

Do we need a new economics for sustainable development?

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When asked about the “economic” aspect of an activity or project people tend to think about “money”. Focus on this monetary or financial aspect is broadly in line with neoclassical economic theory which is the conceptual framework and theory taught at university department of economics in different parts of the world. Economics is defined as allocation of, or “management of scarce resources” (Mankiw, 2011, p. 2) where optimal solutions are normally explored in monetary terms. As part of this neoclassical theory two actor categories are considered, i.e. consumers (or households) and firms. Consumers and firms interact in three kinds of markets: for commodities, for labor and for financial capital. It is assumed that consumers maximize utility within the scope of their monetary budget while firms maximize monetary profits. At the macro or national level Gross Domestic Product, a specific summary of all market transactions, is the main progress indicator. When preparing investments in roads, airports, energy systems and other infrastructure projects Cost-Benefit Analysis (CBA) in monetary terms is the approach advocated.

Neoclassical theory with its assumptions has certainly had an impact upon the cognitive habits of individuals as consumers, of business leaders, politicians, and governmental administrators. In some sense consumers may feel that they are successful in maximizing utility. Business leaders may be successful in terms of monetary profits and so on. At issue, however, is if such thinking patterns are appropriate in the present situation. Sustainable development or sustainability is one of the present challenges. It is true that neoclassical theory has something to offer even in relation to sustainable development. It is the limitation to one theoretical framework that is questioned here. Rather than the present neoclassical monopoly we need competition. Rather than thinking in terms of “paradigm-shift” (Kuhn, 1970) we need to think in terms of “paradigm coexistence” (Söderbaum, 2000, pp. 29-30) and pluralism.

Neoclassical theory at the micro and macro levels has influenced thinking patterns in a period when development has become unsustainable in many ways. Climate change is one example, loss of biological diversity and pollution of air, water and soil are other examples. While not excluding ideas coming from neoclassical theory it is a bit strange to argue that we in the present situation should exclusively listen to advocates of a theory that has failed in relation to sustainability. We also need to “test” other theoretical perspectives in economics. Can they improve our chances of dealing with sustainability and other issues?

Redefining economics in terms of multidimensional analysis and democracy

A proposed new theoretical perspective starts with a partly different definition of economics:

“Economics is multidimensional management of (limited) resources in a democratic society”

Why “multidimensional” management? Multidimensional goes against the one-dimensional analysis of neoclassical theory and method. “Monetary reductionism” is no longer accepted. The idea that we should put a monetary price on all impacts, ecosystem services included, to make them commensurable and tradeable, is abandoned. Instead impacts of different kinds are kept separate throughout analysis. And non-monetary impacts are viewed as being as “economic” as monetary ones. This may make analysis more complex but also more relevant. In relation to environmental issues, Sweden has proposed 16 environmental objectives to monitor the quality and state of the environment as well as possible (Swedish Environmental Agency, 2016). At the UN level, world leaders agreed about 8 Millennium Development Goals in the year 2000. This process of broadening the agenda has continued with 17 Sustainable Development Goals (SDGs) sanctioned at the UN-level in November 2015. They are:

- No poverty
- Zero hunger
- Good health and well-being
- Quality education
- Gender equality
- Clean water and sanitation
- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Reduced inequalities
- Sustainable cities and communities
- Responsible consumption and production
- Climate action
- Life below water
- Life on land
- Peace, justice and strong institutions
- Partnerships for the goals

Each set of goals is further elaborated including a number of sub-goals and targets to be achieved in the next 15 years. “For the goals to be reached, everyone needs to do their part: government, the private sector, civil society and people like you”, it is argued (United Nations, Sustainable Development Knowledge Platform, 2016).

It is clear that the above list of objectives points to a disaggregated and multidimensional view of sustainable development. One dimensional aggregation in monetary or other terms does not appear meaningful. It can furthermore be observed that economic growth in traditional terms is part of the list but only one of the 17 SDGs. Performance in relation to the goals is finally made an issue for all individuals in all potentially relevant roles. This suggests that we need to abandon the neoclassical mechanistic idea of individuals and organizations in favor of a view where actors are responsible and accountable. To this we will return.

