, punishment and rules. In Descartes, we find the autonomous subject taking control of itself and its world. For Federici, Hobbes and Descartes represent two twin features of enlightenment thought. And following her, I wanted to track down management's twin features by comparing Taylor's centralising office with Hobbes, on the one hand, and Mayo, Maslow and McGregor's emphasis on the importance of improving, managing, controlling and delivering ourselves in different ways with Descartes, on the other. Even Weber, with his focus on both bureaucracy and charismatic leadership, drew attention to what he called the double nature of capitalism, involving both discipline and self-control. So I was interested in how the ideas of Hobbes and Descartes interact in management by being complementary rather than oppositional.

Seen in this light scientific management and human relations are not incommensurate, they rather complement one other. Mayo told the Taylor society that what he wanted to do was a kind of Taylorisation of the mind. And it would be wrong to say that Taylor wasn't interested in both discipline and self-control. He was interested in regulating people so that he could change their subjectivity and he did this by breaking their collective bonds and by imposing individualism upon them. Weber highlights something similar with bureaucracy and charismatic authority.

Throughout my tracking of these complementary strands, I consider the interaction between the state, the market and the organisation. These three institutions deliver particular types of subjectivity and are aligned by the shared desire to shape social relations. So when Adam Smith talks about the market, for example, he is talking about creating a new person. For Smith, the market will encourage the 'inferior ranks', as he calls them, to adopt thrift and good management. Smith is trying to create, through this institution of the market, new knowledges, authority, expertise, and ultimately new ways of being. And while Smith is talking about the marketplace, my book looks at how management theorists talk about the organisation.

Along these lines, I associate early management thought and early neo-liberal thought. So when you read what the neo-liberal pioneer Walter Lippman wrote in the 1920s you can see that his ideas are very similar to those of Elton Mayo. Mayo's *Democracy and freedom*, for example, is about keeping the state small, about using the organisation and the marketplace to develop new routines and

about the irrationality of the masses. Lippman says the same kind of things. Early management thought, much like early neo-liberal thought, considered the organisation as a means of reshaping individual subjects. Referring to Taylor, Weber describes the creation of discipline as the loss of individuality and independence in pursuit of a common cause. He highlights how factories and organisations are sites in which discipline is both enacted and resisted. The managed organisation, that is, becomes a disciplining and hierarchical moment that both manages populations and creates ways of being.

Very different kinds of intellectuals – Taylor, Weber, Mayo and McGregor – propose very similar solutions to the political problem of subjectivity production. They hoped the requisite subjectivity could perhaps no longer be as hostile to capitalism as the industrial world unfolded. Management and the idea of the managed organisation were central throughout this process. Robert Michels, for example, makes it very clear that, while the managed organisation inevitably leads to oligarchy, this is a good thing because elites should rule. For him, leadership, authority and obedience are natural and so, it follows, should dependence be. Mayo and Taylor echo these ideas and so the book closes with the claim that management is one of the first neo-liberal sciences with anti-democratic elitism and authoritarianism at its heart.

*ephemera*: Thanks for that. You write this in the introduction:

No longer do we trade technical, professional expert skills, today we sell personality. And what do we get with the sale of our personalities? The answer it seems is personal dependency. What else can it mean to be authentic, or as Peter Fleming expresses it, to be yourself at work? To comment on this, is simply to recognize that Mills was correct when he noted ‘that personal traits become part of the means of production’. (Mills, 1951: 255, c.f. Hanlon, 2016: 3)

Management, you argue, plays an important role in this process. That role is very seldom benign, very often malignant. Is it difficult to make this allegation within a Business School?

**GH:** I find this Business School problem both interesting and a bit redundant! The Schools of Business and Management that I’ve had dealings with seem quite obsessed with whether or not they’re performing a sufficiently critical function. And often I think there’s a consequential problem of treating management as a mere object for criticism. So ‘critical’ management scholars get interested in Foucault, or Bourdieu or Habermas, or whoever, and they then use some of these theorists work to criticise something about management. I wanted to push back a little against that tendency with the book, not because I don’t see any value in it but rather because I think it often ends up not taking management theory

seriously. In this I was quite influenced by Bendix's book which is now about 60 years old. Following his advice, I think it is important to consider the pioneers of management with respect to their ambitions. What sort of society did they want to achieve with their work? Asking this sort of question, it seemed to me, might be more useful than asking how Foucault or Bourdieu or Deleuze might see these figures and their ambitions.

Thinking beyond business and management studies, it was also clear to me that when I read David Harvey, Nigel Thrift and other contemporary commentators, it is clear that they don't know very much about management theory which is understandable – why should they if we ourselves sometimes vacate our own field? So when I was planning the book I thought it'd be useful for management scholars to read management theory not as an object for dismissal or as technical solutions that do not work etc. but rather as a political project. That it might be important to consider their work in the context of the times they were living and the struggles that they were involved in. I spend a lot of time on the examples of Taylor and Mayo but it need not just be them. Of somebody like Tom Peters or Peter Drucker we can say: yes they're ideological, yes they're biased, but that doesn't mean that we should discount their work or treat it any less seriously.

Or consider Abraham Maslow. I didn't realise he was so extreme! His hierarchy of needs is taught everywhere but harbours a hugely damaging presumption. Only some can achieve self-actualisation, he affirms, and if you cannot the problem lies in you, not the job. It's an incredibly conservative position dressed up as enabling on. In the Business School we sometimes don't subject our actual topic to the attention it warrants. We don't subject it to the kind of analysis that I think we should. And I think we need to take mainstream management theorists seriously if we are to provide a critique of them, rather than using them as a convenient prop for philosophical exegesis.

I was also a little frustrated with our work on organisations and subjectivity. Rather than examining about how individuals create themselves through work, I wanted to look at how organisations and subjectivity are sociological outcomes. I read a lot about how individuals negotiate themselves through their work and wanted instead to write about how organisations shape individuals through routines and of how these were struggled. Management becomes an important subject in its own right in this regard. One of the things you can accuse the book of is not taking resistance seriously enough. That's fair comment but there are lots of good studies of this nature already. To my mind, if you want to discuss contemporary capitalism, you need to consider what its proponents are trying to achieve. And this is why I emphasise management because it is a fundamental

tool of social struggle. Yes, management is resisted. But the story of resistance isn't the only one worth telling.

So the jobs which Mills was writing about in the 50s, where people sell their personality and subjectivity, are rooted in early management thought. Subjectivity gets moulded both inside and outside of work. The capitalist's reach, the manager's reach, now extends far beyond the factory, the office and the department store and this was what elite management desired. Today, with the extension of dependency, individuals are compelled to modify their very selves so that they might be employable. This echoes the sentiments of Taylor and Mayo and, earlier still, the anxieties of the Amherst Craftspeople. I am interested in this continuity – this attempt by anti-democratic elites to wage class struggle from above over a long period of time. It is in this crucible that management was born.

*ephemera*: Sometimes you use historical data in order to account for the influence of management, but sometimes you also use historical evidence in order to criticise management theory. So how do you conceive the relationship between theory and practice of management? Do you think they're closely aligned in what we might call its' classical age?

**GH**: When I started work on the book I was most interested in how the political plans which Taylor, Weber, Mayo and McGregor had devised ran up against industrial and social relations, only to be resisted. These fascinating tensions are always implicit and sometimes explicit in the texts themselves. But I ended up becoming more interested in how this body of work, despite being resisted, nevertheless revealed an elitist political agenda which persisted on despite massive resistance. I do not think that many would read such theorists today with the goal of implementing their ideas. However, when you read them you get a glimpse of their world view. And I think that this world view can teach us much about our own time. So the reason for reading management gurus like Tom Peters or Gary Hamel, much like the classics, is that they present a world view which may not be achieved but is very definitely related to the society in which we live.

*ephemera*: Your book is not about managers but management. So what about managers? We might say that the history of managers coincides with the history of management, because managers are on the side of management. But haven't managers themselves become objects of management? Much of the airport literature on management, for example, not only advises managers how they should deal with employees but also about how they should deal with themselves. So where is the class struggle dimension to all of this?

**GH:** Taylor knows he's involved in a class war – he writes about being chased down the road by disgruntled workers! So does Mayo which is why he brands the workforce as irrational. They know that society is up for grabs, and therefore they're highlighting what management is really all about. Today this class struggle persists because the 1% owns so much. As Warren Buffet says, there is a class struggle and his class is winning (2011). How this class struggle gets manifested, however, is neither static nor straightforward.

Implicitly in the book, there is a thread that deals with this issue but it is not made explicit because it would have changed the book fundamentally. I take this implicit thread up from Sven Lindqvist's *A history of bombing*. Bombing, he shows, starts in the colonies and then gets pulled back into the core of the Western society. We can find the same logic pertaining to the history of management. Management initially targeted the most vulnerable groups in society. Consider the factories in America. The logic here is that you give men jobs outside the factory and the women and children jobs in the factory because the men wouldn't do it and they had more power. So you start out with the most vulnerable and then you work your way through the ranks of society. And this is what happens when you go after craft workers.

And we, working in the universities, are now becoming more precarious albeit it in different ways. After you have obtained your PhD at the university, you may or may not get a job and you may or may not work part time. All you know, all you've studied, all you've learned: it provides no guarantees. For management keeps pulling more and more groups into its domain. Witness the huge levels of inequality we've been experiencing in the last 20 years. And yet ours is a world that Robert Michels would have been quite content with. Or Walter Lippman for that matter! Or even Elton Mayo! And I agree that we now can see management attacking managers. Andy Haldane (2015), chief economist for the Bank of England was talking about the need to rewrite company law because companies are eating themselves up to provide what Haldane judges as excess shareholder value. Thus, the elite strip out any value of companies and now go after managers and innovation and all these things. We need to actually worry about this.

**ephemera:** We usually present the history of management as involving a radical break, from a focus on control and calculation in the period between the Second World War and the 1970s, to a subsequent epoch which emphasises charisma and so forth. Your book challenges that presentation quite directly. So I'd be interested to hear your thoughts about authority and leadership. As you show, the authority of the leader is accepted because we recognize something extraordinary in him or her, because they represent a vision which their followers



share. But it is less clear how authority plays out in management. So what is the basis for managerial authority and what is its relationship to violence?

**GH:** I'm writing about the authority to reshape the division of labour in society and to define the roles that underpin this process. Take the authority involved in having a craft, for example. From a managerial perspective, a knowledgeable worker is dangerous to an organization, because knowledge is a form of authority that might challenge the hierarchy. Thus, having a craft is a form of authority that conflicts with the idea that management has the authority to govern the labour process. So I use the concept of authority in a bureaucratic sense. In Weber's view on bureaucracy, roles involve authority. If you have a specific role, then you should be listened to, regardless of whether or not you know what you're talking about. Reshaping the division of labour therefore allows for the rearrangement of authority and even the re-composition of social structures. In the course of the 20<sup>th</sup> Century, changes in the division of labour have undermined many of the traditional forms of authority that were previously dominant, giving rise to new forms of authority. This is the story of the emergence of management as a distinct profession and my point is that it involved a violent transition in the nature of authority.

Management has effects beyond the governing of organizations: it also goes to work on workers themselves. For example, Mayo was interested in the total situation of the workers, so management could reshape them both inside and outside of work. This obliges workers to accept that work could ameliorate problems in their domestic lives. Along similar lines, Maslow talks about how you can self-actualize which involves a process of change. He uses the example of how a woman can self-actualize through diaper duty, because it involves love for the baby. So management is not only about changing work, it is also about changing desires, motives, convictions, beliefs and so on. The authority of management works on both fronts: both on the exterior level and on the interior level. Think about the UK government's current onslaught on people who don't want to work, or can't work. Now, this is an example of violence that involves force, but it also works proposing we find happiness through work. Authority works both by persuasion and by coercion. So craft knowledge, for example, can no longer protect workers in the way that it used to do. Contemporary management strips away the authority of workers, making them dependent and vulnerable.

**ephemera:** I'm not always rational. Nor, I suspect, are you. And what's wrong with not always being rational? I don't understand why you make such a big issue about Mayo's accusations of irrationality. Your book seems to dogmatically assume that it is a bad thing to call workers irrational. And that, in Mayo's case,

an unsavoury politics lies hidden beneath these for you derogatory remarks. But could we not say that in calling workers irrational he is liberating them from the ridiculous chains of *homo economics*, precisely by recognising their humanity, that is, their irrationality?

**GH:** Mayo is quite deliberately declaring the workforce irrational for political reasons in the same way as colonised people were deemed incapable of looking after themselves. It is to legitimate political interventions from above. Walter Lippmann concedes as much: colonialism is a terrible thing, he argues, unless it brings in the market. Mayo was doing much the same thing. He is not opposing hope, democracy and freedom to reason, he's actually saying democracy is a bad thing because most citizen-workers don't know their own interests. Mayo is not an Enlightenment intellectual in the positive sense of pursuing freedom. He is set on maintaining the class interests he serves by undermining the claims of the masses through de-legitimation.

