The Ecological Economics of Economic Democracy

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A B S T R A C T

Ecological economics is at a sharp crossroads today, mostly due to the unprecedented scale of the intertwined social and ecological crises we face. We argue that the discipline should engage with the thinking and practices around alternatives to capitalism more substantially, as this is essential and invaluable for the discipline’s ability to contribute to a just and sustainable future. We outline an agenda for future ecological economics research on economic alternatives that are shaped by the concrete ways in which economic democracy deals with issues of uncertainty, complexity and value incommensurability, and contribute to a kind of political economy that ecological economics would advocate. We lay out how this question could be operationalised within the context of allocation and exchange (i.e. alternatives to market), production and investment (i.e. alternatives to capitalist firm) and economic subjectivities (i.e. alternatives to self-interest).

1. Introduction

John Gowdy and Jon Erickson, writing in 2005, had claimed that ecological economics was at a crossroads (Gowdy and Erickson, 2005). Critical of ecological economics research that embrace optimisation models, perfectly competitive markets and the notion of homo economicus, they highlighted the critical role ecological economics could play that builds on its treatment of the economy as both a social and a biophysical system, and called—perhaps a bit too optimistically—for the discipline to “embrace the revolution in economic theory” (Gowdy and Erickson, 2005, p. 20) and abandon narrow behavioural models. Similar sentiments were also loudly expressed by Clive Spash (2013, 2017). Putting diverging theoretical and ideological positions within the field under critical light, Spash (2013, p. 351) stated that such divergences implied “a crucial crossroads to be negotiated and a path to be chosen” for ecological economics. He called for moving away from the engineering approach and inadequate mainstream behavioural models, combining instead the ecological, the social and the economic, and explicitly including ethical issues within ecological economics (Spash, 1999, 2013; see also Pirgmaier, 2017).

Ecological economics is at a similar, if not a sharper, crossroads today, mostly due to the unprecedented scale of intertwined social and ecological crises we face. Within the context of debates on how to most effectively address these crises, the ability of ecological economics to catalyse emancipatory social change has been put under scrutiny (Pirgmaier and Steinberger, 2019). What differentiates Spash’s argument above from similar analyses and declarations of a crossroads (e.g. Müller, 2003; Özkaynak, Adaman, and Devine, 2012)—and what is of relevance here—is that he is explicit in connecting “moving away from the orthodoxy” to the ability of the discipline to enable an alternative political economy (Spash, 2013). In his case for “social ecological economics”, Spash (2017, p. 13) in fact makes a double-sided call for developing alternatives to mainstream economic theorising and to the contemporary economic system that economic orthodoxy underpins: “The future direction required is one that builds alternatives that are better than the capital accumulating growth economy of today, that is built on exploitation and which is driving humanity towards ever more serious resource wars and inequity under the guise of free trade and competition”. We take this call as our starting point.

As a distinct paradigm comprised of the laws of thermodynamics, the co-evolutionary perspective and the means of managing uncertainty and complexity within economics (via the concepts of post-normal science, procedural rationality, value incommensurability and deliberative institutions), ecological economics has been operationalising various frameworks, models and tools to observe ecosystem stability and complexity within economics (via the concepts of post-normal science, procedural rationality, value incommensurability and deliberative institutions), ecological economics has been operationalising various frameworks, models and tools to observe ecosystem stability and resilience, measure progress towards sustainability and engage with decision-making since its inception (see, e.g., Özkaynak, Adaman, and Devine, 2012). It has effectively demonstrated the biophysical limits of economic activities and produced alternative indicators of depicting socio-economic processes.
The roots of ecological economics also lie in its recognition of the embeddedness of the economy within the social system, and its problematising of unequal power relations that necessitate attention to the social and the political as much as the economic (Repke, 2005; Spash, 1999, 2011). This line of thinking highlights the role of the broader political economy in mediating the interaction between economic processes and environmental dynamics. Within this context, Spash (2013) underscores the potential of the critical institutional approach that deals with uncertainty, complexity and value plurality in addressing power relations and tackling issues of governance and democracy more broadly. In recent decades, the growing dialogue and alliance between ecological economics and political ecology (Martinez-Alier, 2003; Spash, 2017) has been instrumental in revitalising the foregrounding of the social and the political within ecological economics. Capital accumulation, commodification, power relations, socio-economic inequalities, politics of knowledge are among the issues that analyses informed by this dialogue/alliance have focused on (see, e.g., Gerber, Veuthey, and Martinez-Alier, 2009; Healy, Martinez-Alier, Temper, Walter, and Gerber; Hornborg, 1998). An important critique in this vein, for instance, has been launched against the Stern Review (Stern, 2008) with respect to its silence on the disproportionate impacts of taking no action (business-as-usual) on the poor and the rich (country-wise as well as within countries)—see, e.g., Lawn (2016).

