

**With and beyond sustainability economics. Feminist-ecological rethinking of “transition from plan to market” in Poland**

- **Relationship between organization of social reproduction and forms of accumulation as vector for analysis of debt, land grabs and disappropriation**
- **What kind of cartographers are we? The problem of relationship between the map and territory, the activist scholar and the multitude**
- **Insights from critical feminist theorizing on social-ecological reproduction**
- **Poland: “transition from plan to market” as new round of enclosures**

In these notes I would like to go with and beyond sustainability economics, as well as beyond feminist economics to look at the relationship between social reproduction and new forms of accumulation. While sustainability or feminist economics contribute to ways out of current predicament, “the crisis” is not the outcome of neoclassical economics and its unhappy marriage with neoliberalism, and resulting extension of economic frameworks to analyzing and re-regulating human behavior and society/nature interactions. Economization of social relations, including relations with environment preceded neoliberalism (Adaman & Madra) and so did engagement of the state with creating markets. Neither it is the issue debt crisis alone (although debt is inherent to capitalism, and a strategic site to unravel bonded integration of human subjects and nature with capitalism as the force which structures society/nature interactions). There are questions about new and massive reorganization of power and knowledge to align it with capital. We can't seek answers within economics alone. The strategic choices to address current predicament through the lens of debt, land grabs, and property to intervene for end of exploitation and social and environmental justice have a common underlying and recurring thread: the relationship between social reproduction and accumulation of capital. This is where the critical feminist, ecological, labor, and social justice movement political stakes and intervention tactics coalesce. Social-ecological reproduction is the common bottom ground for all kinds of struggles for rights and justice.

My entry point into this debate on debt is through the inquiry into relationship between new/old forms of accumulation and reorganization of social reproduction which I see as strategic site of struggles, and as a strategic site for analyzing current predicament and ways out. To this extent I will bring to this conversation a review of feminist critiques that redefine social reproduction to include nature. However, with some notable exceptions feminism does not look into capital and its relationships with patriarchy any more. Also beyond feminism, too, there are not that many empirical, bottom up studies on new and specific forms of accumulation as it affects living nature (as Brennan reframes Marx, more on that to follow) and livelihoods. Debates that are oriented to social justice focus on the return of primitive or primary accumulation, but its new forms, also specific to the role of the state or EU are rarely addressed. Politico-intellectual work that went into critiques of accumulation became the means of accumulation. E.g. an article on new forms of accumulation in Africa, in the journal *African Political Economy*, probably written for free, in the spirit of intellectual commons, is sold by the publisher at 184 euro). Analogically, we can see

neoliberal feminism or neoliberal environmentalism as rounds of new enclosure which construct discursive fences and claim the ownership of representing ecology or feminism, while at the same time they organize and control the fenced off spaces with conceptualizations from neoclassical and new institutional economics, economics of discrimination, etc. which capture social protest energies, align them with, and make them work for capital, expropriating social and ecological justice critiques from the spaces they have created (so called Rio process and sustainable development can be seen as process of enclosures, too)

Whatever critical interventions, to make impact they require to take power into account, e.g. by way inquiry of into convergencies between some of the insights of Karl Marx and French social philosopher Michel Foucault around his hypothesis on mutual adjustment in the forms of accumulation of men and of capital. What Foucault writes is that power is not only working through force and ban, but also through control over production of truth (shaping criteria of what counts as truth), by shaping courses of action, through disciplines and norms that produce obedience and adjustment. To apply this line of thinking to capitalism brings attention to how the system captures and integrates living labor (or rather living nature – in Theresa Brennan's take). In a way in current times, with the exception of metaindustrial labour (Ariel Salleh's take – more on that later) we are all in some ways bonded to capitalism, and the struggles are either for more humane capitalism (while value systems are important, I do not mean here interventions on ethics but capturing and redistribution of some of the surplus value) or for creating alternative economies to provide material and social basis for livelihoods outside of capitalism.

Speaking of “bonding” of labour and every day life to capital, a short note on some elements of Foucault's toolkit might be useful. Instead of “what is happening”, Foucaultian research 'trade mark' is to pose questions HOW forms of power emerge, are assembled, change over time and relate to each other, how people are made into subjects (subjectification), how what passes for truth is made, and what are its productive effects. In his analytic of neoliberal biopolitics Foucault points to extension of economic rationality to areas beyond the market (the social, law, civil society) and delineates the rise of neoliberalism to Freiburg ordo-liberal school of economics, and to Chicago school. His analytic of biopolitics has some common ground with marxist critiques of managerialism. Interesting insights come from reading together Foucault's critique of neoliberal biopolitics and state racism (and Mbembe's analyses of necropolitics and new model of plantation economy) with Marx on surplus labour, as well as Silvia Federici critiques of both. In Grundrisse Marx points that language is not a natural given, it is historically and socially constructed. (Unfortunately he does not think this applies to procreation as well – one of the points raised by Silvia Federici). Guy Debord, French situational artist and philosopher who called himself strategist framed the hold of capital over people with the concept of society of spectacle, when accumulation of images is both economically and politically useful as it feeds into and ensures accumulation of capital. These insights at the interface of marxism and foucaultian analytic of power suggest it is productive to look at the interface of accumulation of capital and social-ecological reproduction through three planes: (i) the relations of meaning and virtual economy of signs (ii) power relations (iii) economic relations.

Last not least, what I would like to bring to this discussion, too, are some thoughts and research findings on integration of Poland into EU and global economy to reframe “transition from plan to market” as new round of enclosures.