**ephemera:** We often hear how classical management thinking was aimed at utilising worker's bodies while contemporary forms of management is geared towards incorporating worker's subjectivity into the productive logic of the organisation. Against this assumption, you show that management has always been about moulding worker's subjectivities. Haven't there been important breaks between modern and contemporary management thinking nevertheless? Take the example of Gary Hamel. He would say that the legacy of Taylor and Weber turns the organisation into a creative apartheid. He tries to offer a radically different approach to management which turns the organisation into a privileged site of self-realisation in which employees can freely express their creative ideas. Isn't that a real shift from a bureaucratic to a post-bureaucratic managerial mind-set?

**GH:** I think that what Hamel really wants to do is create competition among employees and bring the market into the organization. So here competition is imposed from above, in order to unleash creativity. But Taylor also wanted to create competition in the organisation, Maslow too. So on this count, at least, I do not see bureaucracy and post-bureaucracy as radically different. Maslow is talking about creative insecurity while Hamel is talking about letting everybody find their creative moment. In a strange way, they're both saying that we don't need to manage people, but that we nevertheless need to manage them. That this is natural and yet we have to bring it into being. It is as if post-bureaucracy needs bureaucracy alongside it.

What is more, Hamel proposes the sort of neo-liberal organisation which Mayo was already talking about in the 1920s and 1930s. Mayo talks about spontaneous

cooperation that has to be managed, in the same way as Hayek talks about spontaneity that has to be created and managed. The solutions might be different, but the result is the same. Further, neoliberalism is anti-democratic but not anti-bureaucratic, although society also needs to have a 'charismatic elite' and innovators who can keep things going, according to Weber, Michels, Taylor, Mayo etc. despite differences between them. While Hamel wants competition to infiltrate the organization, he also wants to preserve bureaucracy because he thinks we need to measure the results. So I'm not sure that what Hamel is saying is so radically different. We have spontaneous cooperation, which might result in a trade union, so then he says that we can't be having that kind of spontaneity!

*ephemera*: If management represents capitalism's intervention into the worker's spirit at an industrial level, what sort of intervention is made into the debtor's spirit by finance? I'm thinking in particular of the recent work of Berardi, Marrazzi and Lazzaratto here.

**GH**: Yes, debt is a central way of ensuring that people are ready to work today but in the past, certainly in the United States, you arrive off the boat – a female with children – and you're already more than ready to work. The debtor has to work to repay the debt but the migrant has to work because they're vulnerable from the outset. Capitalism requires vulnerability and management has been a key agent in its manufacture. Perhaps, with financialisation, we are witnessing the emergence of new forms of vulnerability: debt, housing, welfare, all of which push you into work.

*ephemera*: You're speaking to a mostly sympathetic audience here but how, if at all, might you make this book appeal to advocates of and apologists for contemporary management?

**GH**: Of the thousand or so who show up to the Academy of Management conference, I reckon at least 800 simply won't be having it. That's fair enough maybe. And maybe that's my own fault. On the one hand, I'm not too keen to present myself – or my book – as Critical Management studies, for reasons I've already touched on. But on the other hand I'm even less keen to appeal to mainstream management. So where does that leave me? This book treats management as an object which requires the attention of historians, political theorists, anthropologists and management scholars.

*ephemera*: I like that there are organisers who see to it that things don't fall apart. This doesn't mean you should write a bright side of management to compliment what you have written here – there's already enough of them – but it does mean that you might be tarring all forms of organisation with the same brush.

**GH:** I guess you could try to make the case for self-organising and all those sorts of things but to actually run something like the NHS I'm not so sure that would be a sensible answer.

**ephemera:** You were once the head of department for a Business School for quite a long time: a manager, indeed. Should we read something of that period into this book?

**GH:** It would have been a completely different project to articulate what we could positively do about management, whether within Business Schools, or not. But too much of that sort of stuff has already been written. I wanted to write something which was neither prematurely dismissive of management nor prematurely apologetic for it. Perhaps, as you seem to be suggesting, the biographical subtext adds something to the book's interpretation. I'd rather it didn't because I conceived this not as a work of auto-ethnography but rather as a historical sociology of the dark side of management.

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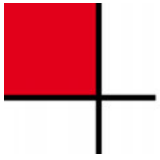
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## The vocabulary of degrowth: A roundtable debate\*

Ekaterina Chertkovskaya, Alexander Paulsson, Giorgos Kallis, Stefania Barca and Giacomo D'Alisa

**Alexander Paulsson (AP):** A very warm welcome to all the participants of this roundtable, where we will discuss *Degrowth: A vocabulary for a new era* published by Routledge in 2015. Giorgos Kallis and Giacomo D'Alisa – co-editors of the book together with Federico Demaria – are here today. Stefania Barca and Ekaterina Chertkovskaya will act as discussants. We will also have plenty of time for general discussion. Giorgos, would you like to start?

**Giorgos Kallis (GK):** My starting point is an essay I've recently discovered in *the Guardian* by Doreen Massey, a notable critical geographer and political ecologist in a broad sense, who sadly passed away two weeks ago. The title of the essay was 'Neoliberalism has hijacked our vocabulary'. Massey takes issue with keywords like 'adjustment' and 'austerity' that neoliberalism has introduced into our vocabulary and that have become the common sense of our times, words that people take for granted. And interestingly, she says that the most depoliticised of these words, the one that nobody ever questions, is that of growth.

Our book is precisely about confronting the capitalist vocabulary of growth and offering a new vocabulary in its place – a vocabulary for a new era of secular stagnation, growing inequalities and an impending climate disaster. We are not providing in this book a theory, a blueprint or a manifesto for degrowth. What we are providing are keywords that articulate and develop an alternative vocabulary.

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\* The roundtable took place at the ENTITLE conference in Stockholm, titled *Undisciplined environments* (20-24 March 2016). This is an edited transcription of the discussion. We would like to thank all the participants of the session for a thought-provoking discussion.

An ecologist, radical, critical, green, left – however you might want to call it – vocabulary around this new key term ‘degrowth’.

I want to make clear from the beginning that degrowth is not the inverse of growth. It's not negative GDP growth, which is an oxymoron, and also bad English, since growth cannot be negative. It's not the inverse relation of what the economy is doing, i.e. it is not about doing less of the same. Degrowth is something very different. First and foremost, degrowth is the critique of the ideology of growth. We show how growth is ideologically and socially constructed, but also expose the horror of growth, its consequences that are often silenced and overlooked. Second, degrowth is a hypothesis for something new, which includes the ecological demand – smaller metabolism, less throughput, less material and energy use. Crucially, we argue that this less is not just a matter of less of the same, but it's different, changing our social organisation so that we can also live with producing and consuming less.

We have drawn a ‘graph’ to capture degrowth – not one with numbers, but an elephant, which is a metaphor for the economy. And we are saying degrowth is not a leaner elephant, it's not less of the same – this is called recession. Degrowth is about less and different. It is symbolised by a snail, an animal with a smaller metabolism, smaller because it is a very differently organised body.

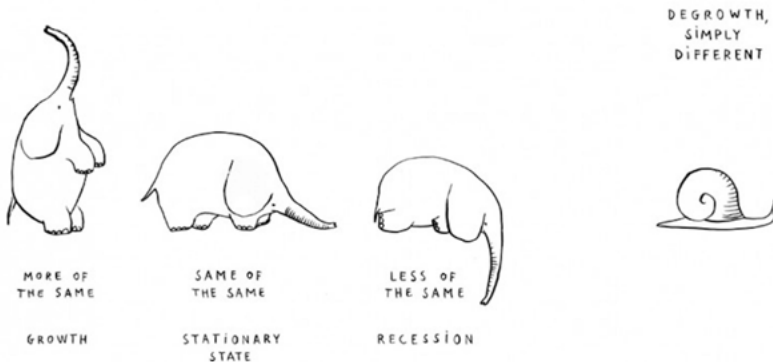


Figure 1: *The elephant and the snail* (by Bàrbara Castro Urío).

Our book is structured in four sections, four different groups of keywords, and each chapter/entry is one keyword. The first group of keywords are schools of thought that have influenced the theory of degrowth. Political ecology, the subject of this conference, is one of them – there is an entry written by anthropologist Susan Paulson, a well-known and prolific writer on political ecology. Susan



explains what political ecology is and how it relates to the ideas of degrowth that we present in this book. Other schools of thought included in the book are bioeconomics or ecological economics, the community from which we [the three editors] are coming from.

The second part of the book includes keywords that are crucial in the critique that's been formulated in the name of degrowth. And there we have terms like commodification – bringing goods, services, relationships that are not mediated by exchange for profit into the market. Degrowth is not just a critique of growth – the expansion of the economy in the sense of producing more, but also in the sense of incorporating more and more of unmonetised activity into the GDP economy. For example, for Serge Latouche – a French scholar and one of the first people who popularised the term degrowth ('décroissance' in French) – his main influence was the work of Karl Polanyi, who wrote on fictitious commodities. Latouche builds a case for decommodification, that is taking things out of the market and bringing them back to the social, convivial and political realms.

Within the same section we have the commons, another important keyword for degrowth. We also have an entry by Erik Swyngedouw, another notable political ecologist, about depoliticisation. He explains that we live in a post-political condition when most social problems are framed as technical problems. For example, the increase of GDP growth. It's treated as a technical problem, with expert economists telling us what to do, like the Troika telling Greece the recipes for the economy to start growing again. This is a simplification that is technical and apolitical in the sense that it disguises the real political redistributive questions that are at stake and that it hides irreducible differences under a technical discourse.

So what is the point of degrowth? I would say that degrowth is a re-radicalisation of environmentalism. I'm reading a book these days about the history of the green movement. Some of you might have read it, it's by Andrew Dobson, called *Green political thought*, written in the early 90s. He makes a distinction between ecologism and environmentalism. The latter takes a techno-managerial approach, environmental problems treated as technical problems that merit a technical or managerial solutions. Ecologism instead was the ideology of the green political movement and of the radical greens of the 1970s. For them the issue wasn't just about protecting the environment, but about creating a different world for humans and non-humans. This world was bringing additional demands to socialism or communism. The green movement was bringing something extra in addition to other egalitarian ideologies. It was envisioning a different relationship with the non-human world too. This fundamentally had to do with the idea that there are limits or, more precisely, as I will argue below, that there should be

limits. 'Limits to growth' was a milestone text for the ecological movement, for ecologists in the 70s, as Dobson rightly puts it.

This radical discourse within the environmental movement got sidelined over time. In the neoliberal times techno-managerial environmentalism became dominant. The dominant discourse was about 'solving' problems. Many environmentalists stopped saying 'no' and sat together with businesses and governments at the table, trying to find consensual – win-win as they are called in the managerial jargon – solutions. 'Sustainable development' was the talk of the day. You know, you might have seen the thousands of reports and powerpoints with win-win-win triangles – society, economy, environment all harmoniously balanced together, or private sector, NGOs, civil society – sustainability at the center of the triangle. With the so-called 'end of history', or what Swyngedouw calls the post-political condition, the radical demands of ecologism were co-opted and assimilated into a green-washing discourse that suggested that we can have our cake and eat it all.

In one sense then degrowth simply brings back the radical side of ecologism and renews and re-radicalises its vocabulary. But are we also offering something new in green thought? First of all, we make explicit that the limits to growth are not something external; it is a social demand – we *want* to limit growth. It's not that growth is limited and we worry that capitalism might collapse. Limits in our theory are not coming from the outside, from a 'nature out there' that is running out of things. Of course we do take nature into account, we take non-human agency into account and we say we know there is climate change, we know that we are screwing up our planet, we know that we are producing unliveable environments. Precisely for all this, we call for limits, we want to limit collectively what we do and what to pursue and what not, and most importantly we want to create the social conditions that make it possible to limit what we do; discussing democratically what we want to limit and what not is the central question.

The second novelty is that we want to reframe the environmental question and rather than start from claims of scarcity, i.e. that there is not enough, start from the premise of abundance. This might seem paradoxical as the idea that there is not enough is so ingrained in environmentalism. We argue instead, alongside radical anthropologists, that there has always been enough. We do not have to wait for some never arriving future when we will have developed the forces to production to a level that will provide us with enough. Indeed, most civilizations apart from the capitalist one had a sense that they had more than enough for what they need. If you read ancient Greek philosophy, you will find this everywhere. If you read about ethnographies of indigenous civilizations, you find the same philosophy. People who seem poor from the Westerner's gaze, they

thought they had enough. Most civilizations did not have a word for scarcity as a universal condition, nor did they consider growth in production or consumption a goal worth pursuing. The idea was that there is enough to live a good life, as long as ends are limited within what is generously made available by nature. This is the premise with which we start the epilogue of our book.

