

# *Ostrom meets Polanyi: A talk on commodification and de-commodification of ecological and social reproduction from the perspective of contextual economics by Thomas Sauer, Jena*<sup>1</sup>

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Karl Polanyi's (1944) perspective in his seminal book on the *Great Transformation* implemented important analytical concepts into modern social sciences. Taken seriously, they are relevant as well for a concept which might be coined *contextual economics* as proposed here.

Mainstream economics behaves as almost context free as it regards context as exogenously given and as such beyond the subject area of pure economics that is beyond market. Nature (land) for example is relevant for such an economics just as source of shocks external to the economic system and just as an endless sink for externalities born by the market economy system.

From Polanyi's point of view this is rather an obscure perspective: the emergence of seemingly pure economics presupposed in fact the transformation of labor, land, and money into fictitious commodities as he called it. This commodification of ecological and social reproduction was legitimated by the promise to generate a higher degree of efficiency by using such resources as commodities in an elaborate market framework. The current and ongoing multiplicity of social, ecological, and economic crisis seriously questions the credibility and legitimation of such approach of economics towards real world phenomena.

This is where Elinor Ostrom's (2005) work on institutional diversity and on collective action and the commons (Amy R. Poteete, Marco A. Janssen, and Elinor Ostrom 2010) comes in, as she proposes framing the action area of ecological and social reproduction by micro-situational and socio-ecological context variables. Building on this the author developed a general model of socio-ecological transition (Thomas Sauer 2016), which was successfully tested in extensive case studies on the governance of three urban resource systems: energy, water, and green spaces in 40 European cities (Thomas Sauer, Susanne Elsen, and Cristina Garzillo 2016). This proposed talk between Karl and Elinor explores further the potential of their contributions on re-contextualization of economics as a transformative science.

Keywords: contextual economics; socio-ecological transition; transformative sciences

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