1. Introduction

The material wealth of a community, nation or planet is enhanced by specialization, the division of labour and the exchange of the resulting products. As Adam Smith illustrated in his account of the manufacture of pins in *The Wealth of Nations*, factory production is more efficient than craft production because the same employment of land, labour and capital generates a larger output (Smith 1776 [1986], pp. 109–10). Moreover, because the degree of specialization is limited by the size of the market, it is in commercial society's nature to foster market expansion, as this feeds ever-deepening specialization in a virtuous spiral of material growth and 'development'. Initially confined within national borders, the process of market-widening and deepening globalized in the 1980s, ushering in today's hyper-specialized, Internet-mediated consumption system and its associated processes of extraction, production, transport, retail and disposal (the extraction–disposal chain). The fact that so many lead lives of relative luxury today compared to the past is due in no small measure to the capacity of markets to stimulate human effort to 'deliver the goods' – to produce a large volume of goods and services of sufficient quality that meet citizen-consumers' needs and wants as expressed through market purchases.

However, free markets struggle to deliver equality. This was of less concern to early political economists given the systematized inequality endemic in Europe and North America at that time. Instead, they focused attention on the growing material wealth of European workers compared to 'savages' elsewhere. It was left to the ‘Ricardian socialists’, Marxists and social democrats to highlight the existence of inequality by focusing on the crucial role that labour played in production. Their theories of labour value justified the formation of workers’ organizations to extract better pay and conditions from employers, of social democratic parties to legislate benefits for the poor and marginalized, and of communist parties to overthrow the capitalist system and establish direct workers’ rule. The upshot of worker activism was that commercial society became more equal over time, especially after the 1929 Wall Street Crash and the ensuing Great Depression, which justified extensive government intervention under a new Keynesian orthodoxy. The heyday of workers’ power, roughly from 1945 to 1971, is long gone, however, and globalizing markets have returned
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the system to its natural, non-egalitarian equilibrium (Piketty 2014). Once again, grotesque levels of domestic and international inequality dog capitalism, dramatized in Oxfam’s claim that ‘just 62 individuals had the same wealth as 3.6 billion people – the bottom half of humanity’ (Oxfam 2016, p.2).²

Commercial society’s single-minded pursuit of the growth of goods and services with exchange value also induced widespread environmental destruction that continues to undermine Earth’s critical natural systems. Today, leading scientists warn that Homo sapiens has departed the Holocene and entered the Anthropocene, a new epoch marked by humans displacing nature as the decisive force shaping geological evolution (Biermann et al. 2012). Early political economists ignored these impacts because they viewed nature as a vast and unlimited cornucopia of resources whose exploitation delivered only localized, manageable effects. Early ecologists were not so sanguine. Commencing in the mid-nineteenth century with Henry Thoreau and John Muir, they began to describe the catastrophic impact commercial society was having on nature’s structures and functions. Their voices reached a crescendo in the post-war period, with Aldo Leopold highlighting the consequences of poorly thought through ‘scientific’ land management; Rachel Carson, the damaging ecological and health effects of synthetic chemicals such as dichlorodiphenyltrichloroethane (DDT); Barry Commoner, the perils of ignoring ecology’s laws; and the World Commission on Environment and Development (WCED), the problems of tropical deforestation, fisheries depletion, biodiversity loss and desertification. Today, the mountain of scientific evidence regarding the unintended negative consequences of commercial society’s actions on Earth’s critical systems is overwhelming (WCED 1987; MEA 2005; IPCC 2007, 2014; Rockström et al. 2009). The issue of climate change epitomizes the problem: even allowing for a degree of eco-efficiency, commercial society’s singular focus on expanding the volume of goods and services is undermining critical biospheric systems via the greenhouse effect.³

Commercial society’s expansionist logic had other unintended effects, especially on local communities. Introduced into non-commercial, traditional cultures, it treated these as unscientific, backward, ‘underdeveloped’ and in need of political and economic ‘civilization’ and ‘modernization’. The damage done – especially via diseases like smallpox – to local languages, cultures and economies was immense and, in many cases, irreversible. While the motives underlying European colonialism were a mix of national prestige, religious zealotry and humanitarian concern, its late nineteenth-century manifestations – especially the ‘scramble for Africa’ – were also decidedly commercial. As Hobson (1902) and Lenin
(1905 [1970]) argued from their quite different perspectives, colonies not only provided cheap labour and material resources to fuel imperial production but also offered a ‘vent for surplus’ in the form of markets for the excess produce of London’s and Manchester’s ‘dark satanic mills’. The post-war era of decolonization endeavoured to repair some of the damage wrought by transferring power to local elites. However, the discourse of ‘development’ proved as homogenizing as ‘civilization’, with the ongoing suppression of communities and minorities now justified by a domestic elite as a requirement of ‘nation building’ (Rostow 1971; Eisenstadt 1974; Sandbrook 1976).