Why reference to a democratic society? When reading neoclassical introductory textbooks in economics it becomes clear that “democracy” is not a theme taken seriously. These texts rather reflect an emphasis on economists as experts, i.e. a kind of technocracy. In the

mentioned textbook by Mankiw and Taylor “democracy” is not even part of the index or glossary. As I see it, democracy should play a crucial role at two levels:

- Regarding the discipline of economics itself. We should not accept neoclassical monopoly and dictatorship
- Regarding our understanding of individuals as actors in the economy. We should respect that individuals differ with respect to value or ideological orientation.

Economics as a discipline is in need of being democratized (Söderbaum and Brown, 2010). As scholars we should admit that a specific paradigm (theoretical perspective) in economics is not only theory; it is also specific in value or ideological terms. Gunnar Myrdal, a well-known institutional economist, argues that “values are always with us” (Myrdal, 1973; 1978) in the different stages of the research process from formulation of problems to presentation of results. Neoclassical theory is specific in ideological terms with its focus on markets and the monetary dimension. Applying Economic Man assumptions and looking upon organizations in profit-maximizing terms are other examples. The reasons for some of us economists to look for other theoretical perspectives are not only scientific (in some narrow sense) but also ideological. Those of us who claim to take environmental issues seriously and advocate institutional environmental (or ecological) economics as alternative perspective do so for scientific as well as ideological reasons.

If there are options at the level of ideology then democracy becomes important also when understanding individuals in the economy and respecting differences in their ideological orientations. Neoclassical economists with their CBA claim expertise in “correct values” in market terms for purposes of assessing impacts of investments in infrastructure. They claim ability to identify the best or optimal solution for society as a whole among competing investment projects. Applying Positional Analysis (PA) as an alternative method means that we in many situations have to refer to conditional conclusions rather than one single optimal solution. Alternative investment projects will be ranked differently depending upon the ideological orientation considered. And in many decision situations it is not realistic to assume that all stakeholders and concerned actors share the same idea about what is progress in society. Such ideas may differ between political parties in a democratic society for example.

Overview of differences between neoclassical and institutional economics

What are considered as essential elements of neoclassical economic theory are indicated in the left-hand column of Table 1. I have chosen to point to the view of individuals, of organizations and of markets, as well as to ideas about institutional change, progress in society and, finally, an approach to sustainability assessment. In the right hand column I have identified corresponding views and concepts of institutional theory as parts of an alternative perspective. Political Economic Person assumptions are presented as an alternative to Economic Man assumptions, and Political Economic Organization as alternative to assumptions of profit-maximizing firms, etc.

Table 1 Differences between neoclassical and institutional economics

	Neoclassical economics	Institutional economics
Individual	Economic Man	Political Economic Person (PEP)
Organization	Profit-maximizing firm	Political Economic Organization (PEO)
Market	Mechanistic ideas of supply and demand	PEPs and PEOs as market actors, relationships and networks
Institutional change	Change in regulation of market incentives	Also actor-network approach
Progress indicators	Gross Domestic Product (GDP) (side concern: employment)	Open issue where Sustainable Development Goals (SDGs) are part
Approach to sustainability assessment	Cost-Benefit Analysis (CBA)	Positional Analysis (PA)

The role of values and ideology in economics suggests that economics is always “political economics”. The individual as political economic person (PEP) is “an actor guided by her ideological orientation”. Ideological orientation is something that differs between individuals; some bother more than others about threats of climate change for example. Such differences are of relevance in economic analysis.

A political economic organization (PEO) is similarly an actor guided by its ‘ideological orientation’ or ‘mission’. Business corporations or firms is only one category of organizations and the role of monetary profits or other financial considerations is partly an open issue. The debate about Corporate Social Responsibility (CSR) is an example of this. Differences between business leaders and other actors in organizations in relation to sustainable development are worth studying.

Rather than the mechanistic view of markets in neoclassical theory, a focus will be on the behavior of individuals as market actors. The actors are understood in terms of social psychology and reference is made to an actor’s ideological orientation which is not limited to self-interest. Each market actor is related to other market actors in supply chains and networks.