## **Part I. What kind of cartographers are we? The problem of relationship between the map and territory, the activist scholar and the multitude**

During the previous workshop on sustainability economics, several participants brought up the metaphor of map making. The work of theorizing is a kind of map drawing. Theories are but representations of the world to control it, to change it, to reproduce status quo. The postulate of pluralistic dialogue with its subjects, political economic persons (PEP) and organizations (Peter Soderbaum), or new cognitive maps and listening to the multitude (Otto Wolf) is both tempting necessary, and power loaded. There are tensions between listening to, being with, or seeing through the struggle (in a sense that struggles reveal what is at stake, how oppression and exploitation that they oppose is organized). Occasionally, discussions on pluralism in economics fall into the traps of ideal model of deliberative democracy, which are underpinned by assumption that a well meaning idea has the power to change the world. Material constraints (Nancy Folbre) or effects of linkages between language and capital (Christian Marazzi, on postfordist economy as war) are not taken into account.

Not only we do need reconceptualizations of economics (Peter Söderbaum opens one of the more promising trajectories in this direction), but we also need to go beyond economics, towards contributing to new common sense that 'multitude' will co-own and share, to debunk control of language and power of capital over social imaginary, and to undermine the hold of spectacle as accumulation of images (Guy Debord). The spectacular avalanche of sustainability as from Bruntlandt report onwards conveniently erased the memories of radical ecological left protest in Stockholm, and reformatted social energies into market forms of NGOs and major groups, giving them voice, but no influence.

To this extent, reflection on new map making tools to charter critical common sense is needed. As Alfred Korzybski said close to a century ago: the map is not the territory. This famous statement by Korzybski poses the challenge to neoclassical economics as well as to sustainability economics. The problem of the modern master cartographer is that he sees the world from God-eye view, from above. The tools at his disposal constructs the theoretico-political representations of the world. These include market mechanism, global grid - GIS, statistics and policy frameworks, such as produced by Global Knowledge Bank – as aptly the World Bank renamed itself circa 2000, while at the same time in post Rio/new GATT years the Bank engaged in strengthening coherence frameworks with WTO, IMF, UN, through agreements, though directing money flows, quite a lot of it coming from the EU coffers to fake poverty solving projects such as MDGs. These investments in knowledge production in particular in the areas of the social and the environment, by offering neoliberal explanations and solutions to all kind of problems led to cooption of academia and NGOs. At stake is how do we do the new maps, with what tools, and how new commons sense is produced. As the Black lesbian marxist feminist, Audre Lorde remarked close to three decades ago, you can't dismantle master's house with master's tools.

To transcend the gap between the map and territory, the new mapmakers have to be a part of struggle, and to see the struggle as the window into what power and capital is today.

Peter Soderbaum's "positional analysis" (focus on context dependent human roles and relationships) shares some affinity with feminist-ecological alternatives to see from below and (transdisciplinary) sideways and to link local struggles with the macro-view include triangulating (Ariel Salleh) or assembly new topographies, drawing contours linking local struggles (Cindi Katz),

or taking a route from standpoint theorizing to situated knowledges, analyzing through scales, from the politics of the body to macro-politics. Listening to the multitude, and being part of struggle involves reflection on what this struggle tells us about power, its new reconfigurations.

While I agree that “sustainability” economics has to be linked with critical theory, I wonder if the search for the holy grail of new grand theory in political ecology, feminism or postcoloniality etc, is warranted. In all these areas we can find critical work, as well as adaptations to and co-production of neoliberal hegemony (eg gender mainstreaming, anti-discrimination), or attempts to speak on politically non-controversial margins by theorizing cultural economies and focussing on micro-politics alone, in detachment from social critique. (We have also seen Marx co-opted by the Economist, after the crisis of 2008, which offered global economists a rare and passing moment of political lucidity). What I like in critical feminist economics, or some new trajectories offered by feminist political economies or in political ecology is the method, the new map making tools, and not the grand theory. Paradoxically, some scholars deploy theoretical insights of Karl Marx, Rosa Luxemburg, or Michel Foucault to analyze this or that problem with their theorizing as a beginning which defines how to think, and as universal explanatory matrix, in a top down manner that subverts the work of Marx, Luxemburg or Foucault which was situated in concrete struggles. What I like most in Marx is not the critique of political economy as such, but method of thinking through struggle, and in debate with other thinkers so well articulated in Grundrisse. What I like in Foucault most is not critique of governmentality which became popular now, which makes me suspicious about the outcomes of the new fashion, but his toolkit for analytic of power. My intuition is that we can get a lot of mileage by exploring the boundaries between these two bodies of thought, disagreeing, reinventing as feminist scholars cited below, and poaching from their conceptual apparatuses for producing new kind of maps.

Ideal models of deliberative democracy do not work, and reproduce god-like positions (view from above). Common sense and politics of coalitions come through and from struggle, and not from above or from critical expert theorizing. Even if it's well meaning and emancipatory it won't get us anywhere. This is not to say that critical experts are useless, to the contrary I think of us as a part of multilayered struggles. At the current conjecture critical scholars have an urgent task of developing concrete alternatives, not only local economies, but also to think through alternative ways of doing politics of government or social coordination differently- for instance how to organize transition to an economy which is not based on debt? - to prepare for, as Ramon Fernandez Duran writes, the collapse of fossil fuel economy and industrial civilization.

## **Part II. Current predicament and insights from feminist theorizing on social-ecological reproduction**

There are many interesting and insightful feminist political economy studies of social reproduction and its reorganization in neoliberal times (e.g. work by Brigitte Young, Izabella Bakker, Kate Bezanson, Meg Luxton, and many others). They include a body of feminist analytical work that spans from marxist feminist debates on domestic labor, and patriarchy and capitalism - to range of positions in feminist economics, from feminist improvements on neoclassical economics to conceptualizations of care economy or care diamond (Diane Elson, Shara Razavi). Against the background of this theorizing, in this section of my contributory notes, I would like to briefly present a selection of work from feminist political economy that includes "nature" as part of social reproduction, as well as to review contributions to develop a new field of feminist ecological economics.