Yet ecological economics has by and large fallen short of discussing the necessary, possible and/or existing transformations in the political accentuated especially in the aftermath of the financial crisis in countries like Greece and Spain, where such practices are burgeoning (Conill, Castells, Cardenas, and Servon, 2012; Rakopoulos, 2014). Meanwhile, there already is a rich and long-established tradition of theoretical and empirical studies of economic alternatives, wide-ranging in scope as well as the conceptual frameworks they encompass, not least within economics (Albert, 2004; Devine, 1988; Dow, 2003; Gibson-Graham, 2006; Ness and Azzellini, 2011).

That ecological economics has remained distant both to the rich intellectual tradition of alternatives to neoliberal capitalism and the timely and crucial debate on (and experimentation with) economic alternatives is a major shortcoming. This is curious at best and alarming at worst: not only are the proposals advocated by ecological economics bound to remain wishful thinking without a broader democratisation of the economy (Özkaynak, Adaman, and Devine, 2012), but also the main tenets of the discipline in fact makes a distinct (and strong) case for democratising the economy, as we will discuss later. The core of our vision of economic democracy is equitable and effective participation in decision-making in economic life by all concerned parties, with the proviso that power inequalities are properly addressed. This is in contrast to the traditional representative democracy that leaves the functioning of the economy largely at the mercy of state organs and market forces, and relies on hierarchical decision-making at the firm level. More practically, existing thinking and practice around alternative economies require the input from ecological economics, as the latter is unique in its biophysical understanding of the economy and the concepts and tools relevant to such an understanding. On the flip side, we believe that more substantial engagement between ecological economics’ critique of the current economic system and the intellectual and practical line of work on constructing an alternative is essential and invaluable for the discipline’s ability to contribute to a just and sustainable future.

The aim of this paper is to outline an agenda for future ecological economics research on economic alternatives. Our aim here is not proposing a blueprint for an alternative economic system, but rather make a forceful case on why ecological economics should engage more deeply with such alternatives. The overarching problematic we propose for shaping this agenda is how economic democracy deals with issues of uncertainty, complexity and value incommensurability and contributes to a kind of political economy that ecological economics would advocate. We lay out how this engagement could be operationalised within the context of allocation and exchange (i.e. alternatives to market), production and investment (i.e. alternatives to capitalist firm) and economic subjectivities (i.e. alternatives to self-interest). We draw attention, in particular, to how the link between economic democracy and radical sustainability could be realised through institutional settings, decision-making processes, the construction of alternative social relations and the emergence of alternative subjectivities.

2 The Ecological Economics of Market Alternatives

A sceptical view of the use of market mechanisms in environmental governance in general, and of market-based methods of environmental valuation in particular, is one of the main tenets of (at least one significant branch within) ecological economics. This scepticism is not (only) because markets are observed to fail in real world conditions, but more fundamentally linked to the pre-analytical vision of ecological economics. That is to say, even if markets function perfectly (e.g. there are no environmental externalities in the conventional sense), they are deemed to be poor mechanisms for societal decision-making due to the complexity inherent to biophysical processes, interdependencies and value incommensurability.

2 See Johanisova and Wolf (2012) for a slightly different take on economic democracy.
2.1. Ecological Economics: Fundamentals

Ecological issues are typically characterised by uncertainty, fundamental ignorance and complexity, which imply that there are certain things about the biophysical system and its future that are simply unknown to individuals. It follows that market prices, whether explicit or imputed, can at best reflect incomplete information about underlying ecological implications; i.e. they do not (and cannot) reflect every (inter-temporal) aspect of costs and benefits associated with a specific environmental good or service. In other words, “a market process, or more precisely a market-based calculation, cannot capture all that is at stake” (Vatn, 2000, p. 496). The inadequacy of market-based calculation is perhaps most pressingly manifested within the context of climate policy, as traditional economic modelling has ignored strong uncertainty and the potentially non-marginal changes in the system (Barker, 2008).

A related point is value incommensurability, which is taken as a fundamental condition by ecological economists. Market prices are not considered to be a relevant measure of value as there is no single denominator that all values attributed to the environment can be reduced to and aggregated across (Martinez-Alier, 2003; Martinez-Alier, Munda, and O’Neill, 1998; O’Neill, 1998). Accordingly, prices formed in markets can at best capture a subset of the dimensions of why an environmental good or service is deemed important/valuable, including crucial ethical concerns. Ecological economics has instead argued vehemently for the use of alternative methods such as the “multi-criteria” analysis in determining environmental values (Martinez-Alier, Munda, and O’Neill, 1998) and/or relying on “precautionary principles” when environmental impacts are difficult to measure (i.e. where scientific evidence is insufficient, inconclusive or uncertain) but are potentially extremely high (Puntowicz and Ravetz, 1994).

Finally, ecological economics recognises that the environment is a particular good as it is marked by social and biophysical interdependencies. Not only do the multiple uses and users of the environment influence each other, but the biophysical processes that support ecosystems are also co-dependent. In this sense “[t]he act of one influences in a direct way the possibilities for others” (Vatn, 2000, p. 501), for which atomistic decision-making within the market context cannot adequately account for. The market does not allow for a mechanism of revealing how private decisions would affect humans and non-human others, both currently and in the future. This perspective points to the need for a social process of deliberation instead of a market.