When institutional change is concerned, the tendency of neoclassical economists is to point to incentive systems in monetary market terms. Taxes and environmental charges are examples. As an institutional economist I am a bit sceptical about such proposals because inherent in the neoclassical ideology is a fundamental belief that that interventions in existing markets are generally dysfunctional. As an institutionalist I see changes in institutional arrangements more as a result of power games with the different actors involved. State intervention is an option where certainly taxes and monetary incentives can play important roles but where also voluntary action is possible.

GDP as an indicator of progress has already been touched upon. This indicator suffers from the mentioned “monetary reductionism” and the recent emphasis at the international level on the 17 SDGs is here regarded as an important step forward. When approach to sustainability assessment is concerned neoclassical economists recommend CBA, i.e. analysis where all

kinds of impacts are reduced to their alleged monetary equivalents. An ambitious study of ecosystem services and biodiversity where United Nations Environmental Program (UNEP) played an important role, the so called TEEB-study, is an example of this (Kumar, ed., 2010). I have elsewhere discussed this study (2013, 2015). There are alternatives to CBA and my preference is Positional Analysis (PA), an approach based on the multidimensional and disaggregated idea of economics previously discussed.

The concepts of democracy and ideological orientation

In a democratic society there are normally different political parties, each with its ideology or ideological orientation. Actors belonging to specific political parties turn to citizens (or actors in other roles) in attempts to convince them with their ideas. And citizens respond in some way suggesting that they too are guided by a kind of “ideological orientation”.

Transforming societies from present unsustainable tendencies in a Green or more sustainable direction is clearly not exclusively a matter of science and management but also of ideology. And just as there are varieties of ideological orientations that downplay climate change and other sustainability concerns, there are also competing views about how to best transform society in a “Green” direction.

Green issues compete with other issues in the brains and thinking patterns of individuals as actors and there are capacity limits for dialogue in different arenas, for example in specific newspapers. Climate change appears as an urgent issue for many of us but does it get the priority it deserves when compared with other issues? These days public debate is focused on war in Syria and to my knowledge there are not many attempts to systematically relate these destructive activities to climate change or the 17 SDGs previously listed.

Democracy stands for a political system where it is possible to raise various concerns or issues to make them part of the agenda of actors in various arenas. Democracy is not only a system of voting rules in parliamentary elections. It is also about human rights such as freedom of speech, freedom of association and generally a willingness to listen to actors with an ideological orientation that differs from your own (as long as these voices do not go against democracy itself). Actors who differ in views can learn from each other, suggesting that democracy can contribute to creative outcomes of public dialogue. In this sense democracy can be part of the security system of a society. Moving from democracy in the direction of dictatorship would then reduce security.

Democracy versus dictatorship is not a simple matter of either-or. Democratic elements can be identified in a society described as dictatorship and democracy can always be strengthened in countries such as Canada or Sweden. In any country and globally there are institutions protecting mainstream interests. The monopoly of neoclassical economic theory at university Departments of Economics is a case in point. Even institutions such as the Bank of Sweden Prize in Economic Sciences in Memory of Alfred Nobel play, as I see it, a role in making a transformation to sustainability more difficult by systematically protecting the neoclassical paradigm. This neoclassical perspective contributes to make the present political system legitimate in a situation where institutional change is needed.

There are different theories of democracy. Some are built on the assumption that democracy aims at consensus and that consensus and agreement can be obtained through dialogue.

There is certainly a need for many kinds of agreement at local, national, regional and global levels but with Chantal Mouffe (2005; 2013) I tend to believe that democracy is also and perhaps primarily about how to live with disagreement. Aiming always at consensus involves a risk of neglecting or even eliminating those with a different opinion. This is what happens for example in the international dialogue (or lack of it) about economics where the mentioned Economics Prize plays a role. Also when looking at some nations today, Turkey being a possible example, the attempts to eliminate opposition can hardly be regarded as compatible with democracy.