Before I go on, a word of warning, neoliberal discourse appropriated some of feminist work on care and produced its own alternatives to critical feminism, drawing on Chicago school (Gary Becker and others) theorizing on new household economics, economics of discrimination, and on human capital. These neoliberal approaches were "made operational" in conceptualizations of gender mainstreaming, discrimination, reconciliation of work and private life, investments in child care (albeit tiny as compared to redistribution to private sector) to identify and foster human capital and enable women's work, in the World Bank reframing of gender equality as "good for economic growth". Gender mainstreaming and other such concepts are offered as solutions to oppression of women. They ignore causes of oppression or subordination. Instead, the solution offered are locked up in the market form, propose better management as answer to all kinds of problems, relocate responsibility to individuals, and create new service markets. e.g. in training for empowerment and entrepreneurship. Neoliberal feminism enabled by neoliberal discursive investments plays a key role in their reproduction. We have to reckon with it because it is a part of political contexts in which socially engaged feminism is making its own politico-intellectual project(s).

Now, to go back to the review. Feminist social-ecological critiques that I mention here have their founding mothers. Among them is Maria Mies, the author of 'Patriarchy and Accumulation on World Scale' published in 1986, the analysis continued in "Subsistence perspective", co-authored with Veronika Bennholdt Thomsen. In 1987 Gita Sen and Caren Grown wrote Development, Crises and alternative visions. Third world women's perspective. The book was based on discussions in DAWN (Development Alternatives with Women for a New Era), network of activists scholars from the South, and addressed systemic crises: of food-fuel-water crises in relation to balance of payments and debt crises, and militarization and violence.

### **Metaindustrial labour class and embodied debt**

Feminist social-ecological critique is highly indebted to Ariel Salleh, author of numerous articles and books, including 'Nature, women, labor, capital: living the deepest contradiction' (1994), 'Ecofeminism as politics' (1997), and editor and co-author of "Eco-sufficiency and global justice. Women write political ecology (2009). Here I briefly summarize her conceptualization of triple debt social, ecological, social and embodied debt. Ariel Salleh begins her reconceptualization of debt with "theft of labor time from the bodies of workers - in the follow up of labor theory of value. Work generates surplus but never receives in terms of wages all that he or she generates.

This is social debt. Ecological debt (owed by global North to the South) relates to extraction of natural means of reproduction from local non-industrial people. The third type of debt is embodied debt, owed by North to the South. Unpaid reproductive workers provide use value and generates conditions of production and reproduction of labour force for capitalism. Ariel Salleh calls them meta-industrial workers because through subsistence production they regenerate nature, and thus ameliorate the environmental degradation which came in the outcome of capitalism. “Where 'development' has not consumed local resources, the labour of peasants or indigenous gatherers in the South demonstrates metabolic fit between human needs and biological growth. It reserves and generates metabolic value. In the North the meta-industrial labor of mothers and other human care givers is also attuned to natural cycles”. Since this reproductive and regenerative labor sustains matter/energy exchanges “the entire machinery of global capital rests on the material transactions of this labor force”. Salleh underscores that the bearers of debt include actors who address ecological debt, but ignore embodied debt, and the role of meta-industrial labor. This is one of many issues she finds problematic in ecological economics, and specifically this strand which adopts top down view, and makes regenerative and reproductive work invisible. Alike with other social-ecological scholars Ariel Salleh is at the same time an activist, and her theorizing is situated in the struggle of social and ecological justice movements. This standpoint is shared by Silvia Federici, a marxist feminist scholar/activist, author of path breaking feminist history of capitalism, “Kaliban and the Witch” (2004), who argues with and against Marx, and against Foucault, a contributor to Midnight Collective, and to the book edited by Ariel Salleh. I am briefly summarizing Sylvia Federici's arguments on the commons below.

### **Social reproduction as commons**

Silvia Federici argues that population crisis in the 16<sup>th</sup> and 17<sup>th</sup> century led ruling elites in Europe to war on women to “turn female body into instrument for reproduction of labour and the expansion of the workforce, treated as natural breeding machine, functioning according to rhythms outside of women's control”. Sylvia Federici documents all the cruelties that this project entailed as well as women's struggles including their role in struggles for the commons. Another solution to population crisis was slavery and plantation economy which became a model for labor management, export oriented production, economic integration, and international division of labor, and gender/class/race relations under capitalism. Low class English women (and men) were exported as convicts into colonies and worked in plantations along black slaves. Meanwhile in Britain women were expelled from paid work and relocated to household, with this model applied in colonies, to indigenous and European populations. The subsequent invention of femininity and the housewife, and technological innovations (the car, the house in suburbs) imprisoned women at home, until challenged by new resistances, initiated by women on welfare who defended reproductive work as work, and not as non-work. In her rewriting of history of capitalism Silvia Federici points capitalism depended not only on disappropriation from the commons, but also on disappropriation of women from control over their bodies. These struggles continue today, in different places and forms. Nature is integral to the commons. E.g. in Africa, women's struggles over rights to land and over urban communal gardens are organized in the form of commons, meaning an “economy built on non-competitive solidarity-centered mode of life” (2011:53). Citing Maria Mies and Veronika Bennholdt Thomsen (1999) Silvia Federici underscores women are treated as commons and commons are treated as women.

For sustainability economics, and for questions about debt, land grabs (contemporary assault on

the commons) and property these insights from Silvia Federici and Ariel Salleh imply that thinking on sustainability economics and other strategies for ways out require a re-start or rebooting to integrate the perspective of reproductive regenerative work and the commons. Such a new starting point is offered within nascent debate in feminist ecological economics. Before I turn to this debate, one more example of integrating environment as element of social reproduction.

### **The elements of social reproduction**

For Cindi Katz, critical American feminist geographer, and another activists scholar, social reproduction is made of 'material social practices through which people reproduce themselves on daily and generational basis, and through which the social relations and basis of capitalism is renewed'. It encompasses both the means of production and labor power necessary to make them work. Capitalism, in particular in its vagabond, footless form destroys the basis of social reproduction. Social reproduction has several aspects: (1) politico-economic (work, knowledge, skills that include reproduction of class divisions) (2) cultural (3) political ecological aspects (material grounds for social reproduction structured by class and race, e.g. environmental racism, including the production and destruction of nature). Due to historically and geographically contingent gender division of labour in the household, it is commonly presumed that women take up responsibility for most work of reproduction. Contemporary changes in reproduction include trends towards increasing share of provision by the market, withdrawal of the state in the last decades, unhinging reproduction from production, and transnationalization (e.g. migrants providing families back home, or migrant care work).