A little bit more controversially, we throw in this epilogue the idea of ‘depense’. This departs from the idea that the economic problem is not a problem of scarcity, but of excess. Societies will produce a surplus, over and above what is necessary for mere reproduction. And the political question is what we do with this surplus. Are we using it to build pyramids, churches and prisons? Are we reinvesting it for more growth and more surplus? Or do we use it for collective festivities, expending the surplus collectively and creating society and meaning along the way? – that’s our proposal. In a way it’s a utopian proposal, but I think the point is not in the specifics ‘ok, how exactly do we do it, are we going to spend the surplus here or there?’. It is in shifting the minds and the imaginaries, especially of ecologists and economists, from one that sees ever-present scarcity and is constantly preoccupied with things running out to one of ‘we already have enough’, the question becoming how we can constrain our ends and redistribute resources so that everyone can live well with enough. Ok, I will leave it here.

**AP:** Thanks very much, let’s now commence the discussion. The book covers a lot of concepts and sub-themes within degrowth. But now that it has been in circulation for a bit over a year, is there something you feel is missing, what are the white spots or blind spaces?

**Stefania Barca (SB):** First of all, what I like about the vocabulary is that there is no limit to the number of words you can put in it, it’s not like the alphabet, which is just a certain number of letters. So I see this really as the beginning, of building a new paradigm, which is a reinvention of ecological ideas for our generation and in this particular part of the world [the so called global north is implied here], and I will go back to that. In this perspective, I don’t want to say what is missing from the book because of course every book is limited, but here’s what the book made me think we should discuss.

It would be really important to think more about a history of degrowth – where do degrowth and growth come from? We are at the final moment of a long story, which is basically the story of economic growth, and how economic growth came to dominate, to colonise our minds, our political system and the world economy. The concept of growth is not just depoliticised, it’s also naturalised, in a way that it’s considered like something that human civilizations have always aimed for,

which is not the case. As far as I have been able to research it, growth is very much an idea of the twentieth century, and even more of its second half.

During this time, ‘modern economic growth’ became a master narrative that sees modernity in the last two hundred years as the era in which humanity has been able to overcome scarcity. This is the idea that is repeatedly taught in any economics and economic history textbook – in the last two hundred years humanity has finally been able to overcome the big historical problem of scarcity, of the limits to population and the limits to wealth, and we have entered the era of unlimitedness. I am very critical of this narrative for a number of reasons, but the point here is that, whatever the flaws of ‘modern economic growth’, this era is coming to an end. We could even see our epoch as having passed peak growth, in the sense that globally economic growth rates have already started to decline in relative terms. So want it or not, we are faced today with the beginning of a post-growth – or whatever you want to call it – era.

**Ekaterina Chertkovskaya (EC):** It’s also hard for me to say what is missing from the book, and I very much agree with Stefania that a vocabulary is unlimited in a way. So I would like to address not what is missing and not new words that we need to bring, but how we reinvent the words we use in growth-centric societies. And what they would mean in degrowth, so that, to put it very roughly, it does not become an empty signifier or so that it’s not used in very narrow all-too-straightforward ways.

I would like to start with the most used definition of degrowth, the very first lines that you come across when you search for it online. That definition says that ‘degrowth is an equitable downscaling of production and consumption that will reduce societies’ throughput of energy and raw materials’. It doesn’t come across as the main one in the book, but does everywhere else. I can see how this definition works in the ecological economics context and what is in mind there, but when it’s used for broader audiences – academic or non-academic – it can be misleading in many ways. If not explained exactly what is meant, it comes across as an individualist middle class western notion, as if you should basically reduce your consumption. And this is a critique that I have come across very often from leftist communities. This definition also downplays the broader agenda that degrowth has and which is very much present in the *Vocabulary* and other discussions. It might also spark some anxieties. If we talk about downscaling, then what is downscaled and how? Does all production need to be downscaled and who decides upon it? It would be nice – and you do it in the book – if this definition comes with an explanation and isn’t the primary lines that you read when you come across degrowth.

**Giacomo D'Alisa (GD):** Indeed, this definition is too much quoted, and it's problematic. But note that we have given it up and it's not in the book.

**EC:** Now let's proceed to the issues of work. There are some proposals in the vocabulary around work, which would be in line with degrowth. Their concreteness, without rethinking the concept of work itself and the problematic aspects of modern work, actually makes them feel abstract. For example, a proposal of work-sharing in itself does not come across as a satisfactory universal proposal, even for degrowth, with many questions arising. What kind of work will be shared? Are these uninteresting, alienating and dehumanising jobs most of us do today, in societies where our worth is still defined thorough work? Or is it some other idea of work that we have in mind? A broad comment would be that a lot of work today is alienating, deskilling, but at the same time our societies are very work-centric, so your worth is still defined through the work that you do and sometimes the very fact of being engaged in paid work. At the same time, we shouldn't necessarily discharge work and see the solution in getting rid of and doing less of it. There can, of course, be some meaning and dignity in work. So how can work be reclaimed or reconceptualised in degrowth? I don't have the answer to it and think this is something that needs to be thought through. I very much sympathise with Kropotkin's point that work should not be split into manual and knowledge or 'brain' work, and that the two should come together, and that the wholeness of work should be realised this way. But I think it's not enough and needs to be engaged with more.

The concept of consumption is also important and is addressed to some extent in the book, in the social limits of growth chapter. But consumption is mainly understood as positional consumption or maybe conspicuous consumption, status consumption. This is surely a very important part of modern consumption, but there are other gratifications that you can find from consuming. There can be super-conspicuous consumption, for example, when you are not trying to impress anyone, but by being discreet in consumer choices still engage in consumerism. Or there can be hedonist gratifications from consumption, for example, from the smells and the tastes of the things that are consumed – traditional hedonism it's called. Or modern hedonism would be in gratification from consumption of experiences that can be even not necessarily pleasant, but still you do engage in those. So it would be important for degrowth to understand consumption better by engaging with those various forms it.

At the same time, consumerism is a big problem of our societies and something that is maybe desired by many who cannot have access to it. Bauman was famously saying about the London riots that happened in 2011 that these were unsatisfied consumers claiming their dissatisfaction. However, even if we are not

consumerist, a lot of consumption that we engage in on a daily basis is actually unsustainable and unjust. Ecological unsustainability of consumption you would all probably immediately connect to and this is something that comes up a lot in the degrowth literature, with things being transported around the world and so on. The point that consumption is unjust is probably implicit in degrowth, but maybe can be stressed more. Basically this is the old Marxist critique that the politics of consumption is rooted in production, and that we forget about production and labour that has gone into the objects that we consume. At the same time, how would we think about consumption that would be in line with degrowth? Because a lot of things we do is consumption – it existed before capitalism, during capitalism and will stay after. If we arrive hopefully to sustainable degrowth societies, consumption will be there, but in different forms.

Finally, a very brief point on degrowth and academia. A lot of degrowth discussion comes from academic contexts, of course with the intention to go beyond them. But academia has lots of problems. One can argue that it is itself aimed at growth – acceleration, with lots of things that you need to produce, ‘publish or perish’ and all those. Often the stuff that comes out is not necessarily so interesting or revelational, but it needs to be there, showing one has produced. At the same time, the publishing industry is an important case because it is oriented towards growth – actually some scholars in critical management studies have been investigating this – and often has profit margins of 70%. So as degrowth scholars, how do we engage with academia, where do we start? Or maybe this is not the most important issue to work on and other important issues are more urgent? I do not know also, but this is a point to bring up.

**AP:** Thank you. Would you like to comment on the things that were brought up here?

**GK:** I will comment very quickly, I think these were both excellent comments, I fully endorse them. Just two points, I think. First, on the history of growth. There are books coming out on this, by Matthias Schmelzer on the hegemony of growth in the OECD and by Gareth Dale, a manuscript in progress about the genesis of growth from the ancient times through to capitalism. And then there’s of course the work already published by Timothy Mitchell on economentality and the invention of the economy, e.g. the chapters in his book *Carbon democracy*.

As for work, consumption, academia – these are definitely things we need to think about. The concept of work, for example, is the one we struggled with a lot in the degrowth group in Barcelona trying to think how we understand work. Consumption also. They are areas for new research.

**GD:** Just one quick thing on the aspect of publishing and academia. In all other languages the book is in creative commons, so it is open for download to everybody. So in Spanish, Catalan, French, Dutch, German and so on – they are all in creative commons, after a certain period of time from the publication.

**GK:** Ok, to say a little bit about the definition, because I'm partly responsible for it. Not partly, fully, because I am the one who wrote it [everyone laughs]. Giacomo, who is my co-editor and friend, and co-author, has fried me for that. He constantly says 'no, this is an awful definition, why did you write it, don't cite it'. It's not a surprise to hear this is a terrible definition. So what this definition says is that we should downscale our production and consumption for ecological reasons, to put it very simply. Yes, it's too reductionist a definition, and it comes from a time back in 2008 when we very much focused on ecological economic debates and we were trying to argue that if we are to reduce carbon emissions and material throughput then we should downscale economic activity, that is production and consumption.

But there is a *but* here. Oftentimes this critique against the idea that we should reduce our production and consumption, especially from the leftist circles that Katya [EC] mentioned, comes with a kind of agnosticism that I find problematic. For example, it's very common in eco-socialist circles to say 'yes, we should degrow dirty things but we can grow the right types of things'. Or that growth is just a problem of capitalism that brings growth of bad types of things but if only we could have a rational planned or a more democratic economy, then we would produce and consume the nice things, and then there wouldn't be a problem with growth whatsoever.

So I always feel there is a need for saying something about 'less' too – slowing down, producing and consuming less. I don't know how to say it, but I think it should be there in our definitions, because I think if it's not there and degrowth is simply an 'opening up of alternatives' then we are missing something crucial. Yes, we should decolonise our imaginary from the capitalist ideology of growth, we all agree. But then what? But what about socialist growth or eco-socialist growth? I have good anarchist friends from the peer-to-peer or the commons community who somehow imagine that magically a decentralised production will increase production ad infinitum too, without using more and more materials, or more and more energy. I think it is crucial in our definitions to keep the idea that production and consumption should and will decrease, the question is how to redistribute this equally and make sure that everyone has access to a decent standard of living that is attainable with the resources that we currently have.

So the consensus we arrived at with Giacomo was this elephant-snail picture – we captured it graphically, degrowth is both about less and different, the two go together. Art lets us explain ourselves a little bit better. Degrowth is a snail, though I am not sure you can quote this in an academic paper. But yes, I agree, don't cite again the definition from our 2010 article with François Schneider and Joan Martínez Alier. Use another definition, such as the ones we provide in this book, for example.

**EC:** I guess it is most important to articulate that degrowth is against productivism, but it doesn't mean that all production will need to be downscaled. Basically, sure, some things will grow, good things will grow, but the growth of production should not be an end in itself. And I guess it would be hard to disagree with it.

**GK:** Another word that we agree is missing from our vocabulary is the 'state'. So the floor to Giacomo. Why do you think we miss it?

**GD:** First of all, different translations include some different keywords each. The community that translates the book decides which words are relevant in their country or they think that are missing. For instance, for the French edition, there are at least five new entries, including the one on the state. Second, the point of bringing the state into the discussion is to articulate the question of transformation – and not just transition – intervening not just locally, but on different scales. However, I would admit that the triad 'power, capital and state' – this is the most problematic issue that we have not dealt with adequately as a degrowth community. I don't mean that we should select one theory or one political position, because it's really an open discussion, how you define power, for example. But the debate is ongoing and questions like our understanding of the state and its transformation will be coming up in the community.

**AP:** Ok, Stefania, do you want to add something to this discussion?

**SB:** Yes, if I may, I would just take a couple of extra minutes to say something we've not discussed so far and that I think is important. In my opinion we should see this as pretty much a western vocabulary. We have to be aware that we are not the only ones who contest growth. Degrowth can be articulated in other languages and there are other words that may express very similar worldviews. One of them is, for example, 'buen vivir' – a concept from Latin America. Because otherwise we would reproduce this paradigm by which in order to be an environmentalist, in order to be concerned about ecology, you have to grow rich first, and then you will automatically develop a sense of the need for protecting the environment or whatever.



This is really a tale that we have been told repeatedly and that, of course, the whole environmental justice movement has contested, and I think it's important that we don't reproduce it in the degrowth debate. We have to be aware that we are not alone, that there are a lot of people who are contesting economic growth – for example, the indigenous and the peasant communities that have been negatively affected by development politics in different forms, by being dispossessed or impoverished or contaminated. Because what we need to have very clear is that growth is a zero-sum game and whenever growth is produced, someone somewhere else is impoverished and some ecosystem is destroyed etcetera. So I think we should really enlarge this vocabulary into a more transcultural vocabulary that allows for other ways of conceptualising degrowth without imposing the 'degrowth' word.

