

Building on Polanyi to strengthen the social aspect of ecological economics

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Background

- The triple crisis
- Mainstream 'progressive' solutions aim at getting the growth machine going again - the main argument being the threat of unemployment (e.g. Mazzucato).
- However, no evidence that decoupling of environmental pressure and economic growth, i.e. 'changing the content of growth', is possible.
- We need radically different alternatives!

Ecological economics

- Scale, limits to growth
- The material aspect of the economy
 - energy and material throughput
 - fossil fuel dependency
- The social aspect of the economy
 - distributional issues (due to limits to growth)
- Theoretical basis
 - a problematic mix of neoclassical economics, social economics, ecology, systems theory and energetics

Policy relevant science in a time of crisis

- Avoid making things worse
- Adjusting the details
- Reformism
- Systemic change
 - formulating alternatives

Finding inspiration in Polanyi's: "substantive economy"

- A sociological concept for grasping what a universal understanding of the economy and economic processes is - beyond the current, Western market economy
- Not meant as a utopian concept, but here I will use it as such. As inspiration for thinking about alternative ways to organise or focus the economy in more (ecologically) sustainable ways

The substantive vs. the formal economy

- The substantive economy:
 - the economic processes concerned with securing a livelihood/provisioning/subsistence
- The formal economy:
 - the processes concerned with rational, economising action and scarcity
- Often the two are collapsed, so that 'economy' designates the compound concept of securing a livelihood by economising

The substantive economy

- Human beings' dependence for their living upon nature and our fellows, implies that survival depends on institutionalised interaction between a person and his/her natural surroundings.
- This *process* (being what Polanyi calls the economy), supply us with the means to satisfy our (material) wants (where the means, not the wants are material).
- In this way, 'economic' is defined as pertaining to the physical environment that sustains us.

Which challenges can a substantive economy approach address?

- It allows to include the *qualitative* aspects or the inherent characteristics of the means of satisfying (material) wants or needs (nature's specific qualities).
- This would be a different way (compared to the formal economic rationality) to acknowledge incommensurability and to understand *the conditions* of our livelihood.
- It allows to think about limits in the biophysical environment that sustains us without recourse to the concept of 'scarcity'

Lessons for ecological economics

- The substantive economy approach would be the opposite strategy taken by some ecological economists pursuing the formal economy (e.g. monetary valuation of nature)
- This view of the economy and 'economic' provides a foundation for theorising about what an alternative economy embedded in the natural realm could be, and for bringing both incommensurability and *relationship* (human-society, society-nature) back into the analysis.

Lessons for ecological economics (cont.)

- The approach can also contribute to theorising the economy in terms of synergistic ways of meeting human needs (Salleh 2011), that is, simultaneously satisfying a multitude of daily use values, including cultural ones, while protecting the ecosystem as a material bottom line.

Literature

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