THE RESPONSE OF SUSTAINABLE DEVELOPMENT

To tackle commercial society’s unintended negative impacts – ecosystem damage, social inequality and cultural homogenization – the world embraced the concept of ‘sustainable development’ defined as ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (WCED 1987, s. 2.1). The definition from the 1987 WCED report, *Our Common Future*, aims to balance economic growth with social equity, environmental integrity and cultural diversity by emphasizing basic needs, balanced growth and demographic ‘harmony’, accompanied by the ‘appropriate’ application of technology and innovation. As summarized by the report’s commissioners, sustainable development is ‘a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development; and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations’ (WCED 1987, s. 1.15).

Three decades on, however, it is clear that the anticipated ‘process of change’ has yet to occur at the required scale and scope. Despite numerous individual success stories, the natural resource base continues to be over-exploited, investment finance to flow to environmentally and socially damaging projects, technology to be under-regulated, and research and development to be poorly targeted, all in a global and national context of ever-starker income and wealth inequality. This deeply disappointing outcome of three decades of sustainable development can be explained by the failure of the authors of *Our Common Future* and the follow-up 1992 United Nations Conference on Environment and Development (UNCED) to fully and adequately set out the institutional implications of the sustainability challenge. While not surprising given the Commission’s own conflicting views of the role to be played by markets, states and civil society
actors, the vacuum created enabled political economists of all stripes to assume that sustainability posed no fundamental challenge and could be tacked on to free market, nationalist, socialist and other approaches without doing any violence to their internal theoretical order.5

The evident failure to progress towards sustainable development these past three decades led sceptics to develop several trenchant critiques of the concept:6 that it is an oxymoron (Redclift 1987, 2005), that it does important ideological work for neoliberalism (Luke 2005) and that it lacks motivational power and is no longer feasible (Dernbach and Cheever 2015). While one can be sympathetic to these and other analyses of the failure of the practice of sustainable development to deliver on its promise, the solution is not to replace the term with alternatives like ‘thriving’, ‘resilience’ or ‘abundance’ (Edwards 2010; Benson and Craig 2014).7 If the term is abandoned, then whichever word replaces it will be similarly contested.8 Given this, the solution requires a return to first principles to elaborate the concept’s underlying theory of economic value and the institutions required to secure its realization. That is, instead of articulating the meaning of sustainable development from within a received political economic paradigm, this book argues that what is required is a new political economy of sustainability that does justice to sustainability’s own unique, emergent, pluralistic conception of economic value and wealth.

FROM VALUE MONISM TO VALUE PLURALISM

There is a fundamental contradiction at the heart of both mainstream and radical political economic approaches with regard to sustainable development. Briefly stated, it is that the monistic conceptions of economic value that underpin competing political economic accounts of the nature of wealth and how it is to be achieved are incompatible with sustainable development’s implicit value pluralism, its conception of wealth and how it is to be achieved. To simplify significantly, whereas liberal political economy reduces economic value to exchange value, socialist political economy to labour value, political ecology to intrinsic value and economic realism to national use value, sustainable development conceives these conceptions of economic value to be negotiable claims in the realization of a more complex, pluralistic, molecular conception of sustainability value.9

What grounds are there for claiming that a pluralistic conception of economic value underpins the concept of sustainability? The answer, elaborated in Chapter 4, is that sustainable development’s economic value pluralism is a product of its negotiation process, of the definitions articulated by the WCED and the UNCED and of its subsequent
elaboration by international organizations and sustainability scholars. It is now widely accepted by actors in governments, corporations, international agencies and civil society that sustainable development consists of three components. The World Bank (2016a) states that the concept refers to ‘how well we balance social, economic, and environmental objectives – or needs – when making decisions today’; the United Nations Environment Programme (UNEP 2011) depicts it resting on three environmental, social and economic ‘pillars’; and this image is recapitulated by the Organisation for Economic Co-operation and Development (OECD) which states: ‘At the core of sustainable development is the need to consider “three pillars” together: society, the economy and the environment. No matter the context, the basic idea remains the same – people, habitats and economic systems are inter-related’ (OECD 2008, p.2). The idea is likewise captured in the triple bottom-line corporate accounting approach that links it to ‘people, planet and profit’ (Elkington 2006). Academic analyses of the concept also identify these three core components, sometimes adding ‘culture’ as a fourth dimension (Connelly 2007; Dresner 2008; Thiele 2013).10