2.2. Ecological Economics and Alternatives to Market

The ecological economics perspective advocates for environmental values and preferences to be collectively determined through some form of social process and the construction of institutions that can provide venues for such a process. This becomes all the more critical given that the aforementioned interdependencies are imprinted with inequalities, i.e. decisions carry unequal impacts for different groups. Ecological economics therefore argues that decisions regarding the environment should be taken by a procedurally democratic process through deliberative institutions, where all those who have a stake in the decision participate effectively. Such a process would make use not only of existing scientific knowledge (which itself is often contested), but also—and more importantly—the viewpoints and values of all agents who are likely to be affected by possible outcomes, where uncertainties and possible impacts would be weighed in terms of the values of those involved (Ozkaynak, Devine, and Rigby, 2002; Ozkaynak, Adaman, and Devine, 2012; Ravetz, 2011).

This powerful critique of the market-based mechanisms of valuation (and ultimately decision-making) developed by ecological economists has in most part remained confined to “environmental issues” narrowly defined. It has thus been largely out of touch with the heterodox economics tradition on the critique of markets, on the one hand, and existing (as well as historical) experimentations with concrete alternatives to markets, on the other. Indeed, the arguments put forward by ecological economics as a critique of market-based environmental valuation can productively be extended to other (not explicitly environmental) spheres of economic decision-making. While not all economic decisions are as significant as those concerning the environment, some, if not most, carry critical implications in terms of environmental resources and sinks. In fact, the ontological position of ecological economics implies as much: given the embeddedness of the economy within the broader biophysical system, on the one hand, and the co-evolution of the economy, nature and society, on the other, the capacity of market mechanisms to coordinate allocation, production and consumption decisions needs to become a more pronounced point of concern for ecological economists. In a related way, what ecological economics advocates and offers as tools for environmental governance in order to deal with interdependencies, uncertainty and incommensurability, should be enlarged as a vision for all economic decisions that are mediated through self-regulating markets. This implies considering and evaluating deliberative social processes and mechanisms of organizing such decisions from the perspective of ecological economics.

2.3. Ecological Economics of a Post-Market Economy: Participatory Planning

Here we consider one concrete alternative to markets as (decentralised) societal decision-making mechanisms of allocation, production and consumption, where insights from ecological economics can be put to work; namely, negotiated coordination/participatory planning, developed by Devine (1988, 2002) and Adaman and Devine (1997, 2017). In the model of participatory planning, which is based on social ownership of the means of production, market exchange, i.e. the buying and selling of the output of existing productive capacity, is retained; but market forces, i.e. the process of changing the structure of productive capacity, is replaced by a process of negotiated coordination. In a market economy, changes in productive capacity take place through investment and disinvestment decisions made by individual enterprises motivated by profit maximisation. These decisions are made atomistically, i.e. each decision-maker acts independently of others, and coordination occurs ex post. If the aggregate level of installed capacity is too high, unmet profit expectations lead to disinvestment, and vice versa.

In contrast, participatory planning envisions a process of negotiated coordination among stakeholders at relevant scales—industry/sector, local, regional, national. In this context, changes in capacity structure would be planned with the participation by all affected groups. This can be achieved, more specifically, through councils consisting of representatives of all the groups that will be affected by the decision made, which may be formed at the city, regional, national etc. level—depending on the type of activity involved (Devine, 1988). Stakeholders at each level would arrive at a set of interdependent decisions through a democratic and participatory process of negotiation, which would provide a venue for different interests and values to be taken into account. These interdependent decisions would thus be coordinated ex ante, in contrast to the ex post coordination that takes place within the market context.

Participatory planning through negotiated coordination is built on a vision of a self-governing society where those affected by a decision participate in the making of that decision, which distinguishes it from both centralised planning and market socialism (Adaman and Devine, 2017). It presents an alternative way of making societal decisions, which are relevant (and urgent) for the ecological economics agenda. It provides an institutional framework in which decisions about allocating productive capacity can be based not only on financial sustainability considerations but on a broader set of concerns and principles such as ecosystem health, biophysical limits and social equity implications. It
also enables a deliberative process of democratic decision-making, where the social and ecological consequences of alternative courses of action can be debated and weighed from the perspective of differently situated stakeholders; and where investment and disinvestment decisions can therefore be made by taking into account objectives other than efficiency and growth. In this sense, participatory planning would extend the mechanisms envisioned by ecological economics to deal with uncertainty, complexity, interdependency and value incommensurability to a broader field of economic decisions that always and inevitably have critical ecological and social implications. Moreover, it provides an institutional framework for re-instituting economic activity by re-embedding it in both society and nature (Adaman and Devine, 2017; Özkaynak, Adaman, and Devine, 2012), which can be a dynamic vehicle for fostering solidarity, cooperation, social justice and ecological stewardship, and a process of re-defining the objective of the economy that Spash (2011) identified as one of the bases of heterodox ecological economics.