“Ideology” is a “contested concept” (Connolly, 1974) in the sense that it can be understood in more ways than one. “Power”, “institution”, “democracy”, “value” are other contested concepts relevant in social science. When using concepts of this kind, one has to clarify their meaning as well as possible. Ideology and ideological orientation are here understood in means-ends terms. It is about where you are (original position), where you want to go (future positions) and how to get there (strategy). The ideological orientation of an actor varies more or less over time with situation and context. While neoclassical economists refer to mathematical objective functions and optimal solutions in precise terms, an ideological orientation is often fragmentary and uncertain. An ideological orientation can furthermore be narrow or broad. It can reflect self-interest but also ideas about common interests, concerns for future generations, etc. Ideological orientation in this sense points in the same direction as Herman Daly’s reference to “the common good” (Daly and Cobb, 1989). Reference to “the” common good may suggest that there is one single idea of common interests. In a democracy there are – as we have argued – competing varieties of ideological orientation and thereby competing ideas of the meaning of “common good”. Whether expressed in quantitative, qualitative, visual terms or some combination thereof, an actor’s ideological orientation can guide behavior and investment decisions.

In what way can ideological orientation guide an actor’s behavior and decision making? This can be understood as a ‘matching’ process where the multidimensional and multi-faceted ideological orientation of an actor is matched against the multidimensional impact profile of each alternative of choice considered. Our actor and decision-maker looks for an alternative that with respect to expected impacts matches her ideological orientation as well as possible. Reference can also be made to “compatibility”, “appropriateness” or “pattern recognition”. E.F. Schumacher pointed to the need for “appropriate technology” at an early stage in his book “Small is Beautiful” (1973) and pattern recognition is a term closer to computer language. Ideological orientation as well as expected impacts connected with specific alternatives can be understood in terms of patterns.

Reconsidering “costs” and “benefits”

As already indicated costs and benefits in neoclassical analysis tend to be interpreted in monetary or financial terms. A case in point is neoclassical Cost-Benefit Analysis (CBA). The idea is that only that counts which can be quantified and a way of achieving this is to put price tags on all kinds of impacts. A problem with this is that actors may assume that an impact has been fully considered when a monetary price has been chosen. Non-monetary impacts somehow disappear from analysis to become invisible.

A way of dealing with this is to keep monetary and non-monetary impacts separate and use the terms of “cost” and “benefit” both on the monetary and non-monetary side (Table 2). Non-

monetary costs and benefits (“b” and “d” in Table 2) are regarded as important as such and not reducible to monetary impacts. The importance of specific impacts in a decision situation becomes an issue of the knowledge available to an actor, her specific situation and ideological orientation.

Table 2 A classification of costs and benefits in economic analysis

	Monetary	Non-monetary
Cost	“a”	“b”
Benefit	“c”	“d”

In the case of constructing a motorway where there is agricultural land and forest with connected ecosystems, the CBA-analyst tends to focus on construction costs in financial terms. Buying the land needed is one part of the financial outlays and paying the construction company another part. But at issue is whether this covers the whole “cost”. Agricultural land and forests are turned into asphalt surface suggesting that there are more or less irreversible losses in ecosystem function. Irreversible losses are hardly measurable in monetary terms. And where does the asphalt come from?

One way of understanding what happens in non-monetary terms is to think in terms of how options for future decisions are affected. A new road will increase opportunities for those using the road for transportation purposes but the transformation from agricultural land to hard cover or asphalt surface is a largely irreversible process. Some farms may be closed down and the farmers look upon monetary and non-monetary impacts in their own way. The important thing for the decision-maker is to know what she is doing in multidimensional terms and for whom.

When dealing with inertia (in its different forms) and future options, it becomes relevant to distinguish between impacts in terms of “flows” and “positions” (Table 3). On the monetary side, the turnover of a company exemplifies a monetary flow (“e” in Table 3) while financial assets and debts at a point in time are examples of monetary positions. When non-monetary impacts are concerned, CO₂ emissions from transportation activities per year exemplify a flow whereas the size of land used for transportation purposes in a city at a point in time exemplifies a non-monetary position (“h” in Table 3).