This contradiction between value monism and value pluralism is especially evident when the concept of sustainable development is embedded in a liberal political economic framework, as many moral philosophers and ecological economists have observed (Norgaard 1989; Brennan 1992, 1995; O’Neill 1993; Norton and Toman 1997; Patterson 1998; Söderbaum 2008; Spash 2012; Parks and Gowdy 2013). Liberal political economy, as expressed in the conceptual framework of neoclassical economics (NCE), treats the economic value of things as synonymous with their ‘exchange value’ (Pearce et al. 1989). For NCE economists, the economic value of a tree in a forest is its price, which is in turn a consequence of market supply and demand. Supply depends on many factors including the forest’s accessibility, the structure of property rights and the availability of producers with sufficient labour and capital to log, transport, process and sell the resulting timber. Demand also depends on many factors such as the general state of the economy, the distribution of income, changing consumer preferences and building specifications. Within this NCE framework, it is hard to make a case that the tree in the forest has values beyond exchange value. While it can be done, it must be shown – against the presumption that it should be valued only for its exchange value – that in this special case being considered it should be valued for its social, environmental or cultural value. Even then, NCE requires that non-market values be reduced to exchange values using market, contingent or hedonic pricing to assess via cost–benefit analysis the exchange value forgone (Martinez-Alier et al. 1999).

Sustainability value has not fared much better within socialist, nationalist or communitarian frameworks though. Socialism’s conception of
economic value, grounded in Ricardian and Marxist theories of labour value, is also monistic. From a Marxist perspective, the value of goods and services reduces to their labour value. While Marx by no means completely ignored the contribution nature makes to production as ecocritics have demonstrated (Burkett 1996; Kovel 2000, 2014; Douai 2009; Bellamy Foster et al. 2011), he argued in volume 1 of Capital that ‘value’ is created through the labour process and that it is the embodied labour in goods and services that is constitutive of their ‘value’. Commodity fetishism is the process whereby the socially necessary labour time that is objectively embodied in commodities is hidden from the view of the very workers who laboured to produce them and who now come to value them not for the labour objectively embodied in them but for what they can be exchanged for. From a socialist political economy perspective, and notwithstanding the illusion of commodity fetishism, the real economic value of the tree in the forest in the above example is realized when labour is mixed with it to produce the range of goods and services – poles, lumber and firewood – useful to workers and their families.11

Economic nationalism and communitarianism remain influential paradigms in political economic thought and a constant foil to NCE and socialist political economy alike. This is most obviously illustrated by the recent rise of populist governments promoting protectionist policies on trade, investment and immigration in the United States and the UK on the one hand and the spread of policies promoting devolution and decentralization to community levels of governance on the other. Both economic nationalists and communitarians prioritize a thing’s direct use value to the group. That is, things have value to the extent that they are useful to a state or community either in a quest to become economically and politically powerful in an anarchic interstate system (economic nationalists) or to secure community solidarity, provisioning and well-being (communitarians) (Dash 2014; Utting 2012).

Building on the mercantilist insight that states need to pursue ‘power and plenty’, economic nationalists such as Friedrich List (1841 [1856]) set out a nationalist rationale for market intervention to secure the state’s ‘productive powers’. The value of a tree for a nationalist political economic elite lies in its capacity to be turned into use values in the service of the state’s development objectives. The pursuit of power and plenty may require a ban on raw log exports to build up the local timber industry, or direct appropriation if deemed necessary for national defence. Communitarians building on the fact that Homo sapiens has spent most of its life living in small, autochthonous groups, endorse a more localized, subsistence form of provisioning using appropriate technologies via frequent and multifaceted face-to-face interactions (for example, Schumacher 1973; Bookchin 1982; Sale 1991;
From a communitarian perspective, the tree is still valued for its uses – the difference being that it is the members of the local community rather than a distant techno-managerial elite who determine what those uses are. A great deal of domestic politics is concerned with state–community disputes over what has value in use and who has the right to capture it.

Another way of conceptualizing economic value relevant to a political economy of sustainability derives from Green thought. The modern debate on the nature of ecological value commences with the nineteenth- and twentieth-century works of Henry Thoreau, John Muir and Aldo Leopold, and the conception of value they developed is further elaborated by modern ecological scientists focusing on ecosystem structures and functions. Leaving aside for the moment the complex and unresolved philosophical debate over ‘intrinsic’ versus ‘extrinsic’ value (Rolston 1982, 1988, 1994; Callicott 1990, 1992, 1995, 2000, 2013; Goodin 1992; Norton 1992, 2007; Norton and Toman 1997; Curry 2003, 2006), a common thread within ecological theory is the idea that value lies in the function ecosystem components perform in maintaining ecosystem structure and resilience to perturbations. From a Green perspective, the value of the tree in the forest derives from the ecological function the tree performs within the wider ecosystem of which it is a part. At one extreme, the tree may have high function value because as a ‘mother tree’ it makes a significant contribution to ecosystem structure and resilience and provides critical habitat to endangered species. At the other extreme, its function value may be low if it is part of a forest plantation composed of regrowth exotics.