Public education, public housing, health care, social assistance that citizens obtain are a form of social wage. In 2008 paper she adds access to justice as yet another element of social reproduction. In case of New Orleans (hurricane Katrina study), the fall of social wage, and decline and neglect in the maintenance of environmental infrastructure that preceded the storm largely contributed to, and exacerbated social consequences of flooding. After the storm the reconstruction supported value generating projects (casinos, tourism, petrochemical industry). Few hospitals and schools were reopened, schools were privatized, and the catastrophe was used to lock tenants out from public housing (To link it with the the topics of our workshops: an urban equivalent of land grab). The analysis of situation in New Orleans through the eyes of citizens expropriated from the city, and through the lens of social conflicts over means of social reproduction helps Katz show how different aspects of social reproduction are linked with each other, and how it is indispensable to recovery and reconstruction. (Here New Orleans comes as metaphor for reconstruction of Europe after neoliberalism). Lack of affordable housing and child care prevented nurses and teachers from coming back to New Orleans, which in turn affected the provision of education and health care (with access to means of social reproduction structured by class and race). Cindi Katz takes this analysis to contrast massive investment in the Gulf War with social disinvestment in the New Orleans Gulf, and the carceral politics in both gulfs to show collusion between the state and corporations, in particular the same corporations, Halliburton and Blackwater benefited from contracts in both gulfs. What her analysis points to is the long lasting and acute depletion of social reproduction.

To link struggles around social reproduction in different locations (eg. Sudan and New York) Cindi Katz develops a method of counter topography, "critical methodology that provides means of imagining and developing a translocal politics opposed to globalized capitalism and other forms of oppression, especially around issues of social reproduction". This a project for alternative

geographies of opposition to global capitalism. '(A)ny politics that effectively counters capitalism's global imperative must confront the shifts in social reproduction that have accompanied and enabled it" (2001:711)

### **From feminist critiques of political economy to diverse economies**

In their feminist critique of political economy J.K. Gibson-Graham celebrate the achievements of marxism as body of thought, and its indispensability in countering exploitation. At the same time, they point to exhaustion of capitalocentric perspectives, which explain so much but leave no space for alternatives. To this extent they postulate a discursive breaking down of the way of thinking of capitalist economy as totality that takes all available social space – into diverse economies, to reclaim them for projects of socialist or other non-capitalist spaces of production and reproduction. In addition to 'promoting distributive class struggles focussed on obtaining cuts of surplus value from capitalists (and working for more equitable capitalism) the strategies they propose include enabling new class politics of distribution. They see their role as creating discursive conditions for diverse economic landscapes that are engendered by and co-exist with capitalist class processes. The two pillars of this project are discursive interventions to reimagine economy, such as their own tactics of fragmenting capitalist economy, or critical accounting on the one hand, and self-employment (modeled after SEWA, and after highly skilled urban workers) at the level of material organization of work on the other hand. Graham-Gibson propose using the power of critical theoretical discourse to visualize and enable alternatives, and to use certain properties of post-fordist economies, such as flexibilization of work to engender transition to non-capitalist projects. The intention behind this reinvention of strategies is to create 'discursive conditions under which socialist or other non-capitalist construction becomes a "realistic" present activities, instead of utopian future goals".

### **Production of money from debt**

One of the strategic issues addressed by several feminist social-ecological thinkers is the production and circulation of money. Mary Mellor's analysis of money is situated in the rethinking of economy in terms of concentric circles of formal economy (exchange between households and firms), social economy (common resources, social institutions, including unpaid work in the household), and nature's economy. Both formal and social economy depend on inputs from nature. In her critique of the hegemony of growth oriented capitalist market system over all other economic systems Mary Mellor points to the dominance of finance and to changes in the role of finance. While Marx saw and analyzed the model of money invested in commodity production to increase value of money at the point of sales, nowadays money is invested in money itself as commodity. 'In UK 97 % of new money in the economy as debt. This "nothing money", produced out of thin air creates growth imperative and is behind needless employment and consumption. Mary Mellor argues the money/credit is created by banks (and new finance industry, if I may add), which thus play central role in allocating resources in the economy, beyond any democratic or state control over production of money. To challenge capitalist system, various alternative ways of issuing money are invented. Citizen's Income is one of them. According to Mary Mellor , '(u)nder different system social money, free of the demands for profit, could be used as mechanism of social integration and solidarity'. A different system can be engendered with provisioning of goods and services as a new starting point for economics.



## **Social provisioning as starting point for feminist ecological economics**

The proposal to think of new economics from the starting point of social provisioning has been raised by several feminist scholars. Here I am summarizing the proposal by Marilyn Power (2004). "To define economics as the study of social provisioning is to emphasize that at its root, economic activity involves the ways people organize themselves collectively to get a living". Economic activities should be analyzed as interdependent processes, just as ecosystems are analyzed as interconnected and interdependent. In her proposal economics as social provisioning has to address (1) incorporation of caring and unpaid labor as fundamental economic activities (2) use of well-being, including quality of environment as a measure of economic success, (3) analysis of economic, political, and social processes and power relations (4) inclusion of ethical goals and values as an intrinsic part of the analysis (5) interrogation of differences by class, race-ethnicity, and other factors. All these issues are addressed in the new emerging feminist ecological economics. In her paper Marilyn Power reviews the work of Bina Agarwal, Marilyn Waring, Susane Hawthorne, Dianne Rocheleau, Dianne, Barbara Thomas-Slayter, and Esther Wangari to argue this project is in the making.

