

# Economic and Ecological Crises: Green new deals and no-growth economies

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**ABSTRACT** *Bob Jessop applies cultural political economy to the global economic and ecological crisis. He presents theoretical preliminaries concerning economic and ecological imaginaries, and then goes on to highlight the multidimensional nature of the current crisis and struggles over its interpretation.*

**KEYWORDS** *cultural political economy; economic imaginary; ecological imaginary; finance-dominated accumulation; neo-liberalism; post-neo-liberalism*

## Introduction

Cultural political economy combines critical semiotic analysis (one way to make a cultural turn) with critical political economy's interest in economic and political institutions, contradictions, crisis-tendencies, and dynamics.<sup>1</sup> While cultural turns occur in the investigation of many social fields, this article focuses on political ecology. It concerns two (potentially overlapping, often contrary, even antagonistic) multiform sets of imaginaries that frame the observation, interpretation, and attempted management of the continuing global economic crisis. Let me first introduce the concept of 'imaginary'. This denotes a simplified, necessarily selective 'mental map' of a supercomplex reality and typically has normative and cognitive functions. These maps are never purely representational accounts of an external reality: many actually help to construct the reality that they purport to map. Indeed, imaginaries often include prospective and descriptive elements, anticipating or recommending new lines of action, which may guide present and future (non)-decisions and (in)actions in a world pregnant with possibilities.

An imaginary provides one entry point into a supercomplex reality and can also be associated with different standpoints, which frame *and contain* debates, policy discussions, and conflicts over particular ideal and material interests. Hegemonic and dominant imaginaries are generally socially instituted and socially embedded and get reproduced through various mechanisms that help to maintain their cognitive and normative hold on the social agents involved in the field(s) that it maps. Such 'mental maps' matter most where the sum of activities in relevant field(s) is so unstructured and complex that it cannot be an object of effective calculation, management, governance, or guidance. This makes a shared imaginary essential to agents' capacities

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to 'go on' in that supercomplex world, but the necessary simplifications can also have counter-productive effects.

Given our concern with critical political ecology, this article focuses on two broad sets of imaginaries: the economic and ecological. Economic imaginaries revolve around two main poles: a hegemonic 'capitalocentric' concern with profit-oriented, market-mediated accumulation based on the commodification of social relations (including relations with nature) and a counter-hegemonic anthropocentric concern with substantive material provisioning in all its forms (Polanyi, 1957). In neither case can the sum of relevant activities be observed in real time (if ever), with the result that the corresponding imaginaries are always oriented to *subsets* of economic relations that have been semiotically, organizationally, and institutionally mapped and fixed as appropriate, feasible objects of intervention. In this sense, then, economic imaginaries identify, privilege, and seek to stabilize (or transform) some economic activities from the sum of such activities. For example, capitalocentric imaginaries may focus on industrial districts, competitive clusters, the competitiveness of regional or national economies, imbalances at the level of the world market, and so on. Economic imaginaries that focus on substantive provisioning include non-market relations and mechanisms and are more concerned with use- than exchange-values.

Ecological imaginaries are typically less anthropocentric and may have much broader, wider, and deeper spatio-temporal horizons too, which encompass ecological relations ranging from 'Gaia' to the viability of local ecologies. Both kinds of mental maps (and their sub-kinds) are always selectively defined and typically exclude elements – usually unintentionally – that are vital to the overall performance of an identified subset of social and/or natural relations. Different imaginaries entail, of course, contrasting accounts of the economic and social development.

Critical political ecology combines ecological and economic imaginaries. While it may remain with a capitalocentric theoretical or policy paradigm, it adopts a critical standpoint (e.g., taking the perspective of wage-labour, not capital, or of

the periphery, not the centre) rather than one that counter-poses an ecological imaginary to any concern with capitalism. As John Clark notes:

One result of the careful study of the social imaginary is the realization that a decisive moment in social transformation is the development of a counter-imaginary. Success in the quest for an ecological society will depend in part on the generation of a powerful ecological imaginary to challenge the dominant economic one (Clark, 1998: 248).