Once it is accepted that sustainable development entails a pluralistic conception of economic value as a combination of different forms of usefulness, the focus naturally turns to analysing the institutional implications. If realizing economic value no longer coincides with the maximization of a single value but requires optimizing across all four value elements then these are profound. Firms focused on realizing exchange value via specialization and the division of labour can no longer assume that this is coincident with the realization of economic value. Unless appropriate structures and systems are in place to ensure balanced cross-value deliberation – a process termed tetravaluation – maximizing exchange value will occur at the cost of one or more of sustainability value’s other component values: labour value, use value or function value. The same logic applies to governments seeking to realize direct use value for citizens, for example by delivering education and health services or building transportation and communications infrastructure. Value subtracting will occur if, in the absence of a tetravaluation process, the services and infrastructure are provided at a cost to the other elements of sustainability value. Actors seeking to maximize labour
value or function value are subject to the same logic. The single-minded pursuit of labour value by a union or function value by an environmental organization can impose unacceptable costs on sustainability value’s other component values. For example, overly high wage increases will reduce a firm’s profitability, risking its competitiveness; overly protected rainforests will undermine the usufruct rights of indigenous and local communities to its direct use values.

MANAGING AND GOVERNING FOR SUSTAINABILITY VALUE

As a fourfold, pluralistic conception of value, sustainability value implies that the ‘value’ of a good or service cannot be specified in advance of a praxis through which it is revealed. In contrast to liberalism, socialism, statism and ecologism therefore, each of which stipulates value’s meaning a priori as exchange value, labour value, national use value or function value, sustainability value is an emergent property from duly constituted cross-value managerial and governance value-discovery processes. This brings the contingency rather than the finality of sustainability value into sharp relief.

While the concept of sustainability value may seem demanding and esoteric, a large number of actors are already seeking to realize it without naming it as such. Over the past 30 years, theorists and practitioners have conceptualized and trialled initiatives designed to overcome value monism and partially realize sustainability value not only at the level of the individual, community, firm, supply chain and state – but also globally. Thus, although extraction–disposal chains remain dominated by a logic of exchange value maximization, within their interstices are found parallel production systems that also ‘deliver the goods’ without externalizing as much of the cost onto communities, workers, the marginalized and nature. Examples include forms of political consumerism, community resource management, social enterprise, public–private partnerships (PPPs), corporate social responsibility (CSR), Green investment and Green marketing. What these diverse and seemingly unrelated initiatives have in common is a shared implicit understanding that economic value cannot be conceptualized monistically as the maximization of a single component value. Thus, in their own way and to different degrees, these initiatives achieve a degree of integration of exchange value with sustainability value’s other component values. The objective of a political economy of sustainability is to foster the emergence of this post-monistic value economy by clearly articulating the nature of the new economic objective (optimization across
sustainability value’s four component values) and the means by which it is to be achieved (structures and techniques of tetravaluation that promote the required reflexive, deliberative, value discovery processes).

HUMAN NATURE AND PREFERENCES

From a political economy of sustainability perspective, consumer-citizens have the potential to motivate more integrated and sustainable production practices. The rise of political and ethical consumption (Ackerman 1997; Bennett 1998; Soper 2004, 2007; Fuchs and Lorek 2005; Stolle et al. 2005; Seyfang 2009; Lorek and Spangenberg 2014) has seen a segment of consumer-citizens emerge that no longer purchase goods based solely on price, quality and availability but also are concerned to ensure that products and process and production methods meet a broader set of requirements and ‘do no harm’ to nature, workers and communities. Consumer-citizens are pressuring corporations to certify and label goods produced from long, complex supply-disposal chains based on multi-stakeholder standards and associated certification and labelling schemes. Examples include the Forest Stewardship Council for timber production and Fairtrade International for coffee production. Citizen-consumers also foster more localized artisanal production, support farmers’ markets, manage community supported agriculture and food hubs, and join the ‘slow movement’ in food and fashion.

Allocating an important role to consumer-citizens in creating demand for goods and services that price in sustainability value encounters a major difficulty, however, as sustainability economists cannot make the heroic assumptions of the past with regard to human rationality. This is because recent biological, psychological, sociological and cultural research has replaced nineteenth-century essentialisms of almost boundless human rationality (or solidarity or sympathy) with a far more complex and nuanced conception of human nature shaped by biological inheritance, child-rearing practices, social norms, societal cultures, class background, gender, life experience, habit, cognitive capacity and more (Sen 1977; Keller et al. 1982; Elster 1989; Tversky and Thaler 1990; Simon 1991; Bowles 1998; Cialdini and Trost 1998; Sunstein and Thaler 2006; Slovic et al. 2007; Shove and Walker 2010; Haidt 2012; Druckman and Lupia 2016).15

Importantly, this research reveals that an individual’s preferences are often non-reflexive and form only in the act of making a decision; and that they are not necessarily rationally ordered, may be lexically structured, may differ from meta-preferences, occur under conditions of bounded rationality and may be ‘nudged’ by biological, cognitive, sociological, media and
advertising factors outside of conscious perception. Instead of treating
individual revealed preferences as some kind of decision-making bedrock,
as advocates of consumer sovereignty and political sovereignty do when
they claim ‘the people have spoken’ through their purchases or votes, a
political economy of sustainability needs to take into account the way in
which these preferences have been shaped by political, economic, social
and cultural institutions and how these need to be reformed to generate
preference reflexivity within individuals, institutions and the wider culture.