## **Speed-up and expansion in the accumulation of capital**

Teresa Brennan was a transdisciplinary scholar, and her work that I would like to highlight here includes two books, *Rethinking modernity. Ground for a new economy* (2000) and *Globalization and its terrors. Every day life in the west* (2003). The books draw on her earlier work on rethinking labour theory of value without subject object distinction, published in special issue of *Ecological Economics, Women, ecology and Economics* in 1997. Following and reworking the arguments of Karl Marx, she argues that the accumulation of capital requires the input of living nature (human and non-human) into products and services. As 'raw materials', nature and human labour are sources of energy and sources of surplus value. *Both labour and nature give more than they cost.* Capital does not pay the costs of reproduction of people, but transfers these costs to households (to the care economy, as some feminists would say). Nor does capital pay for the reproduction of nature (under substitution laws), unless forced to do so. *The real costs of nature are always deferred ... Speed of acquisition and spatial expansion increase pressures on living nature ... In the event that natural processes of reproduction cannot be speeded up, the cost of natural reproduction has to be reduced to make up for the drag on exchange-value.* (Brennan, 2003: 128). The costs of natural reproduction are minimized by deregulation, cuts in health care expenditures, welfare reforms, new technologies, e.g. in food production that lead to bioderegulation.

The time of reproduction of living nature (human and non human) is on collision course with the accelerating time of reproduction of capital (2000). Deregulation is theft of time. Capital is conducting war on atmosphere, land, sea, and other conditions of life. The speed up in

accumulation (milisecond transactions, business project timeframes) impacts intensification of work and every day life, with disastrous costs, such as breakdown of communities, and human stress, and the breakdown. While Teresa Brown's work on speed up and expansion and its social, and ecological costs and consequences is interesting, the conclusions (Prime directive with appeal to ethics) are somewhat disappointing. Nevertheless her work brings attention to fundamental systemic problems and relation between speed-up and expansions is a fundamental question to address in getting out of current predicaments and to social-ecological alternatives that are not mediated by capital.

### **Part III. "Transition project" as new rounds of enclosures**

What's in the name, transition or social-economic-political transformation? In global discourses the systemic changes in post-socialist countries are framed as project of transition from centrally planned economy and one party state to free market and democracy. In Polish discourse transition is addressed as project of return to Europe, and a rupture between totalitarianism, poverty and squalor to democracy and prosperity. This frame of transition was enforced and policed by intellectual elite, with stigmatization and pathologization of left dissent that lasted through two first decades of "transition" until all elements of this project were securitized with EU accession, accomplishment of institutional reforms, and capture of social imaginary.

#### **The role of debt**

In 1996 World Bank published World Development Report, From plan to market. The report refers to internal systemic changes as economic and social transition, undergoing in parallel to opening up to global economy. "Transition must therefore unleash a complex process of creation, adaptation, and destruction". The logic of destruction was inscribed in shock therapy reforms (designed with dictates from Paris Club Banks (holders of Polish debt) and European Roundtable of Industrialists which shaped EU policy towards Poland, IMF experts, representatives of interest of transatlantic capital, including later member of US government brought to Poland by George Soros, and Polish ultraliberals. In Poland the international script behind "transition project" is hardly reflected upon, and the reforms have the face of prof. Leszek Balcerowicz, a misogynist, authoritarian figure embodying "rational economic man", academic professor, minister of finance, deputy prime-minister, head of National Bank, and now neoliberal missionary activist in the Civic Development Forum, a foundation he set up and chairs. Balcerowicz established a Debt Meter in the downtown of Warsaw to discipline government to continue social sector reforms, with the aim to reduce public expenditures. The same goals are realized through the website Polish debt (<http://www.dlugpubliczny.org.pl/pl>). For instance, Balcerowicz claims all schools should be privatized. "Teaching is not different from production of bricks and market knows best how to organize it", he said in a recent interview. In a competition for a cartoon on budget deficit (in

colloquial Polish a hole in the budget) organized by his NGO, the first prize went to a cartoon that represented Polish economy as a primitive woman with a hole in the abdomen. She tells the doctor she is sick with “a budget hole”. When the doctor examines her he finds she consumes health care, social assistance, pensions, and eventually swallows the doctor himself. Police is called to his rescue. In the meantime, the woman consumes police employees pensions.



cartoon on budget deficit, from [www.for.org.pl](http://www.for.org.pl)

To come back to my narrative, while transition is framed as triumph over communism and periodized as rupture with the magic date of election in June 1989, these accounts carefully sweep under the carpet at least two factors: the continuity with market reforms undertaken much earlier, and the role of debt.

In 1970s. Poland took up credit from western governments and private banks on euro-dollar market to invest in development (highways, new factories, some consumer import). As it turned out debt became the major obstacle to development, as new loans were taken up for repayments and debt servicing costs exceeded export earning. After decoupling dollar from gold standard and the oil crisis the debt repayment terms changed again. This led to what we call nowadays austerity policies, and to attempts to introduce market reforms to off-load debt costs to population (e.g. hikes in food prices, which led to massive strikes, including 1980 which gave birth to Solidarity Trade Union). In 1981 the government suspended repayment of debt. During martial law the socialist state continued market oriented reforms. By 1989 joint-ventures, and relaxed policies towards small business increased the number of people making a living from small business to 0.5 million. One of the changes which later paved way for privatization was an amendment to civil law, which transformed the property of the working people (workers and farmers) into the property of the state. Limited liability companies were established on the fringes of state enterprises, e.g. to organize supply of inputs, or to sell or export produce, areas which

generated highest value added which drained earnings and privatized state enterprises long before privatization. However, in 1988 the state coffers were empty, and the costs of servicing debt surpassed export earnings, and undermined domestic earnings. In this context the managerial elite of state socialism entered into roundtable talks with opposition.