Table 3 A classification of impacts in terms of flows and positions

	Flow (referring to a period of time)	Position (referring to a point in time)
Monetary	“e”	“f”
Non-monetary	“g”	“h”

Positional Analysis is an approach to sustainability assessment that considers monetary as well as non-monetary impact but with an emphasis on non-monetary flows and positions. It is argued that impact studies, monitoring and accounting systems in relation to sustainability should focus much more (than in CBA) on non-monetary impacts and non-monetary positions (or states) in particular.

Positional Analysis (PA) is described elsewhere (Söderbaum, 2000; Brown et al., 2017). The purpose is to illuminate an issue in a many-sided way with respect to relevant ideological orientations, alternatives of choice and impacts. An attempt is furthermore made to identify conflicts of interest and make them visible (rather than assume that all stakeholders and concerned actors agree about one single objective function as in CBA). Conclusions in terms of ranking the alternatives considered are conditional in relation to each ideological orientation considered. PA then claims to be an approach to decision-making that is compatible with essential features of democracy. At an early stage the analyst also enters into a problem-solving dialogue with stakeholders, others concerned and decision-makers.

Individuals and organizations as political actors

The neoclassical approach to environmental and sustainability problems can be described as follows. It is believed that markets on their own automatically can handle many kinds of problems in the economy and that they generally stand for efficiency. A first recommendation is therefore to refrain from “unnecessary government intervention”. But neoclassical economists understand that there are what they see as exceptions where markets can fail and produce environmental impacts of a negative kind. They then refer to externalities, i.e. single impacts on third parties (being outside the market transaction). The third party suffers but can be compensated for in monetary terms according to the ‘polluter-pays principle’. There is also an idea of how the correct compensation can be estimated. Neoclassical economists (with their neoliberal agenda) are eager to point out that also governments may also fail by subsidizing activities in the economy that are harmful to the environment. Such subsidies should be removed, it is argued.

Institutional economists such as William Kapp (1970, Berger and Steppacher, eds 2011) do not see environmental impacts as single disturbances in a system that otherwise is functioning well. Environmental impacts connected with production, trade and transportation are rather ubiquitous and there is a systematic tendency for business corporations to eliminate monetary costs by carrying over negative environmental impacts on society at large (just as many corporations do what they can to avoid paying taxes that would, when paid, make it easier for local and national governments to cover outlays when dealing with environmental and other problems). Or, in the words of William Kapp himself:

“Thus, a system of decision-making, operating in accordance with the principle of investment for profit, cannot be expected to proceed in any other way but to try to reduce its costs whenever possible by shifting them to the shoulders of others or to society at large” (Kapp, 1970, p. 18)

According to a neoclassical perspective, policy and politics is in the hands of national and local governments. My view of policy and politics as an institutionalist is much broader. Each individual and each organization is a potential and actual policy-maker, as suggested by the concepts “political economic person” and “political economic organization”. All actors contribute to aggravate or improve the state of the environment (and other sustainability indicators in positional terms). Each actor has her rights and responsibilities in a democratic society.

Individuals as actors relate to each other in networks. Based on their ideological orientations or missions they interact – cooperate or compete – with other actors. A problem is that our

present political economic system with all its institutions is not easily changed. Inertia and path dependence makes it difficult to transform the economy and society from its present unsustainable path to one which is more sustainable. Some powerful individuals and organizations as actors, for example transnational corporations furthermore protect present institutional arrangements (and may work for institutional change in an even more unsustainable direction).

In this situation where a transformation is needed but where there are many kinds of inertia, all actors are important but some actors are perhaps more important than others. Eva Kras (2007), former president of the Canadian Society for Ecological Economics, has repeatedly argued that we need to listen to “visionaries”, i.e. actors who tend to face fundamental scientific and ideological issues rather than avoid them. The visionaries play an important role but so do also all those who are open-minded enough to listen to voices outside the mainstream. There are visionaries within science but also among other actors in the broad public dialogue about progress in society.