IMPLICATIONS FOR POLITICAL ECONOMY

While mainstream political economy expects the state to play a leading
role in delivering sustainable development, mostly it has failed to do so.
A political economy of sustainability perspective identifies that this is
because competitive elections put the state temporarily in the hands of
a political party that prioritizes a subset of sustainability value’s four
component values to the detriment of the others and to the realization
of sustainability value more generally. In unpacking the concept of
‘political party’, sustainability economists can build on the vast and diverse
literature on party typologies (LaPalombara and Weiner 1966; Duverger
1972; Gunther and Diamond 2003) and on the widespread agreement that
these can be accurately located along a ‘left–right’ dimension based on the
degree to which they favour market intervention to achieve greater equal-
ity (Benoit and Laver 2012; Dalton and McAllister 2015). Processes of
tetravaluation appear to be inhibited by such arrangements as whichever
party wins power can claim a mandate to develop and implement policies
that reflect its own monistic conception of value.

A second difficulty with the party-political system of government that
prevents states from playing the role many assigned to them is the way it
rewards the territorial concentration of values. In the 2017 British election,
for example, the territorially concentrated Scottish National Party obtained
only 3 per cent of the vote but won 35 seats because these were regionally
concentrated in Scotland. In contrast, the Liberal Democrat party won
over 7 per cent of the vote but only 12 seats as its vote was distributed
across electoral districts. If the British system was structured to have
Parliament reflect the share of the popular vote, then the Liberal Democrat
party would have won 48 seats and the Conservative Party would have had
42 fewer seats in Parliament. Australian, Canadian and American electoral
systems also penalize parties representing non-territorially concentrated
values. By granting territorially concentrated values a greater say in
decision making than non-territorially concentrated values, party politics
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implicitly assumes that the latter are less important than the former which, from a sustainability perspective, is simply not the case.

Finally, while party-political systems are explicitly designed to prevent those obtaining state power from using it to tyrannize the polity by ensuring that they must obtain the people’s consent at regular if differently specified intervals, they do little to prevent powerful actors from exerting undue influence on people’s political and economic preferences. Instead of bringing actors together in a deliberative negotiation to directly ascertain the nature of sustainability value in a specific decision-making context, the system fosters inter-value competition between business, community, labour and environmental groups, each of whom adopts increasingly aggressive and sophisticated public relations strategies to ‘frame’ and ‘prime’ a favoured set of citizen-consumer preferences. The significant power imbalances in actors’ capacities to shape societal preferences also ensure that the system has a built-in bias towards unsustainability as manifested in a virtually unchallenged and unchallengeable logic of ever-expanding consumption.

Developmental states under authoritarian leadership escape the policy churn associated with competitive party politics, enabling them to undertake longer-term development planning in the national interest. However, there is little evidence that such political economic arrangements produce a better brokering of sustainability value’s four component values. Authoritarian regimes often prioritize the realization of national use value by rapidly expanding energy facilities, transportation networks, manufacturing capacity, defence industries and urban infrastructure. However, such ‘development’ has usually come at a significant cost to sustainability value’s associated exchange, labour, function values and community use values.

Not only are states poorly structured to realize sustainable economic value; so, too, are most corporations. A key problem is the corporate form, which enables management to prioritize the realization of exchange value over sustainability value’s other component elements subject to a patchwork quilt of national and subnational laws and regulations. The exclusive focus on exchange value is summarized by the corporate maxim that ‘the business of business is business’; the belief that a corporation’s only duty is to earn profits for its shareholders. This view, defended by neoclassical economists such as Milton Friedman (1970), has been under attack from analysts working in the fields of business ethics, CSR and supply-chain management (Elkington 2006; Nicholson and Kiel 2007; Stubbs and Cocklin 2008; Spitzcheck 2009; Clifton and Amran 2011; Rasche et al. 2013; ACCSR 2014; Talonen and Hakkarainen 2014; Global Compact 2015; Jain and Jamali 2016; Wells 2016), although so far without significant impact. The essential insight from this new business literature
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is that the corporate form requires rethinking to better integrate diverse stakeholder interests. What a political economy of sustainability adds to their account is that it identifies who those ‘stakeholders’ – reinterpreted as value constituencies – must minimally be. If corporations desire to realize sustainability value – which they must if they wish to brand themselves as working towards sustainability – then they must also structure and manage themselves to deliver sustainability value – to adequately balance the realization of exchange value with national and community use values, labour value and function value. This idea, latent in the concept of triple bottom-line accounting, but expanded to meet the definitional requirements of sustainable economic value, exists in some past and emerging corporate forms: community corporations, social enterprise, cooperatives and beneficial corporations.