This said, competing economic and ecological imaginaries, competing efforts to institute them materially and ideationally, and an inevitable incompleteness in specifying their respective preconditions mean that 'imagined economies' and/or 'imagined ecologies' are never fully constituted and consolidated. This can be a source of flexibility (because it widens the repertoire of responses to challenges) or problems (because crucial preconditions for 'success' are absent or incomplete).

### Economic and ecological crises

Crises tend to create profound cognitive, strategic, and practical disorientation by disrupting actors' sedimented views of the world, including their various social imaginaries. They disturb prevailing meta-narratives, theoretical frameworks, policy paradigms, and/or everyday life and create space for proliferation (*variation*) in crisis interpretations, drawing on different imaginaries, only some of which get *selected* as the basis for 'imagined recoveries' to be translated into economic strategies and policies. Many early accounts disappear in the cacophony of competing interpretations or lack meaningful connections to the salient phenomenal forms of the crisis. Overall, the plausibility of interpretations, strategies, and projects depends on their resonance (and hence their capacity to reinterpret and mobilize) in a semiotic field populated by competing imaginaries and their associated standpoints.

The key question is which interpretations get selected as the basis for private and public strategic and policy initiatives oriented to managing

or moving beyond the crisis. This is not reducible to narrative resonance, argumentative force, or scientific merit alone (although each has its role in certain contexts), but also depends on diverse extra-semiotic factors associated with structural, agential, and technological factors. That some institutional and meta-narratives linked to competing imaginaries resonate powerfully does not mean they should be taken at face value. All imaginaries are selective, deploy some categories rather than others, appropriate some arguments rather than others, and combine them differently. Moreover, while some imaginaries and their associated crisis-solutions narratives need to convince only a few key policymakers or strategists leading to more administered, indirect, market-mediated, or molecular changes that involve or limited participation from subaltern groups, others are effective only because they mobilize much wider social support.

A third phase begins when some imagined recoveries are *retained* and undergo theoretical, interpretative, and policy elaboration leading eventually to their becoming taken for granted and integrated into standard policy procedures and, perhaps, new crisis-management routines. This raises the key issue of the (always limited and provisional) fit between imaginaries and real, or potentially realizable, sets of material interdependencies in the economy (or, for our purposes, the ecological order more generally) and how the economy is linked to wider social relations. Proposed crisis strategies and policies must be (or seen to be) effective within the spatio-temporal horizons of relevant social forces in a given social order. In general, the more sites and scales of social organization at which resonant discourses are retained, the greater is the potential for institutionalization. Otherwise, the new project will seem 'arbitrary, rationalistic, and willed' and the cycle of variation, selection, and retention will be triggered again (Jessop, 2009). But this is insufficient in itself because crisis interpretations, their translation into crisis responses, and their subsequent consolidation, if any, are all overdetermined by power relations and inherited patterns of domination, each with their own spatio-temporal features.

### Contested readings of crisis

Crisis conjunctures are objectively overdetermined and subjectively indeterminate. It is this characteristic that opens space for competing crisis interpretations and responses associated with different imaginaries and standpoints. At one pole of a continuum, some crises appear 'accidental' because they are easily (if sometimes inappropriately) attributable to natural or 'external' forces (e.g., a volcanic eruption, tsunami, crop failure, AIDS). At the other pole, there are form-determined crises that exist as abstract possibilities rooted in crisis-tendencies or antagonisms associated with specific social forms (for example, the capitalist mode of production) and are then realized in specific crisis conjunctures.

We can also distinguish between crises *in* a given social order and crises *of* that order. Crises *in* occur within the parameters of a given set of natural and social arrangements. They are typically associated with routine forms of crisis-management that restore the basic features of these arrangements through internal adjustments and/or shifting crisis effects into the future, elsewhere, or onto marginal and vulnerable groups. Crises *of* a system are less common. They occur when there is a crisis of crisis-management and efforts to defer or displace crises encounter growing resistance (Offe, 1984). Such crises are more disorienting than crises 'in', indicating the breakdown of previous regularities and an inability to 'go on in the old way', indicating scope for new imaginaries, visions, projects, programmes, and policies.