**GD:** Exactly, and actually in the book, the last session is devoted to keywords from other paradigms and other parts of the world, and 'buen vivir' is one of them. We call this section 'alliances'. We recognise that there are not only other languages, but other traditions that are even stronger than ours, so we want to create these alliances. One is with the 'economy of permanence', a Gandhian legacy. Then there is 'buen vivir' and 'feminist economics'. We recognise these examples of alliances are few, this is why we are open to new possibilities.

**SB:** Another point is this: in the perspective of the 'social limits to growth' what sustains the desire for growth in wealthy economies is precisely the dream of access to positional goods. I think this is only part of the story. The bigger part of the story, in my opinion, is that growth in affluent societies is made necessary – and thus socially, not just individually, desirable – via its association with employment and welfare, which surpass the relevance of positional consumption. This becomes even more clear in times of economic crisis. Growth is generally reputed as desirable at the social level, because it's associated with all the public goods that we as citizens of wealthy countries enjoy. This is why everybody wants economic growth, because they want employment, because without employment they don't have money to access basic needs, but they also want public services, which are related to the rate of economic growth in the country. When growth declines, public expenditure is cut down. So we need to tackle, and to break, this correlation of welfare and growth, and discuss how degrowth could bring the former.

**AP:** Very good comments. I'm sure they can be discussed much further, but let's open up this discussion for questions.\*

**QR:** As an eco-socialist, what we see today as the limit is capitalism itself. Isn't it the basic critique of capitalism that it doesn't provide growth any more? Maybe instead of trying to dig into degrowth as a principle, we should go into growth as such and contest the definition of growth, giving it a class analysis, a historical analysis and making a critique of that. Not to put the idea of growth away, but just as, for example, democracy, put class analysis of democracy and reclaim this notion. The concept of degrowth for me is very problematic because it goes together very much with the concept of austerity.

**GK:** We think growth is the problem. Capitalist growth is a problem, socialist growth or 'really existing socialist growth' was a problem too. Any conceivable imaginaries geared around the notion of growth are problematic. The minimum thesis of degrowth is precisely that we are not accepting growth under no circumstances, our minimum line, the 'declaracion de minimos' as the Indignadas movement would call its minimum demands.

Socialism or whatever anti-capitalist imaginary we create has to escape from the terms of the debate produced by capitalism. So growth, the imaginary of growth, is something that capitalism has produced, and we are caught into the same imaginary if we are framing the problem as just one of restriction of growth. We are arguing we should turn the debate completely on its head and say we do have enough, it just needs to be redistributed. And we've had enough for 50 or 60 years now. Galbraith wrote this back in the 50s. The US was already affluent, the problem was that resources were directed from public to private consumption. We have more than enough. The problem is that the 99% is excluded, but it's excluded in relative terms, not in absolute terms. The point is not to grow the pie so that the 99% is taking more. The pie that there is, give it to the 99%.

Now to austerity. I know there's the danger of the two discourses being mixed. There are friends from Germany that tell us the conservatives are using similar discourses to degrowth, and there are some scholars, who are on the line, they might talk about degrowth, but then also endorse conservative austerity discourses. We are definitely not in that camp, and there is a very fundamental difference. Arguments for austerity are always made in the name of growth. I've never heard a conservative politician making an argument for austerity that is not

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\* All questions were taken from the audience during the discussion, without a chance to engage with them within the session itself due to time constraints. Some of these questions were addressed by the participants afterwards, with responses appearing for the first time in the edited version of the roundtable.

in the name of growth. In Greece the neoliberal argument is that we consume more than we produce, which might sound similar to degrowth, but it is not, because degrowth is not saying that we consume more than we produce but that our consumption in the global north is destroying other parts of the world and the climate. The neoliberal discourse instead says decrease your (public) consumption so that you have more surplus and you can grow and produce more. This actually is the very same argument Malthus was making, this is the argument conservatives have always been making. Austerity is in line with the mindset of growth, that's why precisely we have to go outside of this mentality. If we say we need to produce more for the 99%, the neoliberals and the mainstream economists will tell you 'of course, we are with you, guys, so tighten your belt a little bit for the time being, so that your kids will have more'. That has always been the argument. If Merkel comes out and says, 'ok, we need to be austere because we don't want to create commodity frontiers in Africa, or emit too much carbon emissions', then ok, let's discuss then if degrowth has been co-opted by conservatives.

**SB:** I don't see that coming [laughs].

**GK:** I don't see that coming either, that's precisely my point. But if it comes, then let's discuss it as a real problem, otherwise now it is just a theoretical speculation. There is of course a real problem – that degrowth or seemingly degrowth discourses can be used to support conservative or xenophobic narratives. This is what we are trying to do by developing a vocabulary – formulating the degrowth discourse in an open, yet also a clear and limited way so that it doesn't allow intentional misunderstandings and this type of co-optation. This is precisely why I am concerned with trying to explore how to talk about limits without Malthus, how to talk about degrowth without talking about austerity. This is precisely what this vocabulary is all about.

**Q2:** In what ways can the concept of degrowth be translated into public policy?

**GD:** In the Spanish version of the book, there is a part with ten policy proposals that Giorgos wrote together with the Research and Degrowth group. These were published in 10-15 different newspapers around the world. For the Spanish version, we asked some politicians to comment on those policies, so we have a section on those policies and the discussion of politicians of these policies – well, not often a great discussion.

**EC:** Public policy in line with degrowth could potentially be implemented at both municipal and state levels. But particular contexts need to be taken into account and probably it would be hard to come up with a universal set of policies. For

example, proposals like work-sharing from the ten policy proposals Giacomo mentions might work for particular contexts, but, as I mentioned earlier, would not necessarily substantially improve work itself or add meaning to it. At the same time, proposals like basic income or shorter working week, also included into the ten proposals and discussed beyond degrowth too, can be appealing for quite a wide range of contexts, especially if these policies do not make us worse off. For example, so that basic income does not come as a substitute to welfare provisions. In general though, there is scope for much more discussion of degrowth in policy-making. In our degrowth group at Lund we found it tricky to discuss policies as for degrowthers they may seem to be not that ground-breaking, whilst for those involved in policy-making they would already sound too radical.

**Q3:** Do you conceive of a degrowth in an operationalisable way at the level of states, or is it something inherently transnational?

**GK:** Any serious transformation in a single country is limited by the fact that we live in a globalised world, and that a country which will dare to differ will be punished by fleeing capital, undermining its project at its genesis (witness Greece), unless it conforms to the basic dictates of capital (witness the Latin American pink revolution which continued the extractivist model and retained the position of these countries in the global division of labour). It is though much easier to say that transformation has to be transnational and internationalist than to actually think what it means or how to do it. We need to think better and more seriously and rigorously the different scales of a degrowth transition, we are indeed focusing too much on either the nation state or the local community.

**Q4:** Some marketeers and public relations houses make a very clear claim that you don't repeat the argument of your enemy at any time. So when you want to counter-spin something, you explicitly don't articulate the message that is out there so as not to end up advertising competitor inadvertently. Is it part of the discussion you've been having?

**GK:** We've discussed this a lot as a group in Barcelona, we read Lakoff's *Don't think of an elephant!* and all the rest. The sense of the group is that we should stick to what we believe is the truth, and name the truth with its name, rather than try to spin things around. We want to appeal to the common senses of people and awaken dormant common senses, but we don't want to 'counterspin' anything. We don't like the term 'marketing' degrowth. Many of us have been involved in the past with environmental NGOs who have tried to 'market' environmentally responsible behaviour and have failed utterly. We are also not totally convinced that naming the enemy backfires. Marx, after all, called his book

... *Capital*. Finally, we have to remember that the purpose of degrowth was always subversive – ‘de’ subverts growth and calls into question the desire for growth, in a way that no other ‘positive’ (sic) alternative would ever do. The ‘de’ also is a useful reminder to friends who dream now of a communist (or anarchist) luxury, based on digital fabricators and peer-to-peer commons, that they forget that they too will have to fuel and feed these fabricators with materials. Where will these materials come from and at whose cost? Degrowth signals that communal luxury will be a luxury of less, a luxury of what Latouche called ‘frugal abundance’.

**Q5:** Can seven billion people understand that they have to consume less, they have to want less?

**GK:** We believe the great majority of people can understand it, but either cannot act on their understanding given structural constraints (this holds for ourselves too), or do not want to act because they are in a position of privilege and fear change. At the same time, a lot of initiatives in line with degrowth are already happening.

**Q6:** Who is the subject of degrowth and what is he or she like?

**GD:** This is very interesting, the political or anthropological subject of degrowth. And this is one of those problematic themes that we as editors avoided engaging as much as we should have had in the book.

**EC:** I agree this is a very important question to address. Being reminded the other day of Fromm’s *To have or to be?*, I thought degrowth can learn from him. The subject of degrowth would be someone living in the mode of being. It is important to switch to a non-consumerist life and not to see ourselves through what we ‘have’, which I think is very much implied in degrowth discussions. However, Fromm’s mode of being goes beyond this as the mode of having is not only about consumption, but goes into the way we relate to other people, approach friendship, love, the way we communicate. So even if we are not consumerist, but this having mode in other forms still shapes who we are, it would probably not take us that far from the way we live now.

**Q7:** Discussion of ecological footprint – to me it’s Malthusian. How can we talk about ecological footprint without Malthus?

**GK:** The ecological footprint is just – an imperfect – measure of how much land is needed to sustain your current pattern of consumption. It is not Malthusian or anti-Malthusian. It may be framed in a Malthusian way if one argues that we are running out of ecological space for our footprint and that this is because the poor

are having too many kids or consume too much, and that therefore we should remove all poor relief and welfare support. This is what Malthus argued, but I don't see anyone in the degrowth community arguing anything remotely similar. What we are arguing is that the material and carbon footprint of wealthy nations has kept increasing hand in hand with economic growth and at the expense of the ecological space of the rest of the world. The footprint frame lets us see the hidden flows of materials and energy from other parts of the world that support our lifestyles and which are disguised in domestic statistics that give a false impression of 'decoupling' between growth and resource use.

**Q8:** One of the starting points in degrowth debate is the myth of decoupling. Looking on the figures on international energy, now there is evidence of absolute decoupling.

**GK:** In 2015 global GDP increased and carbon emissions declined. But this happened 10 times more in the past 40 years, this is not the first time carbon emissions decline while global GDP grows. True, the other times this happened there were regional crises (e.g. the collapse of the Soviet Union, etc), and while global GDP grew emissions in some parts of the world fell dramatically. But are we sure that the decline this year is not because of the lingering effects of recession and anemic growth rates in many parts of the world?

Note also that it would be crazy if as degrowthers we argued that GDP can never decouple from carbon emissions. If carbon emissions are to get down to zero by 2100, which they should if we are to avoid catastrophic climate change, then there must be decoupling, unless someone argues that the economy also should cease to produce anything. We are not arguing this, and we of course allow for the replacement of fossil fuels with alternative forms of energy as well as for improvements in the efficiency with which we use energy. All we are saying is that reducing carbon emissions will be much easier with less economic production than with more. And that renewables can only support a smaller rather than a larger economy.

**Q9:** Do politicians actually want growth or do they want something else? Isn't it more about political power rather than economic growth?

**GK:** The politicians who represent the elites want first and foremost to secure and protect the profits and positions of the privileged. This is easier with growth than without. Having failed that, and in the absence of growth, austerity is the best option for them, squeezing out more for the rich from the diminishing pie. Their hope is that growth will recover soon with austerity, since they know that

with austerity alone, social conditions will sooner or later explode. It is important to expose the logic of power and who is in charge, yes.

**EC:** It's probably about both political power and economic growth. We can say economic growth is pushed by the elites and groups with power, as well as politicians representing them, but it is also so embedded into the institutions of the society that if politicians sympathetic to degrowth happen to come to power, it may be not enough to change institutions framed by the discourse of economic growth.

**Q10:** Degrowth should challenge not only growth, but also related issues like money and free trade agreements.

**GK:** Yes, and many other things too – patriarchy, colonialism, property institutions, the credit system, etc. We just think growth is a focal point for thinking and rethinking how to challenge other forms and expressions of injustice and domination.

**AP:** I agree. Both money and free trade are abstractions that obscure the exploitative relations between capital and labour, and also between capital and nature. This has been discussed extensively in Marxist literature, so I won't go into it here. But growth is also an abstraction and it cannot be observed or studied ethnographically, although it has material manifestations and implications that can be scrutinised. So money and growth are similar, in a sense they are unintended consequences of purposeful actions. For example, when we use money, we inadvertently reproduce money as an economic and social institution. Growth follows the same logic. The more we buy and sell things and services to each other for money, the larger the economy becomes and the more growth rates increase. But growth is then actually an unintended consequence of everyday actions. The problem is that this unintended consequence has been elevated to an overarching political objective, while the social and ecological problems associated with it have been marginalised. Unlike money, where the social costs of creating more money is widely accepted (in terms of increased inflation), and where more debt is known to reproduce social hierarchies and class divisions, the social and ecological costs of increasing growth rates are still very much obscured by the abstraction that growth is. Even though money and free trade are crucial to criticise, and have been so for decades, growth has received far less attention, despite involving huge social and ecological costs.