The governance challenge does not end there, however, and extends to each individual in civil society. A first problem is that, in commercial societies, the price of a good or service usually is not labelled with the process and production methods used to produce it. Without such a label, backed by a robust system of standard setting and auditing, a citizen-consumer cannot know whether the good meets sustainability value requirements. Fortunately, not only are goods increasingly labelled with reputable logos such as organic, Fairtrade, free range, Forest Stewardship Council (FSC) and so on, but the volume of information available on the Internet, increasingly linked to remote, aerial, handheld and fixed sensors in emerging online platforms and the Internet of things, enables a product’s production processes to be traced through its life cycle from extraction through manufacturing to transportation, consumption and disposal (Gale et al. 2015). As a consequence, reflexive citizen-consumers are increasingly able to purchase products that realize a degree of sustainability value, avoiding the disvalue that occurs when exchange value is realized at the expense of use, labour and function value.

However, while consuming better is a necessary action by citizen-consumers for achieving sustainability value, it cannot deliver it on its own. While consuming better signals a move towards greater reflexivity by basing purchases on informed rather than naive preferences, further reflexivity calls into question the total volume of consumption required to achieve sustainable social welfare. It is this further self-reflection that accounts for the observed shift that citizen-consumers are making to lower-input lifestyles, embracing voluntary simplicity, transition towns, downsizing, community and urban gardening, yoga, meditation and other practices. However, here, a second problem must be confronted. As noted previously, individuals are not rational actors fully in control of their preferences; instead, they are cognitively challenged, bio–social–emotional beings liable
to overt and covert manipulation by scrupulous and unscrupulous forces. Unscrupulous forces are those that would put some of sustainability value’s four-value elements in jeopardy in the pursuit of maximizing the realization of others. However, it can be hard to distinguish the scrupulous from the unscrupulous since the latter have a vested interest in presenting themselves as the former. To govern preferences for sustainability value, therefore, the process of tetravaluation must be extended beyond the conventional spheres of politics and economics to cultural institutions – especially education, media and advertising. In an era when individuals can live in self-reinforcing information bubbles receiving and tweeting only those ‘facts’ that they wish to be true, there is a need for much more reflexivity about the role these institutions play in shaping needs, wants and desires.

**OVERVIEW OF THE BOOK**

The overarching purpose of this book is to reconceptualize the nature of political economy from a sustainability perspective.17 The argument commences in Chapter 2 with a historical account of the meaning of economic value as articulated by early political economists and later Marginalists. The chapter highlights how the discipline of political economy has articulated three fundamentally different monistic conceptions of value as exchange value, labour value and use value. Theorists operating within liberal, socialist and nationalist political economic paradigms then employ their preferred monistic conception of economic value to defend their own position and critique, often vituperatively, how value is conceptualized in other approaches. Chapter 3 employs a similar historical approach to investigate how value has been conceptualized in ecological thought. The argument is advanced that a political economy of sustainability needs to set aside the internal debates that have raged over the nature of intrinsic value and focus instead on understanding ecological value in terms of relationality and function. From a systems perspective, ecological value is the usefulness of a thing to the system to which it belongs – that is, the function it plays in the system of which it is a part. The chapter concludes by observing that this very different, but no less important, conception of value as usefulness, previously ignored by the discipline of political economy, now needs to be incorporated as a fundamental concept within the discipline.

Chapter 4 presents an overview of the emergence of the concept of sustainable development, highlighting how the concept evolved under the influence of groups representing a diversity of values, interests and perspectives. This is followed by a review of the analytic literature on sustainability that treats it as an ‘essentially contested concept’. It is argued
that while sustainability’s essentially contested nature is a result of its being articulated within different political economic perspectives, it can also be conceptualized as expressing a completely new, pluralistic conception of economic value. Building on Connelly’s (2007) approach, the planners’ triangle is expanded to a tetrahedron to illustrate how sustainability value relates to its four monistic value components. In summary, sustainability value is conceptualized as occupying a space at the centre of the tetrahedron bounded by four vertices representing exchange value, use value, labour value and function value (Figure 4.4). Realizing sustainable value requires brokering agreements across these four value components, a process fraught with difficulty given that partisans within each value constituency have already determined its meaning a priori. It is the task of a political economy of sustainability to determine the institutional requirements for the legitimate brokering of sustainability value.