While many individuals qualify as visionaries I will here only single out two early and two more recent visionaries in the debate about the future of our societies. E.F. Schumacher has already been mentioned. In his book he reminds us that *Small is Beautiful* and that there is a need for an economics “as if people mattered”. Smallholders may be successful in many ways and dimensions, and neoclassical ideas about “economies of scale” are too simplistic. A second early writer is Hazel Henderson whose collective writings published in *Creating Alternative Futures. The End of Economics* (1980) in my judgment is as relevant today. I understand however her subtitle “The End of Economics” as directed to the neoclassical mainstream rather than all kinds of economics. Henderson is worried about “creeping gigantism” (p. 163) and the power of transnational corporations when compared with smallholders and other small companies. In her view “the reliance on global price mechanisms blinded economists” to mounting environmental and ecological problems (p.3). She also refers to the “bankruptcy of economics” (p. 4). In more positive terms she points to a large number of examples of an “emerging counter-economy” (pp. 381-389), from UN conferences dealing with different issues to local initiatives.

More recent writings by visionaries can be exemplified by Naomi Klein’s book *This Changes Everything. Capitalism vs. the Climate* (2014) and George Monbiot’s *How did we get into this mess? Politics, Equality, Nature* (2016). Naomi Klein points to the abuse of power of oil companies in relation to other interests for example those of indigenous people and Monbiot, columnist in *The Guardian*, is attempting to bring issues into the political agenda where establishment actors tend to be silent.

This reference to some visionaries is of course not meant to do justice to their writings (and even less to the writings of all other visionaries) but should mainly serve to remind us that there is a danger in being limited to mainstream arguments and mainstream literature.

The case of “free trade” agreements: Ceta and TTIP

Individuals as authors of books and in other roles can act as precursors. But so also can business companies, local governments, cities, universities, civil society organizations and even nations and groups of nation states, such as the European Union. The opposite is also possible: these entities can play a role in delaying necessary change. Let us look at proposed

free trade agreements, such as Ceta (Comprehensive Economic and Trade Agreement) between Canada and the European Union (EU) and TTIP (Transatlantic Trade and Investment Partnership) between USA and EU. A long period of negotiations is now followed by a period when contracts are supposed to be signed.

In relation to international trade there is a mainstream in economics telling us that free trade is good and attempts to protect home industry from competition are bad. "Protectionism" through tariffs and quotas is bad and both nations benefit if such obstacles are reduced or eliminated. These recommendations are built upon a simplistic neoclassical economic theory which has little to do with the complexities of the real world.

Neoclassical theory about international trade is at the same time ideology and this ideology has been internalized through economics education and in other ways by a large number of actors in society. The theory more precisely plays a role in making neoliberalism legitimate. It is not possible here to discuss all the assumptions behind the theory of international trade. There is an assumption however about homogenous commodities, i.e. that the same goods or services can be produced in both of the trading countries which is seldom the case in reality. There is also an assumption that the interests of each country can be dealt with in one-dimensional terms. In reality there are normally conflicts of interest in each of the trading countries, for example between labor interests and shareholder interests or between consumer interests and producer interests. Reducing conflicts of interest to one interest can only be done by choosing ideological position. Environmental impacts and other externalities are not part of, nor play a peripheral role in, international trade theory. International trade in goods necessarily involves transportation which leads to CO₂ emissions. How can such impacts be assumed away today when we claim to understand what we are doing to the climate?

A more realistic perspective on international trade in goods and services would suggest that "protectionism" often plays a positive role. In each country we have an Environmental Protection Agency with the objective to protect ecosystems and natural resources. Today, reference is increasingly made to a need to "protect the planet" and why should those who think in such terms apologize? Similarly, there are national and international institutions with the purpose to protect human health. Transnational corporations prefer one system of health standards or environmental standards globally (which is stable over time) while some actors in a nation may prefer to control its own standards and make changes in standards when needed.

Included in the present negotiations is a kind of conflict resolution mechanism, ISDS (Investor-State Dispute Settlement), which attributes a right to corporations to sue nations if their monetary profits are reduced by changes in national policy, for example environmental policy or health policy. This is not so much about so called free trade but about protectionism of business interests. From a democracy point of view this is a grotesque proposal as everybody can understand. Should similarly civil society organizations (CSOs) get a right to sue transnational corporations in a Court of Justice (built on principles at their own choice), if they feel that their interests are threatened?