**Q11:** There tends to be a linear perception of time in degrowth, unlike, for example, in *buen vivir*. Have you reflected on this?

**GK:** It is a valid criticism that degrowth is stuck to the modernist and Western perception of a linear time. As I have argued elsewhere though (in my article 'The utopianism of degrowth' with Hug March) the spatio-temporal dialectics of degrowth are interesting. The idea is that we take seeds from the past to produce the future now. Think, for example, of urban gardens. These are a commons. Commons is an idea coming from the pre-capitalist past. But at the same time when we are working on an urban garden in common we are prefiguring a different future, now and in a concrete space. The linear evolution of time where the future follows the past and is an improvement of it, somewhat breaks down in this way. I don't think it becomes a circle though, and maybe that's fine.

**Q12:** Is there a dialogue between degrowth and alternatives to mainstream development notions? Is growth needed for the developing world?

**GK:** What we say is that growth is unsustainable and that there are alternatives, and that we should struggle to make them flourish. In the global south (to make an awful overgeneralisation), the point is to give the opportunity to indigenous alternatives to flourish. Degrowth in the global north, both in the material sense of using less materials and energy, and in the imaginary sense of decolonising the dominant imaginary from growth, only stands to make this more possible. Relational living and transformational agro-ecology are forms of degrowth. They do not fit a growth economy or growth mentality. We are far from closing opportunities of dialogue between degrowth and alternative cosmovisions from other parts of the world that challenge the idea of a one-way future consisting only of growth. The last part of our book on alliances was devoted to such alternatives (though it was admittedly short).

**GD:** Of course what we're arguing is not degrowth for people in other parts of the world. This is very basic for me. I would say, once we have already won the battle, all the people should be able to satisfy their very basic needs. So we will mobilise all the resources necessary to do that. But then I don't think we should fall down on this idea of selective growth – i.e. what or who has to grow selectively – I think this is very problematic. The idea is global environmental justice, that is the point.

**A comment from the audience:** The whole debate on degrowth to my mind would profit from being more on the offensive in terms of framing itself as a movement for global justice, because that's what it's eventually about. To me it's of course an ecological question – we can't consume as many resources as we consume – but the reason why we can't do that is that 80% of humanity can't. I want everyone to be able to enjoy the same things, and I cannot justify doing things that are not available to everyone. And that I think should be at least one



of the core motivations. I think it would make sense to make these social elements stronger, because it's also a strong argument in response to claims that degrowth is not looking, for example, at the class question. We are and we are doing it at a global level.

**GK:** Good point. Indeed, this is the way we should be framing degrowth.

**AP:** Ok, thank you all for coming and for an interesting discussion.

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# The post-growth economy needs a degrowth vocabulary!

Ekaterina Chertkovskaya

## review of

D'Alisa, G., F. Demaria and G. Kallis (2015) *Degrowth: A vocabulary for a new era*. London: Routledge. (PB, pp. 220, £24.99, ISBN 9781138000773)

Unless we realize that the present market society, structured around the brutally competitive imperative of 'grow or die', is a thoroughly impersonal, self-operating mechanism, we will falsely tend to blame technology as such or population growth as such for environmental [and social] problems. We will ignore their root causes, such as trade for profit, industrial expansion, and the identification of 'progress' with corporate self-interest. In short, we will tend to focus on the symptoms of a grim social pathology rather than on the pathology itself, and our efforts will be directed toward limited goals whose attainment is more cosmetic than curative.

Murray Bookchin (2005/1993: 463)

## Introduction

The so-called developed economies have been facing low growth rates for quite some time now. The previously 'emerging' giants such as the BRICS countries are also not sky-rocketing anymore. Though economists and politicians are still on a quest for magic strategies that would boost economic growth, it is likely that we are entering a post-growth era. 'What would a post-growth economy look like?' is one of the overarching questions of this special issue and indeed a very timely one. *Degrowth: A vocabulary for a new era* indicates a promising direction

that can be strengthened by building alliances with critical schools of thought, as I will argue in this review.

Within academic discussion, several terms have been used to highlight potential directions for the new era, such as steady state, circular or green economies. However, all of them run the risk that life in post-growth societies will still be geared towards growth. This is exactly what degrowth avoids, despite the critiques that the term keeps facing. It unequivocally stresses that (the mindless striving for) economic growth is itself a problem and urges the societies to move away from the imaginaries of growth. Degrowth highlights that growth is not only not occurring, but is also undesirable, coming at high costs. It may be broadly described as an umbrella term for critiques of the centrality of economic growth in our societies, as well as for alternatives to organising them in socially just and ecologically sustainable ways [see also the ‘Introduction’<sup>1</sup>].

Degrowth critiques economic growth as a core economic and societal objective, as well as productivism and consumerism that drive it, stressing three key problems with this state of things. First, economic growth comes with ecological degradation while the possibility of decoupling is a myth. Second, social injustices are inherent to a system organised around growth, with exploitation of the Global South by the Global North being an important pillar of the current economic system. Finally, whilst growth does not necessarily bring good life even to the more privileged people in the society, there is an imperative for everyone’s lives and subjectivities to work for the economy. Degrowthers argue for organising societies in a way that would allow for multiple ways of being within the overarching goals of social justice, ecological sustainability and human flourishing.

## Bringing idea(l)s to life

Critiques of growth started appearing already in the 1970s (e.g. Meadows et al., 1972), which is also when the term ‘décroissance’ (French for ‘degrowth’) was coined by André Gorz. However, it is after the turn of the millennium that degrowth gained a momentum in international academic and activist circles. Today, degrowth is a burgeoning multidisciplinary research area and arguably a social movement too (Demaria et al., 2013). In particular, the discussions among ecological economists at the Research & Degrowth group in Barcelona were brought to the field of Ecological Economics and then the world via international

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1 This refers to the introduction of the book, titled ‘Introduction: degrowth’. In addition, numbers in square brackets (e.g. [7]) in this review refer to entries in the book (rather than pages).

biennial conferences on degrowth, which have been held since 2008. The present book is also largely the fruit of these discussions.

*Degrowth: A vocabulary for a new era* is the first collection of key debates around degrowth. It has already been translated into ten languages, with all the translations becoming open access one to two years after publication. The audio version of the book, also openly available, is underway as well<sup>2</sup>. With contributions written by more than 50 people from around the world, the *Degrowth vocabulary* is truly a collective effort. The book consists of a preface, an introduction and an epilogue by the editors, and 51 short entries, included into one of the four parts – ‘Lines of thought’, ‘The core’, ‘The action’ and ‘Alliances’. Each entry provides an overview of a particular theme discussed by degrowthers, with suggestions for further readings. The exploration of the book, and degrowth, can start from any of these entries, in an order that fits the reader’s interests. Notably, translations of the book often have additional entries, which communities translating the book have found necessary to include for the context in focus.

The *Degrowth vocabulary* is by no means complete or representing the definitive position on the covered themes. Instead, it articulates key stances of degrowth and provides an important stepping stone for further discussion. The incompatibility of degrowth and capitalism, to which growth is central, is one such stance [see the ‘Introduction’ and 10], which has become more explicit in degrowth debates since the publication of the book. The very structure of the *Degrowth vocabulary* and the way degrowth is presented imply non-dogmatism and openness to dialogue and cooperation. For example, there are figures that have been particularly influential for degrowthers, such as André Gorz, Nicholas Georgescu-Roegen or Serge Latouche, but the contributions to the book draw on a much wider spectrum of thought. The section on ‘Alliances’ positions degrowth as not the only way of seeing the world and demonstrates willingness to have a dialogue with other ideas and groups who engage in similar or related struggles. Critiques of degrowth, unsurprisingly, are also present in the book [e.g. 48, 50].

It seems that the practices surrounding the creation of *Degrowth vocabulary* reveal an effort to align academic practice with the idea(l)s of degrowth, despite severe structural constraints of neoliberal academia. This is to be appreciated in a world where our (academic) lives are often part and parcel of issues we critique and try to challenge.

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2 Most of the content is already available here: <https://degrowthaudiobook.wordpress.com>.

## Where to now?

Degrowth is sometimes interpreted as a call back to pre-industrial and ‘primitive’ ways of living, which is, of course, a gross misconception that is vividly dismantled in the book. The *Degrowth vocabulary* positions degrowth as offering a variety of contemporary ways of living, which may be inspired by some practices of the past, but by no means idealise them or are confined to them. Small-scale organising and particularly that which is close to the land – such as back-to-the-landers [31], eco-communities [38] and urban gardens [46] – is an important part of degrowth. At the same time, communities not necessarily tied to physical spaces, such as digital commons [36], are also part of the degrowth imaginary. The two are often connected, too, with back-to-the-landers, for example, being among the first to start extensively using digital commons [36]. Cooperatives [34] and commons [14] seem to be the desirable forms of degrowth organising. Notably, organisations close to degrowth thinking already exist and manage to sustain themselves even in crisis-stricken contexts such as Greece (see Chatzidakis, 2013; Kokkinidis, 2015).

Small scale and local level alternatives are the most common examples of organising in tune with degrowth, but the *Degrowth vocabulary* shows that the opportunities are wider and richer, even if still marginal and harder to implement. Degrowth is presented as a bottom-up movement, but action prefiguring sustainable degrowth is shown to be possible at different levels, including in the domains of municipal and state-driven public policy. Proposals such as basic income [32], public money [41] or alternatives to GDP [22] require participation of the state. Though it is clear how challenging it is to have any such propositions implemented in growth-centric public institutions, degrowthers do not shy away from trying to enter this terrain and do not give up the idea of radically transforming it.

Now that the *Degrowth vocabulary* has laid the foundations of degrowth research, what comes next? First, there is scope for further nuanced work building on what is already in the book, and it is the task for us as researchers to take it up. For example, as someone who has been researching work, I find the ideas related to work presented in the book [e.g. 40, 47] helpful and thought-provoking, but not always convincing and deserving more theoretically informed discussion of the concept of work itself (see Chertkovskaya and Stoborod, forthcoming). Second, there is space for bringing more themes into the debate. Who is the subject of degrowth? What would consumption look like in a degrowth society? How does degrowth view technology? What do degrowthers make of the state? How would trade/exchange systems be organised? How will energy be provided? We can infer some directions from the book and some of these issues have been

addressed more since the book's publication, but there is a lot more scope for discussion. For it to be fruitful, a close dialogue is needed with the major critical schools of thought.

### **Leftists of the world, unite!**

Degrowth is an open and living research area, but, unsurprisingly, it is not a social theory in itself. Anarchism, feminism, Marxism and postcolonial theory are such theories with decades or even centuries of history, which continue scrutinising contemporary issues in theoretically advanced ways. This theoretical strength is often not some useless exercise in intellectual argumentation, but provides frameworks for informed and thought-through actions. Indeed, these schools of thought offer not only elaborate theoretical insights, but have been able to mobilise people across the globe in struggles for justice. Degrowth, being already positioned on the left, has been inspired by these perspectives, as the *Degrowth vocabulary* demonstrates.

Degrowth ideals of organising communities, cooperatives and commons, as described in the book, are often in line with anarchist principles of autonomy, non-hierarchy, self-organisation and direct democracy. The *Degrowth vocabulary* draws extensively on Marxism, whether when discussing societal metabolism [6], commodity frontiers [13] or capitalism [10]. Care [11] – one of the central concepts and the most frequently appearing words in the book – stems from feminist thought. Anarcho-feminist stances also inform the degrowthers' position on population growth, which is by no means Malthusian, being for voluntary and 'conscious procreation' and against any top-down population policies [27]. Postcolonial thought seems to be less central to the book, highlighting the northern and European location of most degrowth debates, but it undoubtedly informs related concepts. However, there is much more scope for integrating each of these four critical theories into the degrowth agenda, especially if degrowth positions itself as a movement for global justice (see Chertkovskaya et al., this issue). So postcolonial theory, Marxism, feminism and anarchism – these should be the key lines of thought and allies for degrowth.

The left, however, needs degrowth as well (Kallis, 2015). Degrowth brings together the inseparable issues of social justice, ecological sustainability and human flourishing. It also hugely benefits from being informed by environmental and natural sciences. In other words, as the *Degrowth vocabulary* demonstrates, degrowth engages an impressive combination of, to put it roughly, quantitative and qualitative scholarly work, covering both conceptual and concrete issues. This is exactly what is needed to make it possible for seemingly

utopian ideals to become feasible. Unfortunately, each of the four above-mentioned theoretical traditions has a tendency to get stuck onto itself in attempts to demonstrate how a particular position is more central, important or accurate than others, reproducing a well-rehearsed way of thinking. However, with the problems and injustices our one world (Badiou, 2008) is facing, there is no time or space for divisions and competition between essentially compatible worldviews. Degrowth provides a platform for dialogue and an opportunity to think and act together, without losing ourselves and the issues we think are core. So leftists of the world, unite!