Chapters 5, 6, 7 and 8 set out the implications of sustainability value for governing and managing. Chapter 5 examines a large number of sustainability metrics including adjusted net savings, ecological footprint and Better Life Indicators to assess the degree to which these capture the idea of sustainability value and can be used as proxies to measure it. It finds that none of the existing metrics are adequate to the task and also argues that sustainability value, being an emergent property of a value-discovery tetravaluation process, resists an overall management-by-metric rationale. Chapter 6 investigates the implications of sustainability value for governance of corporations and supply chains; Chapter 7 for polities and intergovernmental organizations. In each case, while current arrangements are seriously deficient, there are inspiring examples of how sustainability value is being at least partially realized via forms of collaborative governance, certification and labelling, beneficial corporations and corporate social responsibility. In Chapter 8, the implications of sustainability value for individual preference formation are considered. Building on the recent scientific literature on values, beliefs, attitudes and preference formation, the chapter argues that the malleability of human political and economic preferences necessitates a rethink of how preferences are governed and the changes required to cultural institutions including educational, media and advertising to secure the greater reflexivity required.

Chapter 9 concludes the book, summarizing the overall argument and setting out the good governance criteria for a legitimate tetravaluation process. The basic position defended is that all claims to realize sustainability value will have legitimacy only to the extent they follow a tetravaluation process that is representative, balanced, transparent, deliberative, accountable and knowledge rich. The chapter also briefly addresses the issue of power, noting that the current situation is not dissimilar to the
one Adam Smith confronted in 1776. While in his day formal political economic power remained in the hands of the nobility and landed gentry, it crumbled over the following century in the face of the rise of commercial society and the resultant empowerment of entrepreneurs and workers through party-political government. The power of the actors that preside over today’s commercial society is also crumbling in the face of the rise of sustainable production and consumption along complex extraction-disposal chains which is bringing forth the actors, ideas, institutions and reflexivity required to secure *Homo sapiens* a long-term future on this fragile planet Earth.

NOTES

1. Smith (1776 [1986], p. 117) states: ‘if we examine, I say, all these things, and consider what a variety of labour is employed about each of them, we shall be sensible that, without the assistance and co-operation of many thousands, the very meanest person in a civilized country could not be provided, even according to what we very falsely imagine the easy and simple manner in which he is commonly accommodated. Compared, indeed, with the more extravagant luxury of the great, his accommodation must no doubt appear extremely simple and easy; and yet it may be true, perhaps, that the accommodation of a European prince does not always so much exceed that of an industrious and frugal peasant as the accommodation of the latter exceeds that of many an African king, the absolute master of the lives and liberties of ten thousand naked savages’.

2. The Oxfam claim has generated a good deal of commentary in the media, especially from those seeking to defend the status quo. However, independent sources support the claim as a general proposition while recognizing that the data used are far from perfect. See, for example, http://www.abc.net.au/news/factcheck/2016-02-03/are-62-people-as-wealthy-as-bottom-50-per-cent-oxfam/7114666 (accessed 13 June 2017).

3. As well as carbon dioxide and methane, other important greenhouse gases include nitrous oxide, chlorofluorocarbons, hydrofluorocarbons, hydrochlorofluorocarbons, perfluorocarbons and sulphur hexafluoride. See https://www.epa.gov/ghgemissions/understanding-global-warming-potentials for further details (accessed 2 November 2017).


5. In this book, I use the terms ‘sustainable development’ and ‘sustainability’ synonymously to identity a specific locus of value. While many concur that the two terms are synonyms, for a dissenting perspective, see Hector et al. (2014) who treat the two terms as referencing fundamentally different concepts.

6. For early and often cited critical reflections on the concept, see Redclift (1987) and Lele (1991); for a recent review, see Zaccai (2012).

7. See also Jamieson (1998). This should not be interpreted as a general critique of the arguments or approaches taken. The only point being made here is that the more salient a concept becomes the more contested it will be. If thriving and resilience become salient, then too will end up being contested. This phenomenon is clearly evident in the literature on Buen Vivir, for example, where competing notions are in play in Ecuador and Bolivia (see Vanhulst and Beiing 2014; Chassagne forthcoming).

8. As further described in Chapter 4, the notion of contested concepts was introduced into the humanities and social science literature by William Gallie in an article published in *Proceedings of the Aristotelian Society* (1955).

9. Sustainability value differs from the concept of ‘public value’ as developed by Benington
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(2011, pp. 44–6; see also Benington and Moore 2011). Following a description of three of the four values that compose sustainability value – exchange value, labour value and use value – these authors explicate a four-value model of public value composed of economic value, social and cultural value, political value and ‘ecological value’. The social and cultural value category encompasses labour and use value, and ecological value is not further defined. Political value refers to the role of the state in presiding over the ‘web of values, places, organizations, rules, knowledge and other cultural resources’ that constitute the public sphere with the state ensuring democratic dialogue and public participation. Sustainability value differs from public value not only in its underlying conception of value but also in its scepticism regarding the capacity of competitive party politics to foster the required deliberation and participation. In a study of public value from an environmental perspective, Swilling (2011) criticizes its traditional anthropocentric focus on socio-economic and political values and argues for the inclusion of an ecological dimension if ‘sustainable public value’ is to be secured.