In short, a crisis is a moment for contested interpretations and proposed solutions. This involves delimiting the origins of a crisis in space-time and its uneven spatio-temporal incidence; identifying – rightly or wrongly – purported causes (agential, structural, discursive, and technical) at different scales, over different time horizons, in different fields of social practice, and at different levels of social organization from nameless or named individuals through social networks, formal organizations, institutional arrangements, specific social forms, or even the dynamic of a global society; determining its scope and effects,

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assessing in broad terms whether it is a crisis *in* or *of* the relevant arrangements; reducing its complexities to identifiable causes that could be targeted to find solutions; charting alternative futures; and promoting specific lines of action for identified forces over differently constructed spatio-temporal horizons of action.

Getting consensus on interpretations about a crisis (or crises) and its (or their) most salient features is to have framed the problem. Whether defined as a crisis *in* or *of* a given set of social relations, conflicts occur over how best to resolve the crisis and allocate its costs as diverse social forces offer. Other things being equal, more resonant interpretations will get selected as the basis for action, whether this takes the form of restoration, piecemeal reform, or radical innovation. But other things are rarely equal. Powerful narratives without powerful bases from which to implement them are less effective than more arbitrary accounts that are pursued consistently by the powerful through a *de facto* exercise of power. Indeed, periods of crisis illustrate forcefully that power includes the capacity not to have to learn from one's own mistakes (Deutsch, 1963: 37). This matters especially in relation to ecological crisis and helps to explain the re-assertion of key elements in the neo-liberal project. This is because the dominant *capitalocentric* imaginaries not only marginalize more *substantive* economic imaginaries, which recognize more domestic and household labour, the gift economy, the informal economy, but also because both types of economic imaginary may be insensitive to ecological questions. In this regard, we should note how far an ecological crisis *of* capitalocentric economic regimes in general has been defined at most as a crisis *of* finance-dominated accumulation and/or as a crisis *in* neo-liberal economic models. Framed in these terms, the crisis can be resolved by rebalancing the relations among financial and other capitals and/or by prudential, ordo-liberal regulation of all profit-oriented, market-mediated economic activities.

### Financial and economic crisis (2007–2011)

The 'global financial crisis' (GFC) is far more complex, multidimensional, multiscalar, and uneven

than this simple conventional label implies and as growing recognition of new problems of private and sovereign debt now demonstrate. It began to emerge well before 2007–2008 and results from at least five processes: the global environmental, fuel, food, and water crisis; the decline of US hegemony, dominance, and credibility in the post-Cold War geo-political order; the crisis of a global economy organized in the shadow of neo-liberalization; a range of structural or branch crises in important sectors (such as automobiles and agriculture); and the crisis of finance-dominated accumulation. Each of these processes has its own spatio-temporal and substantive logic, each interacts with the others, and, overall, they are shaped by specific local, regional, national, and macro-regional factors. They have been superimposed on more local (regional, national, sub-national, local crises) and are linked to other crises (fiscal, legitimacy, institutional, and so on).

The leading economic and political actors in *neo-liberalized* as opposed to other economies have defined this as a crisis *in* finance-led accumulation or, at most, *in* neo-liberalism. Short-term, generous (and often ill-defined) discretionary powers were granted to the executive, or its nominees, to solve the crisis in the capitalist economies most directly affected. The authorities reacted quickly with no public consultation to safeguard the monetary, banking, and credit systems and stimulate demand in vulnerable industrial sectors. Such timely, targeted, and temporary measures facilitated a rapid return to an appearance of 'business as usual' at major cost to the public purse, some rebalancing of the financial and 'real' economies and, in the medium term, cuts in public spending to compensate for the costs of short-term crisis management. These measures also concentrated and centralized political power with economic and political elites, while party political consensus has weakened democratic debate and accountability to reformist alternatives.

Of particular concern is how the imaginaries and imagined paths to recovery from the GFC that shaped crisis management neglected or marginalized ecological issues, food and fuel crises, and issues of social development and social justice from the mainstream policy agenda. Financial fire

fighting was followed by emphasis on renewed growth to reduce the risks of a double-dip recession for workers (including the 'middle class') but even this ambition is being undermined through the impact of debt-default-deflation dynamics of private deleveraging, fiscal consolidation, and attacks on social welfare. This is contributing massively to the marginalization of ecological concerns and the reassertion of the capitalo-centric imaginary, with some limited recognition of the voluntary, informal, and third sectors as absorptive factors to cushion the impact of a resurgent neo-liberalism.