It is admittedly hard to find real world examples where the model of participatory planning through negotiated coordination has been fully and concretely operationalised. Yet the model can serve as an architecture for theorising and conceptualising alternatives to the market as a mechanism of economic decision-making from the perspective of ecological economics. Thus, we call for more and deeper ecological economics theorisation of market alternatives where the unique conceptual framework of the discipline is operationalised. The second and related line of research we propose pertains to existing alternatives to the market that demonstrate some extent of participatory planning/negotiated coordination. These include interlinked producer-consumer cooperative networks such as those in the Mondragon Cooperative or the Consumer Supported Agriculture initiatives that can be said to involve some form of participatory planning (see, e.g., Bloemmen, Babulescu, and Vitari, 2015).

3. The Ecological Economics of Democratising the Enterprise

3.1. Going beyond the (Corporate) Capitalist Enterprise

The (corporate) capitalist enterprise is an assumed given in much of the ecological economics literature. This is understandable, since ecologically detrimental economic activities are mostly attributed to capitalist corporations as the dominant form under which production is organised. Yet, not only are there a variety of objectives and incentives that mark capitalist enterprises in addition to profit maximisation (Earl, 2017), but also a wide array of forms that do not fall under the category of a capitalist enterprise (Gibson-Graham, 2006). There is indeed a rich line of interdisciplinary scholarship on non-capitalist forms of organising labour and production, including social, community and cooperative enterprises (Adaman, 2017; Amin, 2013; Gibson-Graham, 2006; North and Scott Cato, 2017), with which ecological economics has remained out of touch for the most part. Here we have a rich palette ranging from urban community gardens to community supported agriculture schemes, producer and consumer cooperatives, work-integration social enterprises, non-profits and community land trusts. Researching this diverse terrain should inform future ecological economics agenda most of all since it would contribute to our understanding of how to organise production and investment decisions justly and sustainably within a biophysical economy.

3.2. Cooperative Enterprise

Here we focus on cooperative enterprises, as they operationalise a democratised decision-making process to varying extents, in particular with respect to production and investment. Cooperative enterprises are comprised of worker-members who collectively run the firm (and own its assets in most cases) as a democratically-controlled organisation. The most basic expression of democratic control is reflected in the “one person one vote” principle, yet the concrete organisational forms of governance might vary (Christoforou and Adaman, 2018; De Peuter and Dyer-Witheford, 2010). Table 1 summarises other potential aspects of cooperative enterprises that are relevant for informing an ecological economics agenda, which will be elaborated below.

To the extent that cooperative enterprises diverge from their capitalist counterparts in maximising average worker income (rather than profits), they are more likely not to engage in expansionist investments and instead operate at a smaller scale (Booth, 1995). This is mostly because cooperatives would be driven to cut non-labour costs and avoid scale increases that fail to increase income per worker. Legal regulations that relieve cooperatives from maximising shareholder value and equity shares (which can only be redeemed at face value and are non-tradable) are similar curbs on the growth imperative (Johanosiva and Fraňková, 2017).

Perhaps more importantly, cooperative enterprises are more likely to prioritise goals such as ensuring sustainable and equitable livelihoods or the regeneration, renewal and protection of environmental quality due to the particular structure and ethos they embody (Johanosiva and Fraňková, 2017; North and Scott Cato, 2017). This would counter the built-in tendency for accumulation and growth found in conventional firms (Johanosiva and Fraňková, 2017; Johanosiva, Crabtree, and Fraňková, 2013; Kallis, 2015; North and Scott Cato, 2017). Since cooperatives embody participatory and democratic governance (and most times ownership), they are likely to open the decision-making process to the engagement of a wider base of stakeholders—primarily workers-members, but potentially members from the greater community as well. This would enable a broader range of demands and values to inform decisions regarding, for instance, what, how much and for whom to produce under which conditions, how to set prices or wages, and where to invest the surplus. Cooperatives can also be fertile grounds that cultivate values such as sharing, community, solidarity and conviviality (Kallis, 2015). Greater involvement in decision-making can imply greater attachment and responsibility towards community and sustainability (North and Scott Cato, 2017).

This means that social and ecological values, concerns and priorities of different groups who are potentially affected by those decisions would carry weight in the decision-making process, establishing an important form of societal control on economic activities. In this sense, cooperative enterprises have a significant potential to re-embed economic decisions within society and nature (Polanyi, 1944/2001; Adaman, Devine, and Özkaynak, 2007). Such a re-embedding would open space to rethink economic imperatives such as growth or efficiency, enable the articulation and operationalisation of alternative goals, and would in effect (re)politicise the economy by subjecting economic rationality to societal deliberation and control.

While we embrace this potential of cooperatives, we do that cautiously. It is indeed the case that the cooperative form in itself does not automatically guarantee environmental sustainability or the replacement of the profit motive by social and ecological values. Commitment to decentralised governance and democratic decision-making has also proven to be tricky, as many cooperatives have been shown to move away from these principles, especially with increased scale and/or integration with capitalist markets. On the other hand, the long-term economic viability and scaling up of cooperative enterprises have long been a point of contentious debate, which puts the potential of their widespread replicability into question. Yet we believe that cooperative enterprises should be a focal point of research within ecological economics as elaborated below.