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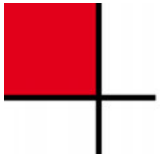
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# The economy of enough: A viable plan for a sustainable future?

Alexander Paulsson

## review of

Dietz, R. and D. O'Neill (2013) *Enough is enough: Building a sustainable economy in a world of finite resources*. Oxon: Earthscan and Routledge. (HB pp. 256, £65.00, ISBN13 978-0-415-82093-6; PB pp. 240, £12.99, ISBN13 978-0-415-82095-0)

## Introduction

In March 2016, the International Energy Agency (IEA) reported that carbon dioxide emissions during the last two years had leveled out. While the global amount of man-made greenhouse gas emissions stayed flat, global GDP had continued to grow. Absolute decoupling had finally occurred, the IEA proclaimed, a development desired by many proponents of green growth. Only four times in the history of IEA's measuring of CO<sub>2</sub>-emissions had emissions stayed flat or dropped compared to the previous year. This happened in the early 1980s, 1992 and 2009, which were periods marked by global economic stagnation.

The IEA (2016) wrote in their press release that during 2014 and 2015, economic growth had increased while CO<sub>2</sub> emissions had not. To support this claim, the IEA refer to figures from the International Monetary Fund, showing that global Real GDP grew by 3.4% in 2014 and 3.1% in 2015. By going back only a few years, e.g. to the immediate aftermath of the financial crisis in 2009, it is evident that global growth rates have declined, both in advanced economies as well as in

emerging market and developing economies. As ever so often, however, the priests and overlords of what is termed the economy, predict that the future will be brighter and that the global economy will start growing again. Predictions by the IMF, for example, suggest that the global economy will reach 4% Real GDP growth around 2019-2020. But there are good reasons to question these figures.

Both China and the United States, the two largest CO<sub>2</sub> emitters, have struggled with declining rates of Real GDP growth. While China's growth rate is heading down towards 6%, from previous figures of approximately 10%, the United States' rate is hardly, if at all, growing. Its Real GDP is on a fairly low level of around 2.5-3%. In both of these countries, a decline in energy-related CO<sub>2</sub>-emissions was registered in 2015. This suggests that the amount of CO<sub>2</sub>-emissions is coupled to the rate of Real GDP growth, after all.

It is easy to get stuck quibbling figures and numbers. Though these are important, the most acute problem with growth is not only that it leads to emissions of carbon dioxide but also that it involves consumption of large amounts of other non-renewable raw materials. So even if the global energy usage would switch from high-carbon options like coal and fossil to low-carbon options, such as solar panels, hydro or wind power, the current level of global material throughput would still lead to the depletion of ecosystems, disruption of natural habitats for animals and plants, as well as produce enormous amounts of waste. This list of environmental degradation could be much longer. Turning to the social ramifications of economic growth, huge inequalities remain a reality, with billions of people living in poverty, despite decades of growth. Though the figures and numbers are important here, it is the processes behind these that are the most significant for understanding the ecological and social problems associated with economic growth. Under which conditions is growth produced, reproduced and how is surplus reinvested?

## Enough

*Enough is enough* by Rob Dietz and Dan O'Neill, is a good starting point for those who wish to find the answers to these questions and to examine the absurd claim that perpetual growth is both desirable and possible, whether green or not. The authors acknowledge that they are both admirers of the ecological economist Herman Daly and supporters of his notion of a steady state economy. They also acknowledge that Daly already has offered insightful critiques of economic growth as an idea and practice, as well as outlined how an alternative steady-state economy could be organized. However, Dietz and O'Neill highlight that more specific policy proposals and transition strategies are lacking. This book is the

response to this gap. Throughout the book, chapter-by-chapter, they seek to show how a steady-state economy could become a reality. In the first part, they discuss *why* perpetual growth is impossible and *why* change is much needed. Here they run through the figures and numbers supporting this, while also introducing the basics of steady state economics. This is lucid and very helpful for novices.

There are three items that must be kept stationary in a steady state economy: the number of people, the stock of artifacts (built capital), as well as the quantity of material and energy flowing through the economy. In addition to these quantitative items, there are four more qualitative features of a steady state economy that also must be taken into account, namely: sustainable scale, fair distribution, efficient allocation, and high quality of life. Without going into the details, as these features are worthy of book length discussions on their own, the number of people is obviously the most contentious of the items to be kept steady.

## Peak child

Hans Rosling, the Swedish professor in Public Health, has argued that there is no need to worry about overpopulation. As the world's poor get better off, they tend to give birth to fewer children. Fertility is declining as wealth increases. This means that the world's population will eventually level out. In many western countries, there is even a fear that the population as a whole is getting older and possibly also shrinking. Rosling introduced the concept of 'peak child' in a TED Talk in 2012 to capture this and sell it more broadly outside academia (Rosling, 2012).

Dietz and O'Neill do not mention this equilibrium hypothesis proposed by Rosling, nor do they mention the fact that 10% of the world's population accounted for 40 percent of all CO<sub>2</sub>-emissions between 1998 and 2013 (Chancel and Piketty, 2015). These 10% are distributed on all continents, with a third residing in the so-called emerging and developing economies. At the same time, half the world's population accounted for only 13 percent of all CO<sub>2</sub>-emissions during the same time period. So, while CO<sub>2</sub>-emissions are unevenly distributed within countries, those affected the most account for the smallest environmental impact.

Together, these two observations suggest that population per se is not a crucial issue, but rather the consumption behavior within a fairly small group of super-wealthy people who see the world as their playground and its resources to be at

their disposal. Brand and Wissem (2012) have termed this lifestyle ‘the imperial mode of living’. While these observations strengthen the argument that ecological and economical issues are tightly interconnected, Dietz and O’Neill tend to gloss over the issue of *who* emits the greenhouse gases and *whom* this affects the most. To argue that population growth per se is an ecological issue is to put up a huge smokescreen to cover up the massive inequalities behind the current ecological and economic crises.

## Limits

Criticism of growth can take many forms. However, most of them can be boiled down to two broad categories, and Dietz and O’Neill touch upon both of them. First, criticism can begin from a quantitative understanding of the value of ecosystem services and the scarcity of natural resources. Because of the limited amount of non-renewable resources, the consumption of them must be reduced or even capped, in order to cut down CO<sub>2</sub>-emissions and to save resources for future generations. Second, criticism can start from a qualitative understanding of happiness, well-being and a healthy planet. Perpetual growth does not lead to greater happiness or well-being, as has been suggested by the well-known and hotly debated Easterlin Paradox (Easterlin, 1974), and it certainly does not improve the conditions for plants, animals and earth as a whole to survive and flourish in the long run.

Regardless of where you start, either in the quantitative or qualitative understanding, you end up in the same argument: consumption must be reduced and behavior changed. To put it bluntly, consumption today is not about survival; it’s about status. This makes consumption unsustainable for a number of reasons, most notably because it propels material throughout and thus increases waste production, and also because it apparently does not make us happier. For these and other reasons, a reduction in consumption is portrayed as a way to solve the ecological problems associated with economic growth. This is a view that proponents of steady state economics share with many advocates of degrowth. While Dietz and O’Neill do not discuss the similarities and differences between the two schools of growth-critique, D’Alisa et al. (2015) try to show the differences by arguing that steady state economics involves less of the same, while degrowth is ‘simply different’. Unfortunately this distinction is not very helpful, as much degrowth scholarship is just a cluster of loosely grouped ideas. What makes them different from other schools of thought is as ambiguous as the question about what principle is grouping the ideas together.

Yet, both steady state economics and degrowth agree that capping consumption is one way to tackle the ecological problems associated with economic growth. But if consumer behaviors change, then demand changes too, as well as what is seen as scarce. So, whether a resource is seen as scarce or not is contingent on the dominant cultural values in a given society. Steady-state economics come across as being rooted in the idea that scarcity depends on the limits of nature, not on the limits of our cultural imagination. This difference is crucial. For as far as policy change goes, it is easier to change our cultural values than the limits of nature. Either change must start through a quantitative understanding of the limits of nature (i.e. adopting a neo-Malthusian perspective and trying to distribute resources fairly by capping both consumption and population growth), or by criticizing the hegemonic cultural ideology that places scarcity in the limits of nature, not in our cultural imagination

Instead of capping consumption, perhaps much more focus should be placed on changing it? Dietz and O'Neill do criticize consumerism. Yet, they see critique of consumerism mostly as a way to energize the transition to a steady-state economy. A relevant question not touched upon by Dietz and O'Neill is *who* should change their consumption behaviors. If the small minority of 10% of the world's population who account for 40% of CO<sub>2</sub>-emissions changed their consumption behaviors, CO<sub>2</sub>-emissions would decrease, following Chancel and Piketty (2015). Or, should we *all* change our behaviors, for example by introducing individual quotas which then could be bought and sold?

## Capitalism

Dietz and O'Neill also discuss the current horrendous economic inequalities across the globe and suggest two ways of dealing with this. Either reduce income differences, e.g. by maximum pay differentials and basic income schemes, or implement redistributive taxes. Either of these would be possible without growth. As is often the case with work that seeks to cover a broader issue, the details and nuances are sacrificed for the sake of developing a clear argument.

What is not discussed, though, is whether a steady-state economy sits nicely besides capitalism, or allies with anti-capitalist ideologies such as Marxism, or even indigenous epistemologies. Although steady-state economics questions many of the fundamentals of capitalism (e.g. private ownership, for-profit corporations as well as shareholder power), less is said about its political undercurrent. Without an explicit political stance, steady-state economics run the risk of becoming a theoretically elaborated roadmap lacking an agent of change. If steady state economics were to be paired with a solid political analysis of socio-

economic processes, including commodification, the reproduction of social inequalities and labor processes, it would be very well equipped to single out an agent of change, rather than simply alluding to the general public's consciousness.

## Conclusion

Dietz and O'Neill have written a thoughtful and lucid book with a simple structure in a crisp and clear language. The fact that each chapter begins with a little story that follows through to the end makes it easy to read, and is also a clever way to get their message across. In its accessible and forthright style, the book is similar to another modern classic in steady state economics, namely *Shoveling fuel for a runaway train* by Brian Czech, published in 2002. Dietz and O'Neill's book is less personal in style and more of a hands-on manual compared to Czech's (2002). But the style should nonetheless make it accessible both to the laymen as well as to the people working in the higher echelons of policy making.

The book also helps debunking triumphalist statements like the one by the International Energy Agency, noted in the introduction of this review, which stated that GDP growth had decoupled from CO<sub>2</sub>-emissions during 2014 and 2015. Dietz and O'Neill's book shows that decoupling in the form of green or sustainable growth is not only highly implausible, it also shows that such growth, should it materialize over a longer time period, neither implies social equality nor the safeguarding of the planet's biodiversity and life-sustaining ecosystems. Business as usual cannot continue and this book shows the trajectory that any business must embark upon.

So who should then read this book? Everyone, I'd say! Since the book turns many commonly accepted ideas upside down, it is a must read for everyone with an interest in creating a sustainably just world. As everyone should be interested in this, I recommend this book to everyone.

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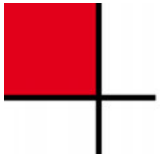
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# Handbook of entrepreneurship and sustainable development

Annika Skoglund

## review of

Kyrö, P. (2015) *Handbook of entrepreneurship and sustainable development*. Cheltenham: Edward Elgar. (PB, pp viii + 427, \$225, ISBN 978-1-84980-823-1)

Entrepreneurship studies is advancing with the increased belief in the possibility of improving society and the environment via a reformation of entrepreneurship. *The handbook of entrepreneurship and sustainable development* follows up on this quest of merging the economic, the social and the environmental into one all-embracing unit of positive outcomes. In this review, I will first give a broad overview and brief comparisons of how the various authors turn to new forms of entrepreneurship, and conclude with a critical reading of the book's implicit and explicit promises of betterments of the world.

The handbook generally criticizes the exploitation and environmental degradation conventional entrepreneurship has left us dependent upon, where after the authors launch new forms of entrepreneurship as improved alternatives to an errant past. Social, green and sustainable entrepreneurship, which have flourished since 2008, are presented in the book not only as solutions to rectifying wrongdoings in progress, but also as a means to facilitate a general governing of populations for an optimization of the biospheric vitality. The reader is offered a consensus about the unfortunate fact that entrepreneurship has been disregarded within developing contexts, whereby the book reforms entrepreneurship into a transferable sustainable development programme to be



disseminated to reach beyond territorial borders. First and foremost, the book is thus a relevant read for scholars who are interested in broadening the normative perspectives on entrepreneurship, especially when it comes to how enterprising activities can coalesce with other political targets.