While at the end of 1970 Polish foreign debt was 1.1 bn usd (6.6 mld in 2011 dollars), in 1987 the accumulated debt was 42.3 bn usd, (74.1 in 2011 dollars) and constituted 64.8 % of GNP. While some of this debt was canceled during negotiations with western government and Paris Club (private banks), the last installments were paid off in 2009<sup>1</sup>. By 2011 Polish new public debt was in the amount of 814.3 billion Polish zlotych (271 billion usd) Some of the loans were taken to organize privatization. One of many reason for communal and state debt is EU funding (structural and other funds) when projects have to be pre-paid. This has seriously indebted local communes, while major banks (all of them but one privatized) opened communal debt departments to service these needs. Meanwhile, mainstream narrative in Poland attributes causes of rising debt to social spending.

### **The first round of enclosures. Transition as destruction**

The new government, which came into power after elections in June 1989 introduced so called shock therapy reforms,. In November 1989 the summary of the reform project was presented in a summarized form in the government newspaper. A few weeks later on 17 December 1989 , members of Parliament received several hundred pages of documents (which nobody had time to read in such a short time) and voted new laws in on 2 January 1990, with no time for deliberation, an with exclusion of alternative proposals, as Tadeusz Kowalik recapitulates in his analysis of shock therapy reforms (Kowalik, 2009). Shock therapy reforms were prepared behind closed door, mostly with participation of western experts. These conversations were opaque even to other members of government. At least until now, apart from two documents nothing has reached the public. One of the two documents was the above mentioned outline "Program of economic reforms " (published in government paper, Rzeczpospolita in November, 1989) the other a bullet point plan for talks with western government, called New assistance program for Poland, prepared in June 1989 in Amsterdam, which had outlined similar reforms to what was later introduced. This ties debt restructuring and new loans and aid programs to shock therapy reforms. In her study of western aid to Poland Maria Ivanova highlights another actor which influenced the reforms: European Roundtable of Industrialists which shaped EU policies towards Eastern Europe and demanded cuts to energy subsidies, closures of big state enterprises and barriers to Polish export to EU (Ivanova, 2008).

Apart from measures to stabilize inflation, the authors of the reforms, (as the only published outline of reforms shows), planned for abolishment of food and energy subsidies, opted to close all investment projects in heavy industry and energy sector, and planned measures that enforced labor cuts and/or led state enterprises out of business, by changing interests rates on credit, and by taxing wage rise. Not surprisingly, since early 1990s until early 2000. when there was hardly any public property left to destroy, the daily papers regularly published announcements of trustees on liquidation of state enterprises. With the liquidation or privatization of enterprises, means of social reproduction organized through enterprises (creches, housing, medical facilities, vacation centers, etc) disappeared, too. Housing blocks were sold together with tenants which led

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<sup>1</sup> [http://pl.wikipedia.org/wiki/Zad%C5%82u%C5%BCenie\\_zagraniczne\\_PRL](http://pl.wikipedia.org/wiki/Zad%C5%82u%C5%BCenie_zagraniczne_PRL)

to the first big wave of evictions in Poland.

One of the first hit hardest were workers in coal mines in Walbrzych, Upper Silesia where a few years later garment and electronic factories were closed which led to the collapse of local economy. Another example is garment industry in Lodz and other textile industry centers with feminized labor force, or abandoned rural workers in liquidated state farms. With no jobs and alternative means of livelihoods families plunged in poverty and hunger to be blamed by neoliberal discourse for their poverty. A year after shock therapy reform, the administrative reform decentralized all responsibility for social reproduction, for education, health care, social assistance, public housing (apart from pensions where contributions were channelled to financial markets) to local authorities, which started to sell of creches, cultural centers, and later to get rid of small schools deemed inefficient. This has further destroyed basis of social reproduction. Local authorities were charged with responsibilities and received subsidies from state budget to co-finance education or social assistance, but they were also encouraged to become entrepreneurial cities, responsible for local economic growth. The prevailing class racism, or state racism directed towards economically redundant poor made these choices easy.

In the administrative reform of 2008 municipalities were forced to transform remaining communal enterprises (provision of water, housing, local transport, district heating, etc) into limited liability companies, which removed these commons from jurisprudence of public law and possibilities for democratic control to commercial law, and paved way for privatization. By now the ownership of communal utilities shifted to global corporations, including German RWE or French Dalkia.

From 1989 to 2011 the net number of jobs was reduced by 5.7 million while the number of people in working age that is 18- 60/65 increased by 3.7 million. In the same period the number of people gaining income from business increased from 0.5 million in 1989 to 2.6 million in 2011, while the number of people working in agriculture declined. The reforms created a huge surplus population, future migrants, and temporary workforce in special economic zones. A glimpse into the realities of every day live of abandoned working class at whose costs the transition project was organized is through longevity of Warsaw population. The difference between the richest and the poorest district is 18 years for men and 16 years for women. It is warranted to see the early reforms, in particular shock therapy package as the first round of enclosures which separated people from means of social reproduction. As with the first round of enclosures, in Poland too, the new ruling elite took up the control of procreation, and rescinded earlier liberal abortion laws, despite million signatures collected and massive social protest. Ideologies of human capital as means of accumulation colluded with and mutually reinforced catholic discourse on life rights of the fetus. Both require control over women.

Massive protest accompanied privatization. A strong movement for employee ownership schemes emerged, with support of Solidarity Trade union, and international allies. Informative of distribution of power in Poland is the fiasco of the project, despite powerful allies. Protests accompanied attempts to change labor law. However, the size of surplus labor in Poland 4 – 5 million (as compared to 12 million in various types of employment, including persons employed on civil law contracts and working poor) is clearly limiting the bargaining options of workers. The rise of new agency work, and new inventions in exploitation (e.g. requirement to sign promissory note in blanco as conditionality for obtaining employment contracts), plus massive disinvestment in social reproduction and redistribution of public funds to private sector make it very difficult to organize precarious workers divided by class, age, ethnicity, and geographically, with fragmented

employment in a range companies, or working from home.