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3 An example of such a thought exercise can be found in Adaman and Devine (2017), where the authors sketch how this architecture could work within the context of climate change policy.
3.3. A Research Agenda for Ecological Economics: Non-capitalist Enterprises

An analysis of both existing alternatives to the conventional firm, such as cooperative enterprises, and the institutions and mechanisms supporting them, emerges as a crucial direction for ecological economics research. From the perspective of ecological economics, we point out two themes for further research in particular. First, we call for a systematic exploration of the different objectives and motivations of non-capitalist formations, including cooperative enterprises, from an ecological economics perspective. What, if anything, these formations do differently (than their capitalist counterparts), should warrant as much attention as the ecological economics’ critique of the profit and accumulation motive within the conventional (capitalist) firm. The existing scholarship on the diverse forms of enterprise (e.g. Community Economies Collective, 2001) that highlights such motivations and objectives should inform and be informed by ecological economics in a more fundamental manner. This scholarship, grounded in empirical research, reveals for example how cooperative enterprises can animate ethical-political decision-making in ways that escape from the narrowly economic imperatives of profit maximisation or efficiency: e.g. setting prices to ensure fairness and the maintenance of agricultural commons (Cameron, 2015), setting wages to ensure a decent living (Cameron, 2015; Healy, 2015), investing profits towards the maintenance and reproduction of community (Gibson-Graham, Cameron, and Healy, 2013) and environmental quality (Healy and Graham, 2008), safeguarding and strengthening the social and natural habitat (Gibson, Cahill, and McKay, 2015), and maintaining and reproducing an ethic of care for nature (Gibson, Cahill, and McKay, 2015).

Ecological economics can thus productively build on, engage with and extend this literature to further explore the existence, emergence and maintenance of motivations, values and objectives that are more centrally associated with an ecological economy, such as sufficiency and resilience. A related layer of this research agenda would be the concrete investigation of the links between democratisation of decision-making at the firm level, and the emergence and operationalisation of social and ecological objectives towards sustainability. The extent to which the foregrounding of economic democracy, by invoking the questions of production for whom, of what, under what conditions, leads to a reorienting of objectives of the economy at the firm level carries important implications; not least for the type of politics and policies that ecological economics espouses. That is to say, if the emergence of ecological values in firm-level decisions is tied to the democratisation of decision-making in cooperative enterprises, this would provide renewed impetus to push for economic democracy from an ecological economics perspective.

Democratic and participatory decision-making processes at the firm level should be of interest for ecological economists for an additional and related reason, which points to the second line of research we call for. As discussed earlier, a foundational pillar of ecological economics is the recognition of fundamental uncertainty/ignorance, emergent complexity and interdependence as features that mark the economy-environment relationship. In turn, ecological economics proposes procedural rationality and deliberative institutions as tools to address these features. Democratic and participatory mechanisms of decision-making in cooperatives can be seen as forms that operationalise such deliberative processes at the firm level. That is to say, cooperatives might be better poised to address the uncertainty, complexity and interdependence inherent to their decisions (what, how and how much to produce; how to set wages and prices; where to invest; etc.), as they host deliberative processes of decision-making that would allow for a variety of perspectives, knowledge and values, and the evaluation of different courses of action from a variety of standpoints. In addition, to the extent that such decision-making mechanisms involved the views and positions of those not strictly “inside” the cooperative, such as non-worker stakeholders from surrounding communities, the social base within which the ecological and social consequences of such decisions are debated and weighed would be broadened.4

To recap, democratic and deliberative decision-making forms within cooperatives can be seen as a concrete application of procedural rationality and deliberative processes advocated by ecological economics. The extent to which the cooperative allows the recognition and democratic negotiation of the uncertainty, complexity and interdependence inherent to economic decisions is therefore an essential research question for the discipline. Concrete forms of democratic and deliberative decision-making animated by cooperative enterprises provide important empirical material to be explored, where the conceptual tools and frameworks, as well the arguments and claims of ecological economics would be put to use. Such an exploration would not only expand the frontiers of ecological economics research on the firm, but also enrich the scholarship on non/post-capitalist forms with the conceptual vocabulary and frameworks developed within ecological economics. As mentioned earlier, the literature on non/post-capitalist formations have brought to the fore a diversity of practices that promote alternative values such as social equity, commitment to local community and environmental quality. Yet this literature has not engaged with aspects of economic decision-making that relate directly to the uncertainty, complexity and interdependence emphasised by ecological economics. More research from an ecological economics perspective would address this gap and extend this scholarship with an exploration/uncovering of values/languages that pertain to the biophysical aspects of decisions made within cooperative enterprises.

We therefore call for an ecological economics research agenda on non/post-capitalist formations in general and on cooperative enterprises in particular, with a focus on the forms of decision-making that allow for the democratic and deliberative negotiation of economic decisions. This agenda would be guided both by an assessment of outcomes (e.g. the emergence of socio-ecological values, biophysical indicators of performance) and decision-making processes (e.g. negotiation of uncertainty, complexity and interdependence and value incommensurability, languages of valuation in weighing alternative courses of action) as well as by an empirically-grounded theorisation of how decision-making processes (e.g. deliberation, participation) enable these outcomes.