The principal exception to these policy trends is the ascent of the global environmental crisis in the guise of the 'Green New Deal' (GND) as a longer-term exit strategy. It can be seen in some ways as an imaginative extension of the knowledge-based economy imaginary that was consolidated in the mid-1980s to mid-1990s – an imaginary that was sidelined but not negated by the rise of a finance-dominated accumulation that reflected the interests of financial rather than industrial capital. Something like the GND has been proposed on many occasions as a global solution to diverse problems from the mid-1990s (Brüggen, 2001). The basic idea has been articulated on many scales from the local (even under a hostile Bush Administration, climate change was on local and state level agendas) to the national (notably in Norway, Germany, and China) and supranational (with the EU strongly engaged) and up to the transnational and intergovernmental levels (major sponsors include the World Bank and United Nations Environmental Programme). It also appeals to diverse organizational and institutional sites from firms to states, many systems in addition to the economy in its narrow sense, such as science and technology, law and politics, education and religion, and in the public sphere. It is being articulated across fields as different as technology (eco-technologies, energy efficiency), the productive economy (green-collar jobs, sustainable development, ecological modernization, low-carbon economy), the financial system (carbon trading, green bonds, sustainable investing), law (environmental rights, new legal regimes), politics (green movements,

climate change), religion (environmental stewardship), and self-identities (homo virens, green lifestyles). It has also been inflected in neo-liberal, neo-corporatist, neo-statist, and neo-communitarian ways by using market incentives, social partnership, meta-governance, and appeals to solidarity. In short, the GND is a floating signifier, narrated as capitalism's best hope – a 'magic bullet' (Brand, 2009) to create jobs, restore growth, cope with peak oil, and limit climate change.

Its appeal from early 2008 onwards lies in its mobilization of the opposition between those engaged with the 'natural' or 'real economy' and the interests of 'footloose finance' (for an exemplary presentation, see New Economics Foundation, 2008). This moved the GND from one economic and political imaginary (with more or less strong ecological underpinnings) in the mid-1990s to one that was strongly favoured as the basis for concerted action following the GFC's outbreak. At stake now are the form, manner, and likelihood of its *retention* as a powerful imaginary that can be translated into accumulation strategies, state projects, and hegemonic visions. Little agreement exists on this issue (witness the Copenhagen 2009 Summit). Indeed, while the very fuzziness of the GND was initially productive in building alliances and compromises, it has become an obstacle to effective policy. Given the current conjuncture and the *rassemblement* of capitalocentric forces, it is likely to gain a strong neo-liberal inflection in the leading national economies whatever its form beyond them and/or at local level. This provides one basis for subsuming the GND and suggests that its growing appeal as an economic/ecological imaginary might only be a temporary ideological reflection of the 'triple crisis' of finance, energy, and the environment rather than providing a long-term challenge to the economic logic that created the triple crisis.

The polyvalence of the GND can be seen in Table 1, which also illustrates how it might be re-contextualized and re-appropriated on neo-liberal lines as the supporters of 'zombie' neo-liberalism colonize it, seeking to turn it into a 'nothing Green' strategy. This can be seen in proposals to commodify nature's labour power, that is, the flow

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Table 1. *There are many meanings of a GND*

|                       |          |   |                  |   |              |          |
|-----------------------|----------|---|------------------|---|--------------|----------|
| Green realpolitik     | New deal | + | Green investment | + | Social model | + Growth |
| Green fundamentalism  | New deal | + | Green investment | + | Social model | – Growth |
| Nothing green         | New deal | + | Green investment | – | Social model | + Growth |
| GND beyond capitalism | New deal | + | Green investment | + | Social model | – Growth |

Source: Altvater (2010: slide 20)