The editor, Paula Kyrö, pedagogically introduces the reader to the book by emphasising that the social sciences produce reality. She continues in chapter one to ask the pressing question: ‘To grow or not to grow?’ [3]. Her ambition is to produce a new agenda for economy and welfare by unearthing the historic separation of Nature and the human being in different economic schools of thought. Whilst entrepreneurship became human-centred, Nature was left to ecological economics. The separation between human and Nature left a wound the book now seeks to heal, by taking both the human being and Nature into consideration for an advancement of entrepreneurship within sustainable development. All chapters in the book engage the reader in this healing process and successfully fulfil the ambitions introduced in the introduction.

The book consequently repositions entrepreneurship as ‘a strong belief in human agency’ [147] by merging it with an advancement of Western development agendas, to make ‘the world a better place for everyone’ [363] through entrepreneurs with a ‘desire for helping others’ [203]. This wedding of humanistic ideals with entrepreneurship is never problematized. Rather, it is repeatedly stressed that new forms of entrepreneurship can function as a way to create change, govern others more effectively, implement democratization as well as commercialization processes, and sustain better ways of living in the long run. Tellingly for this sort of agenda setting, a majority of the authors who further the entrepreneurship-sustainable development agenda hold positions in Europe. With one exception, the remaining authors are in Anglo-Saxon countries. Only three out of 45 are not scholars in business/management/economics, which makes the contributions highly aligned with enterprising-oriented trajectories.

With hopeful articulations, the authors promote key notions linked to the promise of a resurrected entrepreneurship, such as ecological community, socio-ecological value, poverty alleviation, transformative power, emancipation, market participation, individual value creation, relations of exchange, opportunity recognition, market-driven capabilities, emotional involvement, competitive landscape, entry strategies, niche exploitation, capitalization on innovations, cultural capital and worldmaking. Their versions of the visionary individuals who are best equipped to fulfil these promises are: ecopreneurs, social entrepreneurs, policy entrepreneurs, rural entrepreneurs, institutional brokers, radical entrepreneurs and organic farmers, to mention a few. Furthermore, chapter eight draws on Zahra’s typology of social entrepreneurs and advances definitions

of the sustainable bricoleur, constructionist and engineer [209-215]. The reader will on a few occasions also encounter more surprising notions such as witchcraft, moon house and savoir-faire. This enumeration clarifies the number of different notions and approaches that currently attempt to take on the new challenges that arise for entrepreneurship within sustainable development. And the different chapters do complement each other when it comes to how these challenges are met differently in developed and so-called underdeveloped contexts.

Chapter two is specifically helpful in pinning down that the type of normative goal is what differentiates conventional entrepreneurship from sustainable entrepreneurship. If conventional entrepreneurship desires economic profit, sustainable entrepreneurship desires value creation in relation to the triple bottom line. According to the distinctions made in the book, sustainable entrepreneurship balances between social, ecological and economic goals, whilst environmental entrepreneurship focuses on ecological and economic goals, and social entrepreneurship emphasizes social and economic goals [53]. However, this categorization of the two latter types of entrepreneurship is also problematized in other chapters [e.g. see 212]. Social entrepreneurship may, for example, be less about economic goals than ecopreneurship. Ecopreneurship can even be more like sustainable entrepreneurship [e.g. see 260], or include a stronger focus on social aspects, as when it seeks to improve both environmental and human health at the same time [e.g. see p. 287]. The difference between CSR (Corporate Social Responsibility) and social entrepreneurship is also clarified by illustrations of a continuum of profit-seeking and social-value creation [182]. Even if there is a repeated ambition to define the various forms of entrepreneurship, and often in relation to each other, the reader is in summary provided with detailed and interesting cases that illustrate and problematize the heterogeneity of 'alternative entrepreneurs' – a concept developed elsewhere (Berglund et al., 2014). What is missing from these definitional exercises, however, is a critical engagement with the difficulties of merging the social and environmental with the economic into one all-embracing unit of positive outcomes.

Broaching the methods applied, several authors stress the current lack of both process perspectives and case studies, which is why analytical focus is often given to practices undertaken by entrepreneurs. Chapter three stresses a 'social ontology of becoming' and analyses ethnographic material provided by a colleague [81]. There is also a development of more psychological perspectives in order to learn about the motivations and intentions inside the heads of the new characters, i.e. entrepreneurs, which we are told we are dependent upon for an advancement of sustainable development. The last section of the book analyses

commercialization processes within renewable energy, where chapter 13 delves into the agency-structure problematic to emphasize more non-linear happenings. An ethnography in chapter 14 stands out with analytical focus on micro-aesthetic acts, argued to be transformative of the ecosystem. The handbook is thus useful for academics who wish to challenge their own work practices, and maybe advance entrepreneurship studies by more updated research approaches.

There is much to learn from the rich anthology and the different angles on entrepreneurship. The reader is informed that entrepreneurship could take the limits of Earth's resources into consideration, at the same time as renewable energy is defined as an unlimited resource [301], alas, taken for granted as sustainable and environmentally friendly to commercialize. By extension, the overall impression of the book is that the world already is moving towards sustainable acts [230], and thus we now need to calibrate according to which type of entrepreneur suits different types of sustainability challenges [227]. Several chapters call for more research if we wish to understand how to create co-evolution for a more prosperous merge of top-down and bottom-up approaches. They also interrogate how we can acquire more knowledge about the interplay of entrepreneurial actions and institutional structures. The normative quests are sometimes met by well-needed critical reflection, for example questions about avoidance of 'heroic accounts of voluntaristic actions' [335].

The traditional liberal discrepancy between radical entrepreneurs and bureaucracy is repeated, based on the cases provided in the later chapters on commercialization of renewable energy. In these long-term innovation projects on renewables, the reader is implicitly told that policymakers are resisting radical innovations, whereby the entrepreneur is determined to become a dysfunctional unit due to the polarized positions: one for the radical entrepreneur and one for those who seek to implement linear commercialization processes. According to the book, the strong requests for adaptation to bureaucratic systems do not open up for dynamism, but rather close off any attempts for the radical entrepreneur to act flexibly. At the same time as entrepreneurs are supposed to be sources of structural change, they are positioned in quite stable (social) systems [322]. Smaller firms are, however, stated to be more flexible in relation to the 'social system' [304]. In comparison to radical entrepreneurs who are allergic to linear systems, another chapter introduces 'policy entrepreneurs' as a means to 'increase resilience to climate change uncertainty' and stimulate adaptation to ecosystems [172]. Fundamentally, the book is about how entrepreneurs can better embed themselves within complex ecosystems, for example to reach higher levels of sensemaking [347]. Drawing on neighbouring fields, it is furthermore stated that the ecosystem and its uncertainties determine how functional we are as humans (*ibid.*).

The above non-exhaustive summary of the book quickly demonstrates that the intermingling concepts of social, ecological and sustainable could not only be of interest to entrepreneurship scholars, but could fruitfully be scrutinized by political scientists who are curious about the effects of entrepreneurship taken for granted as refulgent enterprising interventions. Chapter four criticizes institutional and market economics and could be a pedagogic case in point for scholars who teach or research within International Relations. In line with the development of fragile nations, the author constructs entrepreneurship as a more promising alternative to conventional interventionist approaches. To be able to critically reflect on this chapter, however, the reader needs to be literate in the basic genealogy of democratization efforts of 'failed states' and why the breakdown of relationships between state, citizens and market has previously been politically targeted.

Since the book is written in an excessively positive tone and with extensive academic calls for transformative change, it is very hard not to become a killjoy upon offering a critical reading. The advancement of alternative forms of entrepreneurship in a time portrayed as in deep need of sustainable development does indeed offer a seductive coping strategy that is hard to resist. The path is impressively opened up for us all to fulfil our long-due obligations as efficient functionaries of the ecosystem. But what are the wider effects of ecopreneuring and social entrepreneuring? What forms of life, relations and identities do these seemingly more ethical endeavours endorse? What sort of ethical judgement can be pursued by entrepreneurs if they are asked to reconcile the human being with Nature? (compare Clarke and Holt, 2010). It is moreover important to scrutinize the taken-for-granted transfer of entrepreneurship to developing contexts in relation to identified political problems with sustainable development (e.g. see Redclift and Springett, 2015), especially if we consider that scholars have studied 'transferability' from within developing contexts since the 1990s (Mtewa, 1990). The broadly informative anthology of 17 chapters consequently inspires future research paths, particularly questions about how entrepreneurship is introduced as a solution and what it does to those proposed to be in need of sustainable development. Taking these questions into account, future research could further our understanding of what role entrepreneuring plays in the well-known shift from a development-security nexus to a sustainable-development-resilience nexus (Reid, 2013). For now, the chapters leave an empty space for affirmations of other types of visions, to be performed beyond sustainable development as we fashion it today. Academically, much remains to do before entrepreneurship scholars and their research participants are not defined by the systems, structures, institutions and markets that in this book still are treated as prerequisites for processing entrepreneurship into becoming.

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## The birth of an ecological revolution: A commentary on Naomi Klein's climate change manifesto

Iain Munro

### review of

Klein, N. (2014) *This changes everything: Capitalism vs. the climate*. Penguin Books, London. (PB, pp. 576, £6.29, ISBN: 9780241956182).

I hear babies cry, I watch them grow  
They'll learn much more than I'll ever know  
And I think to myself what a wonderful world. (Weiss and Thiele, 1967)

What if it's a big hoax and we create a better world for nothing? [437]

The game is nearly up for humanity. Over the past 250 years we have engaged in a massive social and ecological experiment that has changed the face of the planet, an experiment that is now running beyond our ability to effectively control. This book should be required reading for all students and academics, no matter what their field of study might be. Many of the arguments set out in the book are familiar to those of us who have been following the climate change debate over the past 20 years or so. Klein's book shows how corporations and States have collaborated to stall action to confront climate change, especially with respect to the all important 2 degree celsius limit beyond which change will prove catastrophic. The book also provides an insightful account of the failure of Big Green and environmental social movements. These movements have failed largely due to their cooptation by business interests, where many of the biggest environmental groups have received direct funding from major polluters, and

have taken senior members of the fossil fuel industry and their representatives onto their boards of governors. As a result, these groups have tended to advocate market based solutions to addressing climate change, which has led to a complete failure to regulate and reduce the causes of climate change and a failure to achieve their ostensive goals.

Klein makes frequent reference to the Second World War in her book. She sums up the problem as follows; ‘the bottom line is [...] our economy is at war with many forms of life on earth, including human life’ [21]. The analogy of the present environmental crisis with war is appropriate in terms of it being a war that is directed against all life, and in terms of its possible solution which requires a grand vision on the scale of a ‘Marshall Plan for the Earth’ [5]. As in war time, Klein emphasizes that this plan requires us to restructure our economies and our way of living. This will involve personal and collective sacrifice, which is already being borne by poor nations, but ought to be borne by all. Klein argues that notwithstanding the delusions of comfortable liberal commentators, radical change is necessary both in terms of our social and economic infrastructure, and in terms of our way of living. Klein’s book introduces a number of interesting concepts for helping us to grasp the full extent of the problem and offers a conceptual tool box for adequately addressing it. These conceptual tools include both the problems that must be confronted and the tactics that could form the new Marshall Plan, including i) extractivism, sacrifice zones and environmental racism, ii) climate denial, iii) the failure of market-based solutions; iv) the important role of social movements, which Klein calls ‘blockadia’, v) divestment from fossil fuels and a new great transformation, vi) and establishing a legal ‘right to regenerate’. A brief overview shall now be given of these themes.

### **Extractivism, sacrifice zones and environmental racism**

The idea of a ‘sacrifice zone’ is one of the most powerful concepts that is developed in this book which clearly articulates the close link between climate change, social inequality, and post-colonial capitalism. Numerous examples are given of sacrifice zones, especially in the oil rich regions of Africa and Latin America, such as the Ogoni Land and the Ecuadorian rainforest, which have been devastated by the activities of both local and Western oil companies, including Shell, BP and Chevron. Klein explains that, ‘They were poor places. Out of the way places. Places where residents lack political power, usually having something to do with some combination of race, language, and class’ [310]. Entire islands such as Nauru have had their ecosystems hollowed out and made uninhabitable after being mined for their rich mineral deposits. The example of

Naura is a particularly revealing case, since having had its natural resources extracted and its ecosystem destroyed, it has transformed itself into a tax haven for the wealthy and was a key node of the secretive, offshore financial networks that led to the 2008 global financial crisis.

Klein explains our relationship with nature by the term 'extractivism', which relates both to the general mode of economic production and the more general way of living based upon 'extreme rootlessness' [343]. It is worth quoting Klein at length on this issue, given its centrality to different aspects of the argument set out in her book:

Extractivism is [...] directly connected with the notion of sacrifice zones – places that, to their extractors, somehow don't count and therefore can be poisoned, drained, or otherwise destroyed, for the supposed greater good of economic progress [...] it is bound up too with notions of racial superiority, because in order to have sacrifice zones, you need to have people and cultures who count so little that they are considered deserving of sacrifice. [169-170]

The history of extractivism and ecological destruction cannot be separated from colonial history where Klein explains that, 'the legacy of systemic environmental racisms [...] allowed toxic industries to build in areas inhabited mostly by people of color' [106]. However, the recent intensification of climate change means that it is increasingly difficult to maintain the distance between the rich North and impoverished sacrifice zones of the global South, and as Klein explains, 'the game is up, and we are all in the sacrifice zone now' [315].

