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Theme: "Debt", "land-grabbing" and "property"*

Markets in the light of political-economic actors and democracy. Reconsidering conceptual framework for sustainability politics

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A pluralistic understanding of (political) economics

- "Values are always with us" (Gunnar Myrdal 1978)
- Economics is science but at the same time ideology
- We need to refer to "political economics" rather than "economics"
- A monopoly position for neoclassical economic theory in education and research is not compatible with democracy
- We should think in terms of 'paradigm coexistence' rather than 'paradigm-shift'
- There are more models than one of market, individual, organization etc.
- "Democratizing economics" as a challenge

Essential features of neoclassical economic theory

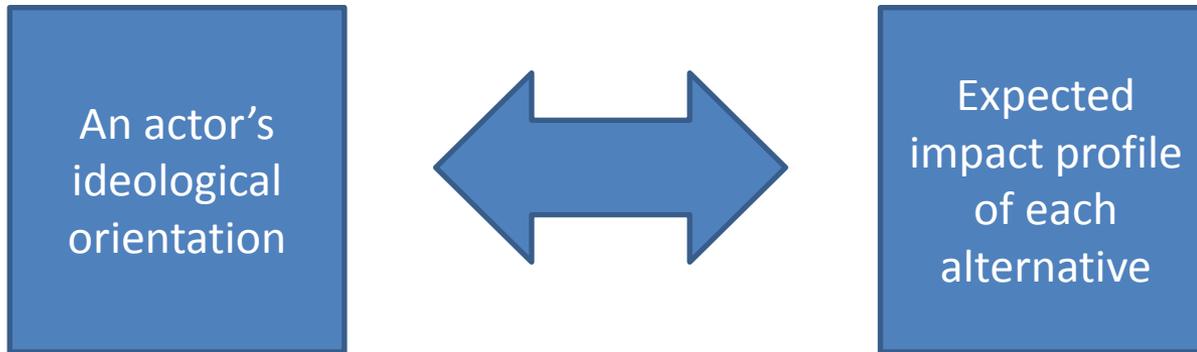
1. Focus on markets for commodities and factors of production
2. Markets are understood in mechanistic terms as an interplay between the forces of supply and demand
3. Focus on financial aspects and the monetary dimension. Non-monetary impacts are reduced to monetary ones by using prices as part of a trade-off philosophy ("monetary reductionism")
4. Assumptions about the behavior of market actors in the economy emphasize self-interest (as in the case of the consumer) or are otherwise narrow (as in the case of profit-maximizing firm). Issues related to ethics and ideology are largely avoided
5. When engaged in analysis or policy advice, neoclassical economists regard themselves as experts of a rather technocratic kind. The fact that our societies claim to respect normal imperatives of democracy is downplayed or neglected.

A more open political economics perspective: Political economic person (PEP) and Political economic organization (PEO) assumptions

- Individuals are actors (as PEPs) guided by their ideological orientation
- Organizations are actors (as PEOs) guided by their ideological orientation or mission

The concepts of 'ideology' and 'ideological orientation'

- Ideology stands for "means-ends philosophy", a kind of compass guiding behaviour and action. It is about where you are, where you want to go and how to get there
- Ideology is not an objective function to be optimized but rather uncertain, fragmentary and complex. Tensions are often involved
- At the level of individuals I prefer to refer to 'ideological orientation'



Decision-making understood as a 'matching' process

A classification of indicators and impacts in economic analysis

	Flow (referring to period of time)	Position (referring to point in time)
Monetary	'a'	'b'
Non-monetary	'c'	'd'

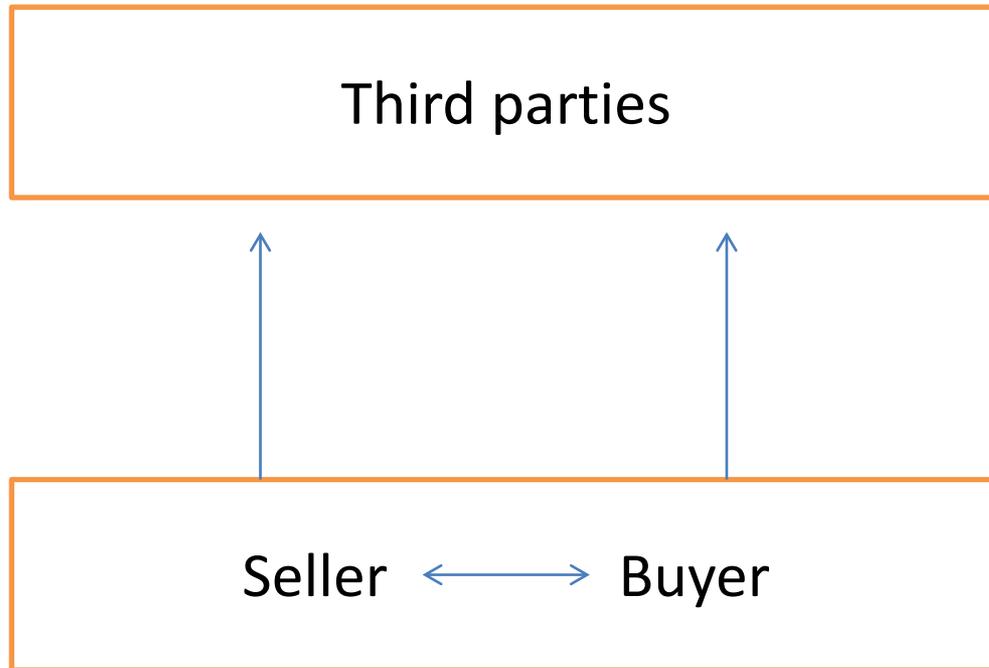
A classification of costs and benefits in economic analysis

	Cost	Benefit
Monetary	'e'	'f'
Non-monetary	'g'	'h'

A classification of assets and debts (as positions or states) in economic analysis

	Assets	Debts
Monetary	'i'	'j'
Non-monetary	'k'	'l'

Neoclassical ideas about external impacts (to be "internalized")



Four models of markets

1. Markets in terms of supply and demand
2. Markets in stakeholder perspective
3. Markets in network perspective
4. Market behavior based on ideological orientation (A democracy or political economics perspective)

Democracy as a contested concept

- Minimalist understanding of democracy
- Openings and limits to public dialogue. A power game with elements of protection (and social construction) of paradigms and ideologies
- Consensus idea of democracy versus antagonistic idea of democracy

Is Globalization Overpowering Democracy? The Challenge for Ecology, Economy and Culture (Miroslav Lapka ed. 2007)

Dominance and alternatives at the level of perspectives are relevant for a dialogue about radical interpretations of sustainability

- Theory of science

- Paradigm in economics

- Political or other ideology



Institutional framework
(political-economic system)

	Neoclassical economics	Institutional economics
Individual	Economic Man	Political Economic Person (PEP)
Organization	Profit-maximizing firm	Political Economic Organization (PEO)
Market	Supply and Demand	PEPs and PEOs as market actors
Decision-making	Optimization	Matching
Approach to decisions in society	Market approach (CBA)	Democracy approach (PA)
Institutional framework	No radical change	Also consider radical change

Sustainability politics – a personal, political view

- Emphasis on strengthened democracy within and outside science
- Encourage dialogue not only about paradigm but also of ideological orientation
- Discuss the pros and cons of globalization of markets in various fields
- We should probably start reconsidering our political economic system
- There are many candidates for radical political change (WTO, IMF, Joint stock companies, University departments of economics etc.)