



## Commentary

## Ecological economics in relation to democracy, ideology and politics

Peter Söderbaum

School of Economics, Society and Engineering, Mälardalen University, Box 883, 72123 Västerås, Sweden

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## ABSTRACT

Two recent studies and policy documents are discussed in the present article. One is a UN report prepared by experienced politicians as input into the 2012 Rio de Janeiro Conference, the other a study about the ecological economics of biodiversity.

The UN report is of interest in informing about the thinking of politicians and their recommendations for action. It is however a consensus report where more fundamental changes in perspectives are not considered but rather avoided. A number of ecological economists participated in the second study on biodiversity. They demonstrated consciousness about many of the critical arguments about Cost–Benefit Analysis but finally argued in favor of relying on the conceptual framework of neoclassical economics with its CBA. The present author is criticizing this idea of “mainstreaming” the economics of biodiversity contending that radical change in perspectives is needed.

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## 1. Introduction

In June 2012 the so called Rio + 20 Conference took place. This is one of the recent events that should interest us as ecological economists. In the present essay I will first take a look at one of the official UN policy documents prepared for the Rio de Janeiro Conference 2012. As a kind of follow-up of the Brundtland report *Our Common Future* (World Commission on Environment and Development, 1987), a new report was commissioned by the UN Secretary General. 22 experienced politicians worked together with assistants to produce the report *Resilient People, Resilient Planet: A Future Worth Choosing* (United Nations Secretary General's High-level Panel on Global Sustainability, 2012). The seriousness of many sustainability issues was underlined and a large number of proposals for action listed.

Some of the main messages by ecological economists such as the listing of present sustainability threats and the embeddedness of the economy in the biosphere and ecosphere are certainly part of the 2012 UN report. But already the consensus nature of the report suggests that the deviations from mainstream thinking are limited. Fundamental issues about perspectives are largely avoided, perspectives that may refer to the role of science in relation to politics, paradigms or theoretical perspectives in economics, political (and other)

ideology as well as the possibility of radical change in political economic systems.

I have elsewhere (Söderbaum, 2012) pointed to a need for a broadened dialogue including such fundamental perspectives. These issues will now be discussed in relation to ecological economics. Are also our publications and dialogue limited in scope? What can be done to improve the relevance of our contributions? Do we tend to avoid discussing big issues for tactical or other reasons? If so, in relation to whom do we behave tactically? Are we eager to be accepted among mainstream economists, among other ecological economists, in relation to politicians, actors in various professional roles or perhaps the public at large?

Ecological economists are certainly part of the dialogue on some arenas. At issue is what our role is or should be. One of the more recent attempts to influence the development dialogue is connected with a book edited by Pushpam Kumar with the ambitious title *The Economics of Ecosystems and Biodiversity. Ecological Economics Foundations* (TEEB, 2010). A significant number of members of the ecological economics community contributed. This so called TEEB study is hosted by the United Nations Environment Programme (UNEP) with Achim Steiner as the Executive Director. Pavan Sukhdev acted as study leader and is also connected with UNEP's the Green Economy Initiative.

The ambition and scope of the TEEB project are indicated by financial support from the EU and single European governments and also by the existence of additional publications with recommendations

E-mail address: [Peter.soderbaum@mdh.se](mailto:Peter.soderbaum@mdh.se).

directed to specific actor categories. Titles of these advisory studies are “TEEB in National and International Policy Making”, “TEEB for Local and Regional Policy”, and “TEEB in Business and Enterprise” and there is also a website for citizens ([www.teeb4me.com](http://www.teeb4me.com)), the idea being “to reach citizens and encourage viral spread of TEEB ideas and concepts” (<http://www.teebweb.org/teeb-s>). This amounts to a massive effort of influencing various actors. At issue is now whether the message of TEEB, 2010 responds well to the demands of the present situation.

## 2. Failures of Conferences and Policies

Those who participated in the Rio 2012 Conference probably learnt something by listening to other actors present, such as those from civil society or representing government. But progress in terms of international agreements was limited. Some observers make the judgment that this conference in spite of all preparations was a failure. It appears that mainstream perspectives have become so settled in establishment circles that a dialogue and proposals for action that go beyond the mainstream are systematically avoided.

Such evasive behavior should not be accepted. The development dialogue has to be built on normal imperatives of democracy. Those who believe in mainstream perspectives should certainly present their views but they need also be tolerant to alternative modes of thinking. It will be argued here that pluralism with respect to perspectives is a road ahead. Pluralism will not automatically solve our problems but the fact that development today is unsustainable in many ways suggests that we should not exclude, but rather encourage, new ideas and new thinking. If action based on mainstream perspectives has failed in many ways, then alternative approaches, even those that are perceived as radical by some actors, have to be investigated and discussed.