4. Human Behaviour and Alternative Subjectivities

4.1. Going beyond Narrowly-Defined Self-Interest

The limited understanding of human behaviour at the heart of neoclassical economics has been one of the primary critiques launched by ecological economics. Within this context, a main line of challenge pertains to the rational behaviour model, where bounded rationality, “satisficing” and habitual behaviour and the prevalence of incomplete information especially vis-à-vis the environmental implications of individual decisions have been emphasised; the structure of individual preferences have been problematised and the prevalence of non-consequentialist assessments, endowment effects and lexicographic...
preferences have been demonstrated (O’Neill and Spash, 2000). Finally, the limits of self-interest as the sole motivation of individual behaviour and different behavioural motivations that individuals might hold have been discussed extensively within ecological economics. In this latter aspect, ecological economics has been a part of the broader critique that underlines the limits of the homo economicus model and the diversity of human motivations beyond materialistic values (Jackson, 2017; Raworth, 2017).

Ecological economists have emphasised the relationality of individuals with community and nature, where values such as cooperation, responsibility, sympathy and respect would be important. Indeed, the existence of ethical commitments to the environment and more broadly the prevalence of motivations other than self-interest have been a strong line of argument within ecological economics, as well as other schools of thought outside of the Neoclassical mainstream. In this context, different models of individual behaviour have been theorised and explored specifically from an ecological economics perspective (e.g. Adaman and Madra, 2002; Becker, 2006; Faber, Petersen, and Schiller, 2002; Ferraro and Reid, 2013; Gintis, 2000).

4.2. The Endogeneity of Individual Values/Preferences

Alternative models of individual behaviour point to the endogeneity of individual values/preferences in cultural and institutional contexts and their malleability, for instance through advertising (Kasser, 2016). This is echoed within the institutional vein of ecological economics in particular, where it has been argued that grounding human interactions on private property and the market would produce different values and interests than collective processes and communal forms of property (Vatn, 2017). While markets encourage self-interested behaviour and discourage cooperative action, collective processes open the space to act on moral criteria, reveal information on interdependencies, and thus encourage norms of cooperation and reciprocity (Bowles, 1991; Vatn, 2007). The notion of “value articulating institutions” developed within ecological economics captures precisely this aspect: it denotes that institutions themselves form and articulate environmental values and preferences (Vatn, 2007). That is to say, institutions such as markets, surrogate markets or deliberative mechanisms define and influence who participates, in what capacity (e.g. citizens, experts, consumers), which values can be expressed and in what form (e.g. prices, arguments), how the produced knowledge is evaluated and the logic that underlies the process of analysis (Lo and Spash, 2013; Vatn, 2007).

To recap, there exists a strong tradition within ecological economics that sheds light on how different institutional settings imply different logics in which social actors perceive, evaluate and act on the problems they face. The research that builds on this tradition has so far mostly been related to the promotion of materialist values (e.g. Kasser, 2016) and the “crowding out” ethical commitments and logics by market-based or market-mimicking instruments of environmental policy (e.g. the recent special section “Crowding-in or crowding-out? Behavioral and ethical responses to economic incentives for conservation” in the journal Ecological Economics). We argue, however, that this tradition should be used to operationalise a broader recognition of the endogenous and dynamic nature of values, motivations and economic subjectivities.

4.3. Widening the Scope of Research on Values/Preferences

Here we highlight first the tendency within the ecological economics tradition to treat the “good” values somewhat pre-existing and prone to be taken over or crowded out by “bad” values. While this is undoubtedly a crucial and pressing issue, this line of inquiry does not offer an analytical space to address under which circumstances “good” values exist, emerge and are supported—it only points to a correlation at best. It therefore reproduces an understanding of market processes and logics as unfailling and totalising forces that appropriate all other processes and logics, and thus attribute more power and resilience to “bad” values. Although exploring how markets and market logics take over non-market spheres and values might be a political urgency today, such a focus appears the danger of neglecting an equally important question: how alternative values and subjectivities emerge, and under what conditions they are (re)produced.

This question arguably carries more weight today, as debates on alternative forms and institutions of environmental management have heightened. For ecological economics to engage in these debates more forcefully, more research is required on how deliberative, participatory, democratic and collective forms of environmental decision-making shape the logics and values by which problems are perceived and evaluated. Such an agenda would provide stronger and novel substance to the concrete alternatives advocated by ecological economists, such as deliberative and multi-criteria methods: more research is needed to substantiate the claim that, to paraphrase Vatn (2017), establishing good institutions would not only bring about fairer and more effective forms of environmental management, but also produce “good” values and subjectivities. In this sense we call for ecological economists to pay equal—if not more—attention to theorising alternatives as to the critique of existing modes of environmental management and policy-making.