This is where we return to the possible role of nations, or part of nations, as leaders in sustainability policy making. There is a neoliberal mainstream of actors on both sides of the Atlantic but also numerous actors with a critical attitude. Among regions within EU, Wallonia, an independent part of Belgium in some respects, protested and wanted to use their veto but

finally were convinced by Cecilia Malmström, Commissioner for International Trade Agreements in EU, and others to accept. Malmström is a Liberal politician and it is clear that the ideological orientation of the EU mainstream is neoliberal. The way this trade issue has been handled is an indicator of the strength of the mainstream and the ignorance by mainstream actors of other ways of thinking. Things are not finally settled yet and my point here is that Wallonia with its way of arguing has become a bit of a “hero region” for me. Hopefully, other regions and entities will follow the example.

International trade theory does not deal with power issues and the ideological orientation of various actors. The role of transnational corporations in the global economy is hardly mentioned, if at all, in mainstream economics textbooks. Free trade in the sense of tariffs and quotas already exists for many commodities suggesting that cheap products in monetary terms are already available. Some of us may argue that some products are too cheap when considering the ways cheap labor is exploited and other ways of lowering monetary costs. Further moves toward free trade in the mentioned sense are mainly a financial interest of big transnational corporations. They want to dictate the rules of the game. But again joint stock companies are defined in reductionist, monetary, financial terms while present challenges are of a non-monetary kind, for example the 17 UN sanctioned SDGs previously discussed. Does this mean that joint stock companies are miss-constructed in relation to present needs? I tend to think so. We need a debate about different forms of organization and their possible roles in society.

Conclusions for sustainability politics

When asked about present unsustainable trends and how they can be transformed in a more sustainable direction, many persons would probably point to what is perceived as concrete issues, such as climate change and then list various ways of reducing CO₂ emissions. In the present essay I have argued that such efforts are certainly desirable but that we also should focus on perspectives, such as the close to monopoly position in economics of neoclassical theory and the dominance of neoliberalism in politics. In fact I regard these issues of perspectives as fundamental in dealing with present problems. It is an illusion that there can be a value-free or value-neutral economics (von Egan-Krieger, 2014) and therefore we need to study and acknowledge the values or ideological orientation of each kind of economics. Just as neoclassical theory is close to neoliberalism, the kind of theory advocated in this essay claims to be closer to a Green or sustainability ideology where for example the 17 SDGs play an essential role.

Rather than exclusively connecting sustainability policy and politics with government action and intervention in the economy I have suggested that each individual in her different roles is a policy maker. The individual as actor is invited to participate in a dialogue about the future by listening to various and often contradictory voices. It is no longer enough to listen to those who claim expertise and act accordingly since experts may – as in the case of economics – be ‘disciplinary monopolists’ whose primary interest appears to be to protect the monopoly. This is a case of negative protectionism while there are also positive examples of protectionism as we have argued. It should be added that it is not even enough to listen to various scientists. Sometimes it is important to listen to visionaries and to encourage scientists to do the same. And there are many other influential actors to bring into this dialogue, such as journalists, business leaders, actors from Civil Society Organizations and politicians.

An alternative to neoclassical theory has to be built from the very beginning with a new or complementary definition of the subject. I have chosen to emphasize multidimensionality and democracy. Alternative views of individuals, organizations, markets, institutional change, sustainability assessment then follows as indicated in this essay and at other places (Söderbaum, 2016, 2017). But it should be made clear that there are ecological economists who hold a partly different view (Costanza et al. 2017). Neoclassical economists resist radical change but may modify their arguments. “Natural capital” has become a key concept for some, comparable to social capital, human capital and built capital (Helm, 2015). But these concepts are met with criticism for example by Richard Smith in the book *Green Capitalism. The God that failed* (2016).

Economists, in particular the neoclassical ones, claim expertise in forecasting while often failing to predict in practice. But other kinds of forecasting may be easier. Let me therefore predict that the debate about economics, ideology and sustainability will continue in the future. At some stage there will hopefully be a break-through with a more pluralist economics education and research at university Departments of Economics. Ideas about how such a change can take place exist in books, (e.g. Madi and Reardon, 2014) as well as journals (e.g. International Journal of Pluralism and Economics Education).

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