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Review Article: Co-operatives and the Green Economy

Jan Myers

Green Economics: confronting ecological crisis – Robin Hahnel, 2011, published by M E Sharpe, Inc, New York.

Green Economics: an introduction to theory and practice – Molly Scott Cato, 2009, published by Earthscan. London.

Designing the Green Economy: the postindustrial alternative to corporate globalization – Brian Milani, 2000, published by Rowland and Littlefield Publishers, Inc, Lanham, Maryland.

This review looks at three publications focusing on the Green Economy and Green economics that span the last decade from Milani's treatise on a post-industrial paradigm, taking in Cato's exploration of origins and development of green economics, to Hahnel's specific focus on ecological crisis. As one might expect, while all three identify as green economists, each offers a different perspective on the development and focus of their discipline and beliefs. Together they combine to give an engaging, thoughtful and at times provocative account of the place and relevance of green economics. It is not possible to give a full and just appreciation of the depth and breadth of historical analysis and argument offered in each, but it is worth giving a brief foray into the methodological and philosophical principles that underpin some of the practical solutions offered by the authors, before looking specifically at their inclusion of co-operation and co-operative enterprise. I start with the caveat that I am not and never have been a green economist.

All three authors are heterodox economists, taking a stance against mainstream neoclassical economic traditions. Hahnel is critical of rational accounting practices with a focus on the short-term and more tangible cost-benefit ratios, which rely on predictable and continuous responses to change and are not appropriate:

when people have rights, when time frames are long ... when continuity is unlikely, when the benefits are hard to quantify, and when the consequences of improbable outcomes are very large relative to the more probable outcomes.

He, like Cato and Milani, start from the premise that private enterprise and market economies focus on growth which is destructive to communities and the environment.

Cato provides a useful distinction between green economics and environmental and ecological economics and eco-socialism and eco-feminism. Like Milani, whose book takes as its starting point the creation of wealth – qualitative wealth, which includes “the (inner) development of people, the (social development) of community, and the restoration of all living systems” (xv), Cato draws closer links between green economics with social movements and eco-socialism and eco-feminism than with ecological

economics. Hahnel, on the other hand, has a specific focus on environmental protection and provides a solutions-orientation to environmental problems. Milani suggests that while environmental economics is an important concern, it is only a part of green or “real” ecological economics. His focus is, instead, on ecological regeneration involving all aspects of human and cultural development. He highlights the dichotomy between an economy based on destruction – ie quantitative development (growth) driven by profit motive (money as an ends in itself) – and one based on restoration. As such, Milani claims green economics as the new paradigm for post-industrial society. We might argue whether we are indeed in a post-industrial era given the economic interest and focus on the BRIC economies, but Milani’s argument on the fundamental separation between production and consumption and the need for and development of new productive forces echoes earlier arguments (see Illich, 1973; Toffler, 1980; Gorz, 1980) on economic and social exclusion, austerity, and limits to growth, and the relevance for today’s crisis ridden world cannot be denied. In many respects, it is sad that, 30 years on from these influential thinkers/writers, we are rehearsing the same arguments but at the same time, Hahnel, Cato and Milani provide some practical solutions to pressing issues and offer deliberation and implications for policy relevant to co-operative development.

Milani sees the development of qualitative forms of production predominantly within the social economy and the integration of informal and formal economic activities and civil society. What Milani refers to as the ‘new’ social movements are, he says, emphasising “self-activity and networking of co-equals ... they work on the creation of grassroots alternatives” (81) and have many of the dimensions of social enterprises and community economic development, creating “‘mindful markets’ (Korten, 1999) – markets driven by use value rather than exchange value” (88). Examples given of new relationships between producers and consumers are co-operatively-based arrangements such as community supported agriculture; green city developments; green building and green energy; co-operative housing; and community currencies and (labour/commodity) exchange mechanisms. These are key issues for Cato, particularly community currencies. These new relationships emphasise collaborative and co-operative forms of ownership and control – worker co-operatives and community control of energy, construction, land and services. Taking a slightly different approach, Cato, too, emphasises co-operative endeavour and work organisations as a way of maintaining all the value of the work within the group of workers and of resting control and power with workers and cites Henderson (1988) arguing:

a sustainable economy requires ‘the rise of the worker-owned, self-managed enterprises, and of bartering, self-help, and mutual aid’ (63).