10. There is a homology in this argument to that made by Carter (2011) with respect to value pluralism generally. Carter compares four worlds against the criteria employed by utilitarians, egalitarians, prioritarians and sufficentarians, noting that different worlds can be regarded as inferior or superior depending on the criteria employed. The conclusion is that value theory must have several bases, although each approach denies this and reduces the meaning of value to a single criterion. The book’s approach is similar in that it examines how exchange valuers, national use valuers, labour valuers and function valuers employ a single criterion to evaluate sustainable worlds, viewing them as superior or inferior according to the criterion employed. That there can be several ‘sustainable worlds’, depending on the criteria employed, illustrates the plurality of the value concept underpinning sustainability.

11. Marxists and social democrats disagree over the best way to realise labour value. In an extended critique of Marx’s conception of labour value, Eduard Bernstein argued that the analysis was confusing and unhelpful, and that the exploitation inherent in capitalism through the labour process could be overcome through electoral politics, cross-class collaboration and policy reform (Bernstein 1897, 1911; see also Berman and Dettke 2005).

12. Examples abound and readers will likely be able to name their own local and national examples. A recent example from Australia was the decision by the Tasmanian government to override the state’s established environmental assessment system to legislate the building of a pulp mill at Bell Bay in the state’s northwest. The decision was vehemently opposed by a large coalition of actors in the local community, who eventually prevailed as the pulp mill was never built. The dispute centred on state elites promoting the realization of positive use values from pulp production in the form of economic development and jobs, while the local community coalition emphasized the negative use values of pulp production consequent on the air and water pollution it would generate and the loss of amenity it would entail (see Gale 2008, 2011, for details).

13. While sustainability value’s molecular structure encompasses only the four core values of exchange, use, labour and function, it is recognized that there will be internal factional disagreements within each value constituency. A thing’s use value as determined by a national techno-managerial elite will likely differ from that attributed to it by a local community; institutionalized and grassroots environmental groups will likely not see eye to eye regarding the function value of specific environmental amenities; the interests of employed workers do not necessarily coincide with those of the unemployed; and multinational and national firms may differ over how best to realize exchange value in specific settings. It is important, therefore, that tetravaluation processes are governed and managed so that intra-constituency deliberation and negotiation occurs over individual value components simultaneously with cross-value deliberation and negotiation over the meaning of sustainability value. This issue is further discussed in detail in Chapter 9 with regard to the criteria for meaningful tetravaluation.

14. Robinson (2004, p. 380) appears to make the same point in his critical discussion of sustainability when he states: ‘This question [Is the goal reform or revolution?] can only
meaningfully be answered I think as part of an incremental process of collective decision making that is based on, but not determined by, expert knowledge; that is open to multiple perspectives but not paralyzed by them; that allows for, and reinforces, social learning and changes in views over time; and that is provisional but concrete.’

15. For an interesting account of how to reconcile reductionist with non-reductionist approaches operating at different levels of analysis in this literature in the context of human reflexivity, see Pickel (2012). For a discussion of the causal relationships between morality and ideology, see Smith et al. (2017).

16. While the book’s focus is on the left–right dimension, other dimensions have been identified. For example, Carmines and D’Amico (2015) argue that a single left–right dimension does not fully capture political ideology as it blends economic and social factors. As they state: ‘One of the most prominent arguments is that the liberal–conservative dimension actually consists of two separate dimensions . . . One is an economic dimension that relates to governmental intervention in the economy and includes issues such as progressive taxation, government spending, and redistribution policies. The other is a social dimension that relates to attitudes toward traditional moral and cultural values and focuses on issues like abortion, same-sex marriage, and the role of religion in public affairs’ (Carmines and D’Amico 2015, p.212). This approach enables the political universe to be categorized into five categories: liberals, conservatives, moderates, libertarians and populists. Similarly, Treier and Hillygus (2009) argue that American voters can be classified as liberals, conservatives, moderates and cross-pressured, the latter referring to those who are liberal or conservative on the economic dimension but the opposite on the social dimension. Since cross-pressured voters are often classified as moderates, their findings have important implications for electoral analysis. As they state: ‘Our analysis documents the multidimensional nature of policy preferences in the American electorate, and finds a noteworthy number in the public are liberal on one dimension and conservative on another. Because these cross-pressured individuals tend to call themselves moderate (or say DK [Don’t know]), it undermines interpretation of the standard 7-point ideological identification scale so often used in political research. Thus, even as scholars find that ideological labels are more meaningful than ever before, those labels are inaccurate representations of policy preferences only for those self-identifying as a liberal or conservative’ (Treier and Hillygus 2009, p.697).

17. This book completes the task I set myself when co-editing Nature, Production, Power (Gale and M’Gonigle 2000). While Nature, Production, Power identified many of the key themes taken up here, as an edited volume it reflected the diversity of perspectives with regard to political economy’s conceptions of the discipline’s relationship to nature, and did not attempt to integrate them into a single coherent account.