## 3. Mainstream Perspectives in the UN Study

There are certainly some very relevant examples in the UN study of how performance in relation to sustainable development can be improved. One is about presentation of the national budget in Norway where a focus on financial allocation of resources is no longer enough. The responsible minister should also demonstrate the impacts on various aspects of sustainable development that will follow from the implementation of a given budget (United Nations, 2012, p. 65).

I will however here rather discuss issues that appear to be very relevant but are absent in the UN report. Experienced politicians may have their virtues but are perhaps not in the best position to discuss perspectives that represent alternatives to the mainstream. Options, in addition to the mainstream, can be discussed in four inter-related domains:

1. *Theory of science and relationships between science and politics:* From technocracy to democracy
2. *Paradigms in economics:* Opening up economics from neoclassical monopoly to a political economics that is more open and sensitive to ethical and ideological issues
3. *Ideological orientation:* From market fundamentalism to ideologies that emphasize sustainable development
4. *Political economic system:* From protection of the present capitalist system or focus on modernization to also consider radical changes

In these four respects the departure from mainstream thinking is absent or modest. In the UN report, scientists are regarded as experts in a technocratic sense presenting estimates of how far we are from a sustainable development in various subfields. The more subjective and ideological aspects of scientific work – implying for example that the social responsibilities of scientists and universities need to be considered – are not discussed. There are no proposals that

democracy need to be respected and strengthened in science as part of a view that the scholar is a political actor among other political actors.

Concerning paradigms in economics there are no signs in the report that the politicians, or those that assist them, know anything about alternatives to neoclassical economics. In relation to environmental problems, ‘externalities should be internalized’ and so on. A first step here is to move to a more open political economics where neoclassical Economic Man is replaced by a Political Economic Person, i.e. an actor guided by his/her ideological orientation (Söderbaum, 2000, 2008a). As part of such an open political economics, neoclassical theory with its market ideology becomes a sub-category that one as citizen or scholar may like or dislike.

In terms of ideological orientation some attempts are certainly made in the UN report to depart from the dominant market and economic growth ideology in Western countries and elsewhere. Sustainable development is articulated as clearly as possible, subject to the constraint that the present political economic system should essentially remain intact. When finally attempting to understand unsustainable trends, no effort is made to relate them to structural features in our present political economic system. As an example, the fact that most business corporations are defined in monetary, financial terms (with profits as the main consideration) while the main challenges in relation to sustainable development are of a non-monetary kind, should be reason for concern. It may be argued that joint stock companies are miss-constructed in relation to the challenges that today have to be given priority.

## 4. The TEEB Study: Back to David Pearce and Total Economic Value

The TEEB-study is not unambiguous. This can be explained to some extent by the fact that more than 100 authors and reviewers contributed to a book of 400 pages. The ambition is to clarify issues of valuation of ecosystem services and then recommend tools for valuation in decision situations. But the main line of reasoning brings us back to two of the early books in environmental and resource economics with David Pearce as the lead author (Pearce and Turner, 1990; Pearce et al., 1989). The argument is underpinned by a familiar rhetoric. It is argued that “you cannot manage what you do not measure” (TEEB, 2010, p. xxv). Getting the “metrics” right is what is needed. Later a return to “economic valuation” in monetary terms is recommended, the argument being that people know about money and understand a language in money terms:

“Valuations are a powerful ‘feedback mechanism’ for a society that has distanced itself from the biosphere upon which its very health and survival depends. Economic valuation, in particular, communicates the value of Nature to society in the language of the world’s dominant economic and political model. Mainstreaming this thinking and bringing it to the attention of policy makers, administrators, businesses and citizens is in essence the central purpose of TEEB.”

[TEEB, 2010 p. xxvii]

This argument is presented in the Preface written by Pavan Sukhdev under the subtitle “Mainstreaming TEEB” (p. xxvi). Similar ideas are expressed in other chapters for example Chapter 5 “The Economics of Valuing Ecosystem Services and Biodiversity”.

The first part of this argument is strange. Quantitative measurement is certainly a good idea as part of the information base for a decision but as I see it an argument that “you cannot manage if you rely exclusively on quantities, and even worse on one-dimensional monetary measures” would be more appropriate. Values as well as impacts are largely, if not mainly, qualitative in kind, for example expressed verbally or visually. It is here contended that decision-making is – and should be – based on the ideological orientation of

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