The enclosure enabled new debt markets, new consumer markets, and new labor market (educated, cheap and flexible as advertisement for investors in special economic zones indicate). The new debt market included a segment targeting the poor. Companies such as Provident (a door to door loan institution with history reaching back to early years of capitalism in Manchester) have expanded their business to Poland (as well as to Slovakia and Ukraine), targeting the so called subprime sector. In Poland, Provident offered loans at up to a 350 percent interest rate. The majority of home credit agents (sales representatives) and over half of its 2.03 million customers in Eastern Europe are women who manage household budgets. In Walbrzych where local economy collapsed after the closures of mining and manufacturing loan sharks are easier to find than food stores or creches.

After 20 years of “transition project” its social costs include 2.3 million people living below or at the level of existential/biological /calory intake minimum, including 1,2 million children. 13.8 % of all employed are so called working poor<sup>2</sup>. 59 % of employees under 35 are on temporary civil law contracts. Wages are not paid. In 2010 State Labour Inspection (PIP) recorded 72 thousand cases of unpaid wages in the total amount of 140 mln zlotys, and increase of 60 % in comparison to 2009<sup>3</sup>. Given that Agency is understaffed and under-financed this may well be the top of the iceberg.

A new phenomenon is bonded labor, whereby obtaining a work contract is conditional on signing an in-blanco promissory note in the name of the prospective employer. Should employees want to terminate exploitative and abusive work conditions they are burdened with debt, while courts enforce the repayment. An agency system was invented by local businessmen and taken over by international investment fund, whereby local operations (sales points) are contracted out to self-employed persons while the transfer prices of goods between the corporation and the agents, and their management contracts are organized and written in such a way that vendors (contractors) are forced into debt<sup>4</sup>. By now two generations have lived in a permanent financial/existential crisis. To some extent the class hit hardest: industrial workers could survive from assets inherited from socialist state (housing, pensions “in the old system” of grandfathers and grandmothers that support two generations). As these assets disappear a new wave of extreme poverty will hit poorest households.

In 2011 household debt in formal banking system reached 534,9 bn polish zloty out of which 321.2 bn was mortgages. The outstanding household debt in 2011 was 37 bn, a significant part of it constitutes by late or non-payment of rents and utility costs. 46 % of Poles do not have any savings<sup>5</sup>. The new debt market included market for derivatives, created with the help of OECD and World Bank courses and seminars for Polish decision makers. (While there is no space to address it here, the state prior to 1989 and now is heavily engaged in debt market, eg. in 1989 a special

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<sup>2</sup> National Statistical Office. 2011. Beneficjenci pomocy społecznej i świadczeń socjalnych w 2010. Kraków.

<sup>3</sup> PAP. 2010. PIP: coraz więcej wypadków niepłacenia wynagrodzeń. 36 % in manufacturing, 17 % in services, and 17 % in construction. The largest arrears per employee were in private education. <http://biznes.onet.pl/pip-coraz-wiecej-przypadkow-nieplacenia-wynagrodze.18563,3186479,1,news-detaj> . Downloaded 04-03.2010

<sup>4</sup> Joanna Jurkiewicz, Powrót Drapieżnego kapitalizmu. Omijanie Praw Pracowniczych na przykładzie Systemu Agencyjnego Żabki Polskiej SA. Unpublished MA paper, 2011

<sup>5</sup> (Epiphany Research Consultancy survey for ING Badanie ING: prawie połowa Polaków nie ma żadnych oszczędności. <http://biznes.onet.pl/badanie-ing-prawie-polowa-polakow-nie-ma-zadnych-o,18543,4101044,1,news-detaj>

fund was created to buy back Polish debt, and in the late 2000s. the Republic of Poland directly or via intermediary banks trades in derivatives on new virtual economy trading platforms.)

### **The second enclosure: marketization of social reproduction**

The second huge fencing off people from means of reproduction came with social sector reforms in the late 1990s. The so called four big reforms (pensions, health care, education and administrative reform) marketized and financialized areas crucial to social reproduction. The reforms were conducted by neoliberal conservative government led by prof, Jerzy Buzek, who later became the president of EU parliament. Pension reform created a three tier system, with obligatory contributions to pension investment funds (majority of the US, Dutch or from other EU countries).

Health care and education reforms were introduced in several steps which involved extension of economic framework to health and education policy, introduction of management standards from enterprises (new public management), elaboration of valuation techniques, quantitative indicators to measure efficiency of public spending, new budgeting methods which locked allocation of funding to performance indicators, and centralized electronic registers and data bases on pupils, students, teachers, patients, doctors which integrated personal information with financial management information. In education the reforms led to centralization of decision making.

Reforms were supported by and co-financed with World Bank loans. In case of higher education reforms leading role was played by EU via Bologna process and open coordination policy. By now higher education and science has been reorganized to fit with Lisbon Strategy and Europe 2020 project with the same key concepts of knowledge economy and competitiveness on global markets replicated in national and regional development strategies. Despite relatively small contribution of EU funds to public budget (from 1.2 % to 4.2% per year) the policies made in Brussels have fundamental impact on national and local development in Poland. All EU funding is tied to the document National Strategic Framework which summarizes national development strategies from the perspective of harmonization with EU structural funds. This conditionality for obtaining structural funds impacts local plans and investment decisions of local authorities, while pushing them into debt to ensure co-funding and pre-finance the projects. The EU funding (as much as earlier aid programs) is creating and financing local micro-managerial class, which had first to be educated ( e.g. through jobs they got in projects funded by Know How Fund or World Bank social sector loans) how to think in terms of markets, how to prepare program for health care or education reforms. The neoliberal education of elites and the their support for reforms was rewarded financially. Nowadays additional income for public administration staff depends on EU funded projects. 39,8 % of all EU funding is directly redistributed to private sector, while much more indirectly via projects where principal beneficiary or project leaders are public institution.