## Climate denial

Building on the excellent work of Oreskes and Conway (2010), Klein devotes much space in her analysis to exposing the vast denial industry that has been built up and sponsored by industrialists who stand to lose money if legal restrictions are imposed upon their polluting practices. Oreskes and Conway's (2010) insightful account of the history of climate change denial reveals that denial has been an explicit strategy of a very small group of rabid cold war scientists who believed that any attempt by government or civil society to curb the harmful activities of industry is nothing less than a communist conspiracy. Supported by significant amounts of funding from industry, this group of cold war scientists engaged in the persistent denial of social problems created by industry including the link between pollution and acid rain, CFCs and the hole in the ozone layer, smoking and cancer, and carbon dioxide and climate change. Klein builds on this work and investigative research undertaken by Greenpeace ([exxonsecrets.org](http://exxonsecrets.org)) to highlight the network of corporate sponsored climate deniers, including the Heartland Institute, the Cato Institute, the American



Enterprise Institute and the Competitive Enterprise Institute, whose influence on the public perception of climate science has been significant. The success of the climate denial strategies of big business has been so great that even now that there is overwhelming agreement amongst scientists on the role of man in causing climate change and the desperate urgency to address this, the US Senate voted in January this year that they believe man has played no part in this change (Davenport, 2015).

Klein notes that academic research has itself been tainted by these networks of influence, 'it's virtually impossible to do public interest work of any scale – in academia, or journalism, or activism – without accepting money of questionable origin' [198]. Given the financial pressure under which many academics are now working, it is hardly surprising that so many end up advocating market-based solutions, despite the mounting evidence that these have singularly failed to reduce carbon emissions.

### **The market will not save us**

One of the key arguments of the book is to dispel the myth that the market will save us. Klein provides an exhaustive amount of evidence to show repeated failures of the market in providing solutions such as the European Union's Emissions Trading System, which has led to a huge increase in the amount of carbon dioxide being pumped into the atmosphere, rather than any degree of moderation. Klein notes that many businesses have used the carbon trading scheme as an opportunity to make a fast buck on the stock market. Rather than reducing their carbon emissions, the airline companies alone made \$1.8 billion dollars from carbon trading in 2012, but they did not cut their emissions. A recent investigation into the carbon trading system by Europol, found that as much as 90% of the carbon trading market was founded upon fraudulent activity (Philips, 2009). Klein also examines the failure of market-based solutions in the development of alternative, sustainable forms of energy production, such as wind and solar power, where successful transitions have always been supported by direct government intervention to help build the needed infrastructure.

One of the most insightful examples Klein draws upon to highlight the idiocy of market-based solutions to climate change is the rise of the billionaire climate 'messiah'. She takes Richard Branson as an exemplar who has generously promised a £3 billion donation to environmental projects including all the profits from his transportation business. Although some money has been donated, Klein remarks that nothing like the original amount pledged has transpired. His airline business continues to increase its carbon emissions. But far from being

the great benefactor and ecological messiah, Branson is himself a recipient of massive subsidies from the British taxpayers. Branson is symptomatic of 'billionaires who were going to invent a new form of enlightened capitalism, but decided that, on second thought, the old one was just too profitable to surrender [...] the profit motive was not going to be the midwife for that great transformation' [252].

The market will not save us. If we are serious about addressing climate change then we need to create a new political system, and one that is closer to socialism than to free market capitalism. Klein argues that, 'when climate change deniers claim that global warming is a plot to redistribute wealth. It's not (only) because they are paranoid. It's also because they are paying attention' [93]. Klein's book presents a vast amount of evidence that clearly shows the continuing failure of market-based solutions to the urgent problems that climate change presents us. This brings us to her proposed solutions, which include a diverse range of tactics including grass roots activism and the creation of an effective political system to promote a 'great transformation' to more sustainable ways of living.

## Blockadia

Klein coins the term 'blockadia' to describe a global network of grassroots social movements dedicated to protecting the environment. Blockadia is a notional conceit that describes a disparate network of local resistance movements. What unites these local movements is an ideological commitment to environmental protection, participative local democracy, the tactics of direct action, and the enforcement of the 'precautionary principle' in our interactions with the environment. Klein observes the prominent role of women in the leadership of these groups and the important role of the social media in connecting, coordinating and promulgating messages of isolated communities as part of a 'transnational narrative about resistance to a common ecological crisis' [303].

Klein brings our attention to the phenomenal successes of these small movements in numerous actions over the past decades. She notes the success of local movements in lobbying for a host of important environmental protection laws that were passed during the 1960s and 1970s. Of more recent interest Klein observes the success of these local movements in banning fracking in countries including France, the Netherlands, Germany, Scotland, and Bulgaria, and in many smaller regions such as Vermont, Quebec and Newfoundland. Direct action by local groups has forced Shell out of the Ogoni Land in Nigeria, and in Ecuador the Accion Ecologica has helped win a high court order compelling

Chevron to pay \$9.5 billion to the indigenous communities whose lands have been poisoned and health destroyed by oil exploitation.

## **Divestment and the great transition**

The economic historian Karl Polanyi (1944/2002) described the industrial revolution and the massive social upheaval that it brought about as the ‘great transformation’. Klein draws on this idea to explain the historical origins of the current environmental crisis, and to describe what is needed to stop this crisis – another ‘great transformation’. The key to this transition to a sustainable society is managed degrowth, which necessitates that we consume less. As she explains, ‘We will need comprehensive policies and programs that make low carbon choices easy and convenient for everyone’ [91]. This includes low carbon public transportation infrastructure, bicycle lanes, energy efficient housing, renewable sources of energy, land management, and low carbon lifestyles based upon the principle of ‘living nonextractively’.

The new great transformation entails divestment from fossil fuels, the introduction of a steep carbon tax, the revocation of corporate charters for persistent polluters, slashing military budgets, and stopping the existing fossil fuel subsidy which Klein reports is currently estimated at \$775 billion (note, the IMF reports the much higher figure of \$5.3 trillion, see Donnan, 2015). In place of the old carbon intensive economies, a new infrastructure must be developed to support low carbon lifestyles. Klein notes that many countries have already been successful in developing the rudiments of such an infrastructure. Denmark has 40% of its energy coming from renewable energy sources and Germany has 25%. It is technologically feasible to wean ourselves off our addiction to fossil fuels now, and with the political will this can be accomplished within a relatively short timespan. Food production and distribution habits must also be changed to reduce our carbon footprint. Klein explains that ‘Communities should be given new tools and powers to design the methods that work best for them [...]’ [133]. This requires the development of decentralised self-sufficient energy cooperatives and agroecology which ‘have triple climate benefit: they sequester carbon in the soil, avoid fossil fuel-based fertilizers, and often use less carbon for transportation to market’ [134].

## **The right to regenerate**

In the closing chapters of her book Klein draws a curious analogy between her body’s recent reproductive struggles and the reproduction of the planet’s ecosystem more generally. Klein provides a moving account of her engagement

with fertility treatment, enduring a series of miscarriages in her attempt to bear a child. She explains how it was only after abandoning hope in a technological fix that she was lucky enough to give birth to a healthy child. This personal story is followed in the book by a disturbing account of the huge increase in birth defects in the animal world throughout the planet, bearing witness to what Hawken (1993) has described as 'the death of birth'. In light of this account of the gradual collapse of the reproductive systems of the ecosystem, Klein proposes 'the right to regenerate' as a new fundamental right.

Klein provides insight into how such a right to regenerate could function by drawing upon existing indigenous rights. She explains that '[...] Indigenous land and treaty rights have proved a major barrier to the extractive industries in many of the key struggles of Blockadia' [370]. In Canada many aboriginal land treaties did not allow ownership or exploitation by the colonial settlers where rights were only given to sharing the land, and on condition that it was not used beyond the 'depth of a plough' [372]. According to Klein the most significant political victory for the 'right to regenerate' has been the United Nations' Declaration of the Rights of Indigenous Peoples adopted in 2007, and its provision that, 'Indigenous peoples have the right to the conservation and the protection of the environment and the productive capital of their lands or territories and resources' [377].

The right to regenerate can be seen as a new form of environmental biopolitics which redefines the biopolitical right to life in terms of an environmental right to regenerate. The environment has been a biopolitical issue from its outset, concerning the management of populations with respect to their geographical, climatic and hydrographic conditions (Foucault, 2004; see also Skoglund, 2015). In its neoliberal form this biopolitics entails decisions about who will make a profit from the coming environmental disasters and who will suffer, although it is Klein's ardent hope that we can overcome this neoliberal form of biopolitics and create a new way of living based upon a biopolitical right to regenerate. Klein's book shows us that we are now in the position of administering our gradual demise as a species, where in biopolitical terms the powers to enhance life and survival have reached a paradoxical point where they could lead to total annihilation (Foucault, 1981).

### **Implications of 'This changes everything' for management and organization studies**

Wittneben et al. (2012) have remarked that much of the research on the subject of climate change within the field of management and organisation studies has

been characterised by apathy and inertia, based upon the convenient assumption that a ‘win-win’ solution can be created within the existing system of extractivist capitalism. However, there is an emerging literature within the field that is clearly supportive of the findings highlighted by Klein’s work, including the failure of carbon markets (Böhm et al., 2012; Lohmann, 2009; Veal and Mouzas, 2012), the legacy of colonialism in environmental destruction (Böhm et al., 2012), the pernicious effects of corporate sponsored denialism (MacKay and Munro, 2012), and the urgent need for a transition to a low carbon economy (Forbes and Jermier, 2010; Wittneben et al., 2012).

A review essay on Klein’s book that appeared recently in the *Administrative Science Quarterly* criticized it for a ‘blurred diagnosis’ of the causes of climate change (Adler, 2015). According to this review, Klein blames the current environmental crisis on three different sources, i) capitalism, ii) extractivism, and iii) neoliberalism. The review argues that this blurred diagnosis allows for a reformist agenda to sneak into the book, where Adler (2015) believes that Klein’s criticisms of the excesses of neoliberalism and extractivism serve as a distraction from the genuine culprit which is capitalism itself, and only a critique of capitalism itself will necessitate wholesale systemic change. The problem with Adler’s analysis is that there is no basis for the reformist approach to change to be found in Klein’s book, in which the need for dramatic system wide change is repeated on so many occasions that it is difficult to see how he arrives at his startling interpretation of her book. Adler finds one brief quote on pages 25-26 of Klein’s book where she says there is ‘some breathing space’ for some reformist policies, but she devotes the bulk of the remaining 575 pages to far more radical proposals. Adler’s own conclusion is that ‘we need immediately to get down the path of radical “de-growth”’ (2015: 21), which is in fact the main conclusion advocated by Klein’s book. Ultimately, Adler proposes that a combination of activism by grassroots social movements, top down economic planning by governments and a socialist system of democratic government are roads to environmental recovery. In this he departs from Klein’s analysis not one jot.

A minor point of criticism that could be levelled at the book is its concern for the role of sacrifice in the coming ecological revolution. We might follow Vaneigem’s (1968/1983) warning that a revolution ceases once it calls for sacrifice. The idea of sacrifice is itself grounded in a logic of exchange that revolutionary practice should seek to overcome. In contrast, Vaneigem (1968/1983) argues that revolutionary practice requires carnival and poetic creation. A related criticism is that although it rightly highlights the need for us to reduce wasteful consumption, its focus on practices of consumption is in danger of underplaying a positive reconstruction of the means of production around sustainable practices. A more systematic consideration of the implications for new working

practices might move it away from notions of sacrifice to a discussion of ‘new forms of labour for a new kind of nature’ (Wark, 2015: 222), and the collaborative working practices that are entailed by the creation of new practices for sustainable living. These minor criticisms may yet be addressed in future work and should not deflect from acknowledging the great achievement of Klein’s book in clearly stating the significance of climate change for us, and in presenting a wide range of feasible measures that can be adopted in order to adequately address this immanent problem.

This book is a call to action which many are heeding. Since it was published there is mounting evidence of the further successes of ‘blockadia’ which is clear from the recent legal victory of the Urgenda Foundation in the Netherlands in forcing its government to adopt much stricter measures to address climate change, and in Pope Francis’ (2015) recent intervention by issuing an encyclical on climate change and inviting Klein herself to advise the Vatican on this important matter. In sum, *This changes everything* is without doubt one of the most important books yet published on the topic of climate change. The book is of crucial importance to the work of business students, academics and to any concerned citizens. Read it.

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