Table 2. *The 'No-Growth' economy*

| Basic form             | Primary aspect                                    | Secondary aspect                                     | Key institutional fix   | Spatio-temporal fix  |
|------------------------|---|--|---|--|
| 'Capital'              | Low-carbon economy, capital as commons            | Capital possessed by coops                           | Solar solidarity economy, oriented to allocative and distributive justice | Local and slow but with appropriate forms of 'glocal' redistribution |
| Enterprise form        | Not for profit, innovation-led, Schumpeterian     | Solidarity to limit 'race to bottom' and its fallout | Embedded economic cooperation (cf. Mondragon)                             | No growth or slow growth   |
| (Social) wage relation | Source of demand (green recovery)                 | Reduction of material (especially carbon costs)      | Flexicurity with new work-life balance                                    | Controlled forms of labour mobility tied to global justice           |
| State                  | Policies for innovation-led sustainable de-growth | Promotes social economy and fair competition         | Neo-communitarian Schumpeterian post-national regime                      | Multiscalar meta-governance oriented to 'glocal' justice             |

Source: Jessop (2012)

of natural services such as carbon sequestration, maintaining biodiversity, and limiting the effects of natural disasters. Nature's services are not yet priced or traded and, as such, in capitalocentric eyes, constitute a vast untapped realm of value and profit, which, if privatized rather than remaining 'free gifts of nature', could renew capital accumulation. There is also a risk that the GND becomes part of a new imperial strategy whereby the North maintains its living standards by paying for slower growth in 'dependent south'.

To move beyond this challenge would require that the economic-cum-ecological imaginary in the GND must differ in scope and content

from the economic imaginaries associated with Atlantic Fordism, catch-up development in developmental states, the knowledge-based economy, and, most recently, finance-dominated accumulation. It must move beyond categories rooted in the logic of profit-oriented, market-mediated accumulation to encompass political ecology (and its critique) as an integral element of an alternative economic imaginary. In contrast to solutions that fetishize more growth as the exit strategy from the current financial and sovereign debt crises, a serious GND requires: *quantitative* restraints on growth; a transformation in the *quality* of growth; and geographic, social, and

intergenerational *redistribution* of growth (especially across the Global North–Global South divide).

The GND has also been linked to ‘no-growth’ strategies to solve the triple crisis (Abraham 2011). This requires a new economic and ecological imaginary that matches the dimensions of the crisis and a set of robust, well-resourced measures that depend on a solidarity economy that breaks with finance-dominated accumulation. Table 2 presents a matrix for interpreting the primary and secondary contradictions and the associated institutional and spatio-temporal fixes of a no-growth strategy, but it clearly stretches the meaning of the conventional economic categories it employs (for more detailed discussion, see Jessop, 2012). Indeed, it is the deeply rooted nature of these categories that makes it so hard to think outside a capitalocentric imaginary, and therefore relatively easy for the logic of capital to reassert itself theoretically and practically. Small-scale trial-and-error experimentation and the collection of best-practice have a critical role to play here in designing and implementing a no-growth strategy and in providing evidence that another, non-economistic, ecological-friendly world is possible.

### Conclusions

Although the GFC and its repercussions to date (November 2011) has opened space for sub- and counter-hegemonic imaginaries, projects, and

practices, crystallized in the mainstream mass media in the Arab Spring and the ‘occupy movements’, the overall trend emerging from crisis interpretation and response appears to have been the further strengthening of the neo-liberal project at the cost of some modest (and capitalistically necessary) limits on finance-dominated accumulation. Economic emergency measures produced an illusion of return to business-as-usual while downgrading the urgency of other moments of the multiple crises confronting global capital and marginalizing the voices of the ‘Global South’. Nonetheless, sub- and counter-hegemonic projects have proved significant sources of local and regional resilience and have put social and environmental protection on the agenda away from the mainstream forums. Local solutions can be developed to address the short-term effects of the crisis in its various local manifestations, and the challenge is to establish ways to exploit this real-time experimental laboratory to find what works, for whom, when, and why, as a basis for mutual learning and policy transfer among subaltern groups. But a global crisis cannot be solved at local level, even in a slower, less runaway world that is partly decoupled from the world market and that emphasizes local sustainability. There can be no quick fix to the crisis and more imaginative work remains to be done to promote a no-growth, solidarity economy that allows for economic and social justice in the ‘Global South’.

### Note

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