Secondly, ecological economics research on the link between institutional settings and values/preferences as well as perceptions has almost exclusively focused on narrowly-defined environmental policymaking. We argue, however, that this line of inquiry should be extended to explore the same question within the broader economic field. That is to say, how alternative logics, values and subjectivities—especially vis-a-vis the environment and the ecological implications of economic practices—emerge and are supported within collective, democratic and participatory forms of decision-making in different spheres of broader economic life should be a key research agenda for ecological economists. As we have argued in the context of market mechanisms, the fact that the entire field of economic activity and decision-making carries important implications for the environment makes a strong case for ecological economists to expand their analytical scope. Real-life experiences are indicative that democratic and participatory forms of decision-making are conducive to values of solidarity, care, and empathy towards the others and the environment (Rothschild, 2016).

Such an agenda would widen the existing ecological economics scholarship and equip it with more concrete arguments in its proposals, and also productively interact with other lines of scholarship that address a similar problematic. Notably, Devine (1988) and Adaman and Devine (2017) have highlighted how participatory processes of economic decision-making are at once processes of learning and transformation: participatory processes provide a concrete experience and practice that enable people to become active subjects that collectively shape their future. These processes require the subjective capability of participating effectively, and it is through the very experience of participating in the making of decisions that shape their lives that people discover, acquire and activate such capabilities (Adaman and Devine, 2017). Thus, participatory engagement is a process of learning, being transformed and becoming; extending and deepening of democratic processes are also projects of subject making: “[o]nly by participating, by seeking to run things, do we learn how to participate, how to run things, and in the course of doing so slowly transform ourselves and take control of our lives” (Devine, 1988, p. 156).

A similar and more comprehensive understanding of the dynamic and incomplete nature of economic identities and subjectivities is found in the works of the Community Economies Collective (CEC) (Community Economies Collective, 2001). This project builds on a recognition that alternative economic spaces reorient identities and subjectivities, and different economic spaces both produce and depend on subjectivities animated by different fantasies and desires (Healy, 2015). Within this context, Gibson-Graham (2006, p. xxviii) has conceptualised...
the politics of the subject as the “the mobilization and transformation of desires, the cultivation of capacities, and the making of new identifications”, with alternative, non-post-capitalist economic forms. In turn, the construction of alternative forms and social relations hinge critically on the construction of alternative subjects: how we become subjects who can desire and create non/post-capitalism and identify with the subject positions that it entails.

Numerous CEC scholars have thus explored how different initiatives of economic alternatives that are making explicit the social interdependence implied in their economic practices reconfigure perceptions, capabilities, needs and self-understandings (Healy, 2015; Madra and Özselçuk, 2015). They have highlighted how generating new practices and establishing new interdependencies cultivate an awareness of the ethical nature of economic decision-making and how experimenting with new ways of negotiating social interdependence can lead to “destabilising sedimented social relations of ‘ability’ and ‘need’” (Madra and Özselçuk, 2015, p. 128). That is to say, the space that alternative economic forms open for deliberation and ethical negotiation reorients the subjects, because they enable a rethinking and reinterpreting of the meaning of social wealth, economic exchange, foundational economic principles etc. (Madra and Özselçuk, 2015). Empirical studies within this vein demonstrate the emergence and reproduction of new economic subjectivities directed towards motivations such as fairness, sharing, reproduction of environmental and knowledge commons, and contribution to social justice through democratic negotiation and deliberation of economic interdependencies (Cameron, 2015; Trauger and Passidomo, 2012).

Perhaps more importantly, the CEC project depends fundamentally on constructing a language of economic diversity through which the politics of the subject as the mobilization and transformation of desires, the cultivation of capacities, and the making of new identifications, with alternative, non-post-capitalist economic forms. In turn, the construction of alternative forms and social relations hinge critically on the construction of alternative subjects: how we become subjects who can desire and create non/post-capitalism and identify with the subject positions that it entails.

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Perhaps more importantly, the CEC project depends fundamentally on constructing a language of economic diversity through which the economic field is recast as one of difference and (connectedly) possibility. The community economies framework demonstrates the coexistence of different forms of labour (wage labour versus unpaid labour, self-employment etc.), transaction (market exchange versus gift, local trading schemes etc.), production and distribution of surplus (capitalist firms versus green and socially responsible business, cooperatives etc.), property (private versus state, communal, open-access etc.) and finance (mainstream market versus credit unions, community-based, family lending etc.) (Gibson-Graham, Cameron, and Healy, 2013). It is thus a performative ontological project “to produce a discourse of economic difference as a contribution to a politics of economic innovation” (Gibson-Graham, 2008, p. 614), as it replaces the power of economic imperatives by choice, agency and ethical-political decision-making, and disrupts the image of the economy as an external force with its autonomous, uniform logic and laws of motion. It offers a space for tracing the emergence and existence of economic practices, rationalities and identities, which are not necessarily or inevitably colonised by economism (Fournier, 2008; Latouche, 2005) or reduced to self-interest.