Now I am elaborating on these details, because it is not abstract capital that we have to confront to undo neoliberalism. What needs to be taken into account is local micro-managerial class, equivalent of postcolonial elite managing on behalf of the empire, with substantial personal gains. What we have to undo are incentive systems, methods of valuation introduced to marketise social reproduction, and new bio-financial management systems that integrate financial personal and information and allow for centralized and enhanced controls.

## **New forms of accumulation and impacts on social and ecological reproduction**

An analysis of Polish environmental policy in the period 1990 – 2011 shows the decline in some pressures on nature was related to economic restructuring and reindustrialization, closures of heavy and manufacturing industries as well as to meeting the requirement of accession to the EU. (But this was ambivalent as some water quality indicators, more strict under socialist state have been abandoned for more lax EU rules). All this contributed to decline in emissions of CO<sub>2</sub>, SO<sub>2</sub> and greenhouse gases, radically reduced untreated waste, increased the surface of protected areas, and improved aggregate energy efficiency of the economy. However, at the same time indicators related to the volumes of pollution from economic activities, and volumes of industrial waste per unit of output; and of communal waste per capita, volumes of packaging, number of cars, energy consumption per capita, quality of surface and underground water, or environment related human health indicator such as death from respiratory disease - have all increased (Kryk, 2011). The percentage of forested areas, one of the highest in the EU would have been commendable, if not for the stagnation in the age of trees which suggest logging excess. After the manufactured collapse of manufacturing and heavy industry which created localized forms of pollution, new import-intensive manufacturing and services came in with foreign investment (including FDI in 14 special economic zones) and created new kind of distributed pollution via increased demand for resources, transport, and energy. This is as yet invisible to Polish environmental movement, which has been violently repressed in struggles against dams, highways in early years of transition, and had its radical history buried under the avalanche of neoliberal environmentalism.

**Land grabs in Poland** include appropriation of land for highways (to speed up transfer of goods and international trade), for new greenfield investment in special economic zones, but foremost for the urban sprawl engendered by developers (returns on investment in housing and office space exceeded 100 % in early 2000s, now dropped by half), and the rising demand for housing, now affordable only to affluent social groups. In one of the research projects I carried out, the change of land ownership, when the site was restructured factory to luxurious apartment blocks shifted from the state, and local government in Warsaw, via local intermediaries to Lehman Brothers and other international investment funds. A more recent phenomenon, partly related to EU subsidies to agriculture is the investment into farming land, which shifts the use of land from low input production of food to mono-crop farms or industrialized meat production (with chicken farm fires as frequent in Poland as in the UK or the Netherlands – with the suspicions these are insurance scams). A new approaching calamity is shale gas exploitation. To make way for concessions, new regulations have been introduced that allow to suspend local or regional development plans, and laws safeguarding protected areas by decree to enable mining.

New forms of accumulation that feed on debt, expulsions, evictions, or land grabs have been to a large extent organized through the state. It's not unlikely to assume that property grab that went under the name of privatization was largely paid with credit money. It would be interesting to conduct empirical research, how much surplus value goes to foreign corporations and banks, either through direct operations or through intermediaries. The privatization, either in its semi-formal, wild, or organized form involved wide spread, systemic corruption, as documented in 5 volume study of privatization by prof. Jacek Tittenbrun (2009). While by now, many cases of corruption related to privatization have been taken to court, this does not cancel privatization deals. (This was for instance the case of privatizing district heating in Warsaw to RWE, or privatization of State Insurance Company, PZU that I mention below).



The banking sector (most of it by now subsidiaries of foreign, mostly EU based banks) with patterns of accumulation dependent on indebted state, business, and households, and growing credit and debt markets appears to generate highest rates of surplus value. The recurring patterns in banking, insurance and financial services entry to Poland (and other CEE countries) was the purchase of local institution by generating debt. In some cases special investment vehicles were engineered from debt. One of the examples is privatization of State Insurance Company (PZU) to Eureko. Eureko was established for the sole purpose of purchasing PZU by Portuguese and Dutch investors, including Rabo Bank, with credit money, or “nothing-money” as Mary Mellor puts it, and financial engineering. Eventually, Polish state bought back EUREKO shares of PZU, at substantial loss). All new forms of accumulation are dependent on debt and/or driven by corruption.

In case of health care, pensions, higher education the state created new markets where accumulation takes place through means controlled by the state (such as transmission of contributions to pensions to international investment funds, contracts for health care providers, setting up limited liability companies for patentable R&D at universities). Specific industries emerged to manage reforms and to conduct state business (e.g private consultancies, NGOs, transnational companies such as PwC, Ernst and Young formulate projects for public policy funded from state or EU sources, while their colleagues audit these projects and programs). Massive program of creating new consultancy markets, limited liability companies inside the state, out of activities of public administration supported by agencification (establishment of agencies which function on the border of public and commercial law to conduct activities previously undertaken by the state) suggest that state became the site of accumulation, and gradually transforms itself into the role of investor/manager of national economy (not unlike the state during the state socialism, but instead of redistribution to support social reproduction, now redistribution of public funds flows to private sector. As Wendy Brown suggests sovereignty, (whether defined in Westfalian terms as control over territory and populations, or as power of death and life) is migrating to capital. But also capital took over the state in ways which haven't been seen before. In Poland, as in some countries sovereignty migrated not only to Capital but also to Church. This is one more reason to bring power into the debate on social-ecological reconstruction.

Given the re-emergence of plantation model of economy and wide spread social abandonment and ecological destruction there is a dire need for analytical and practical work on ensuring means of reproduction beyond capitalist relations, and beyond circuit of crime economy. Capital and states are already organizing for extra terrestrial expansion, and for enhanced controls over planet. While all interventions to critique and organize resistances to the new empire make sense and are necessary, one strategy that has been neglected in the debates of last years is to liberate people from dependence on production and consumption organized on the basis of capitalist relations by creating alternative means and spaces for social reproduction, parallel alternative diverse economies, alternative money, health care, education, mutual insurance systems. This I hope will be the theme of one of future workshops.

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