For Milani, because emphasis is on ecosystem productivity and on production for service, rather than accumulation, then the main sphere for action is social organisation and specifically the promotion of both self-reliance and mutual benefit. Milani specifically focuses on energy service companies (ESCOs) and organisation at a municipal and regional level and suggests that the “potential for business and worker co-operative development based on the ESCO model is virtually unlimited”. He also recognises the need for community-based financial institutions, local money and infrastructure to actively support local plans, community development and social economy organisations.

While much of Milani’s focus on co-operative organisation is implicit, Cato spends much more time openly discussing forms of co-operative and social enterprise in her focus both on work and on green business. Like Hahnel, she acknowledges that

ownership of business can impact on the ways in which those businesses operate to the detriment of the environment, with co-operative enterprises being less likely to act in an ecologically destructive manner. Hahnel uses the central concept of common pooled resources – resources we share in common and to which we have ‘free’ access – and provides a practical example of ocean fisheries. Here community self-management (in the form of co-operatives) under a series of conditions (see p144) is seen as one key solution to over-exploitation of resources. Hahnel, like Milani, also focuses on the shift from individual accumulation of goods to collective or collaborative consumption and collaborative procurement. While attention is given to greater sharing and multi-use of resources – for example, schools as centres for social spaces, cars, leisure equipment, recycling, co-housing – this is an area that has seen rapid and expansive growth. Aided by technology and the use of social media activities such as bartering, trading, gifting, crowd philanthropy, swapping goods, travel, rent a room, equipment loans and hire, and social lending – are transforming the divide between production and consumption. The driving principles behind Craigslist, Zipcar, Freecycle, airbeds for conferences, and others (see Botsman and Rogers, 2011 for an overview) highlight product service systems, redistribution, a belief in the commons and resurgence of community (online and virtual in many instances emphasising a trust between strangers) as well collaborative ways of being and living. Increasingly more and more people are engaging in collaborative and self-regulating communities.

There are a number of issues raised by the authors, which it is impossible to cover here – issues around bioregionalism, free trade and trade subsidiary, self-reliance, collaboration and interdependence, the nature of work and issues of equity and wealth distribution, a north-south perspectives and development. What’s clear though is green economics provides an overarching framework for thinking about the ways in which we organise work, and issues around ownership and consumption which go beyond the ‘usual suspects’ (viz energy and recycling projects) and links with issues of social justice, community and collaboration. All three authors consider worker, production and consumer co-operatives and stakeholder social enterprises as appropriate vehicles for achieving a more balanced economy and there is much in synch with co-operative principles and values.

The co-operative sector internationally has taken on board decentralised systems of delivery of goods and services and in tackling sustainable energy production and supply (see Conaty, 2012). These on-the-ground operations point to innovation in the sector and the agility and flexibility of the co-operative sector to respond to need. Murray (2010: iv) points to the economic context that is bringing co-operatives and mutuals to the centre of the political stage and the need for an integration and collaboration between co-operatives:

This emphasis reflects the fact that the trend towards distributed production has taken place in the context of the design and management of complex systems. The house can become a power station, a hospital, or an office because it is connected to networks, to smart grids, or health management systems. Each part of the network may be able to connect to any other part directly, but this depends on the design and management of a platform and tools that allows them to do so. Attention has shifted from economies of scale and scope to economies of system.

In this way, combining some of the thinking provided by the authors with the principles and drivers of the social economy and stakeholder democracy and the experience of the co-operatives sector might address the gap identified between the “existing co-operative

economy and the possibilities opening up” to strengthen the systemic development of the sector. (Murray, 2010: 21, 22).

The Reviewer

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