It is certainly a challenge to capture “subjectivities”, “identities” and “self-understandings” empirically. A research agenda dedicated to this end will also likely require a conceptual and methodological toolbox that most ecological economists are not equipped with. Yet this should not deter the discipline from shifting its focus towards understanding the processes and institutional settings that are more conducive to the emergence and sustainability of socially and ecologically desirable motivations and values. Such a focus could be informed not only by the motivations and concerns guiding individual behaviour, but also the terms and languages with which economic activity is construed (e.g. how work, prosperity, well-being and value are understood) and how motivations, identities and self-understandings shift through alternative economic processes.

5. Conclusion

Writing on the identity of ecological economics, Özkaynak et al. (2012, p. 1137) have made the claim that “ecological economics does not go the full distance when it comes to discussing the political and socio-economic framework within which the proposed changes it advocates are decided on and operationalized”, referring to deliberative processes and multi-criteria techniques. Critical of the discipline’s insufficient attention to the political economy despite the importance attributed to justice and equity, the authors have argued that such processes and techniques are incompatible with neoliberal capitalism and the power inequalities it implies. That is to say, participatory and deliberative modes of environmental decision-making can only be realised in tandem with broader democratisation of the economy and the redistribution of power. More recently, Pirmaier and Steinberger (2019) have called for a heterodox political economy that grounds ecological economics in an understanding of capitalist dynamics, capable of envisioning transformative policies.

This line of thinking forms the first pillar of the case for an ecological economics agenda on economic democracy. A second one, in fact, emerges from the discipline itself. As we argued earlier, the recognition that uncertainty, complexity and interdependence are fundamental features that mark the economy-environment relationship implies that environmental values and preferences should be collectively determined rather than left to markets. Value incommensurability, another main tenet of ecological economics, holds a similar implication. While the notion is mostly used in reference to monetary valuation of environmental goods and services (Martinez-Alier, 2009; Martinez-Alier, Munda, and O’Neill, 1998), its roots lay further back in broader debates about the adequacy of market prices to capture human well-being and its environmental conditions (O’Neill, 2004). Here, the notion of incommensurability was utilised more comprehensively to argue against using prices (or any other single unit of comparison) to guide decisions about how to allocate a society’s resources towards alternative production options. A direct comparison of different alternatives (informed by direct measures of their implications on the multiple aspects of social and ecological life) through a democratic political process and ethical judgment was advocated instead (Neurath cited in O’Neill, 2004). That is to say, the main tenets of ecological economics indeed imply that societal decisions should be made through some form of a democratic social process, and that institutions that can provide space for such processes should be established, where all those who have a stake in the decision can participate effectively. Yet this thinking in the ecological economics parlance has in most part remained confined to narrowly understood environmental issues. As a result, it has been largely out of touch with concrete democratic alternatives to economic decision-making, without problematising the totality of the economic sphere and the market mechanism and the capitalist firm much. We claim that these arguments can and should be extended to other spheres of economic decision-making, given the embeddedness of the economy within the broader biophysical system, on the one hand, and the coevolution of the economy, nature and society, on the other.

We have demonstrated, in this paper, how the conceptual frameworks and tools developed within ecological economics can be applied in different venues of experimentation with economic democracy. We see these venues interdependent in the sense that democratic organisation of exchange, production and investment and the reproduction of alternative subjectivities are integral to one another.

Our aim in doing so was not providing a detailed exposition of such experimentations per se, but rather outlining an agenda for ecological economics and substantiate its relevance. The relevance of such an agenda is shed new light by current debates on different paths of tackling climate change in particular and the heightened environmental crisis in general. Put broadly, a chasm exists between proposals that problematise the capitalist market economy and call for a fundamental transformation of the economic system, on the one hand, and those that advocate relying on market mechanisms without a meaningful engagement with questions of capitalism and growth, on the other. Within this context, our call is a modest attempt for engaging ecological
economics with non/post-capitalist initiatives more deeply.

Economic economics' lack of attention to both the long intellectual tradition on alternatives to capitalism and the rich terrain of such practices and forms is curious and alarming. One possible reason for this might be the pervasiveness of the belief that while the current economic system is not perfect, the alternatives to it are worse, inefficient or impractical. Against this view, Spash poignantly states:

“...At the same time these defensive arguments are unscientific and aim to divert attention away from seeking legitimate alternatives. They paint the attempts to pursue alternative economic systems in the worst possible light, without actually taking any time to research them. They attribute to all alternatives the word “utopian”, as a derogatory expression, while ironically placing their own faith in a totally romantic utopia of modernist techno-optimism and ever expanding materialism. A scientific approach would explore potentialities, analyse alternative structures and question the necessity and usefulness of existing approaches. Most importantly it would relate to biophysical and social reality (Spash, 2017, pp. 6–7).""


Rothschild, J., 2016. The logic of a co-operative economy and democracy 2.0: recovering the possibilities for autonomy, creativity, solidarity, and common purpose. Sociol. Q. 57 (1), 7–25.


Spash, C.L., 2013. The shallow or the deep ecological economics movement? Ecol. Econ. 93 (September), 351–362.


