# Bringing political economy, immaterial needs and cultural change into the framework of a Deep Transition

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Overview

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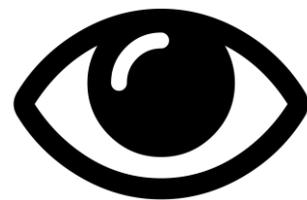
Deep Transition

- The Deep Transitions framework is "a story about the unfolding of industrial modernization, told from the perspective of sociotechnical systems change" (K&S, p. 2)
- The theoretical components are:
  - surges of development (with stages)
  - variation and selection of rules
  - meta-rules resulting in dominant regimes and meta-regimes
  - structural and functional coupling across systems
  - aggregation and intermediation work working on a portfolio of directionality

The second deep Transition

- To deal with climate change and growing inequality
- A few words by way of introduction
  - Deep Transition research belongs to a tradition of **Reasoned History** which seeks to explain and portray patterns (rather than events and variance)
  - Schot and Kanger build on techno-economic paradigms and the multi-level transition perspective (MLP)
  - Like Schot and Kanger we think that technical change and materialities are important shapers of modern human history
  - But we feel that research into Deep Transitions and Reasoned History should consider insights from cultural political economy, psychology, sociology of work, history, political theory and philosophy

Goal of the paper

❖ to draw attention to issues not well integrated in the Deep Transition framework (the "gaps"):
   o marketization and (neo)liberalism
   o changes in the nature of work
   o immaterial human needs (such as the needs for autonomy, relatedness, purpose)
   o social determinants of consumption
   o the changing powers of the state and legitimacy of state policies, and
   o cultural change taking various forms: emancipation, consumerism, the ideology of meritocracy

❖ to contribute to a research agenda of Reasoned History on **directionalities** (by adding a few of our own and discussing interaction effects

❖ We think that a second deep transition is a gross speculation and that transformation will stem from directionalities other than decarbonisation and protests to inequality

Marketisation: a key shaper of socio-economic evolution (meta-regime)

- Marketisation of society thesis was first formulated by Polanyi (1944) in the book *The Great Transformation*

- It refers to the expansion of the logic of markets into areas governed by logics of duty, sociality and responsibility

- Important instances of marketisation are:
   o the rise of managerialism in business (Drucker, 1987)
   o new public management and the social sector with non-profit organisations becoming ''more market driven, client driven, selfsufficient, commercial or business like'' (Dart 2004, p. 414)

- Marketisation contributed to cultural views of being self-responsible for one's own happiness and for keeping a job, to fast product changes and pleasure-seeking ways of life (even as an obligation)

Marketization of society

From a market economy to a **market society**

- A **market society** is a way of life in which market values seep into every aspect of human endeavour… Market-ideology has penetrated families and government.
- A less-recognised element of marketization is that it turns people into individuals through job performance standards (a.o.t.)
- **Financialisation and competition** (bad driving out good in the pursuit of profits)
- **Work & spend** cycle (Schor)
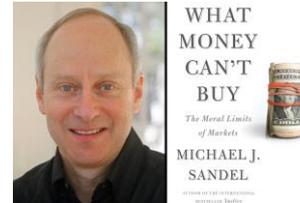
Cultural political economy

- **Political economy** examines forms of economy in terms of key institutions and the role of the state (Example forms: capitalistic market economy, welfare capitalism, state capitalism, consumer capitalism)
- Class struggle (salariat and precariat), Double movement (Polanyi) are contributions from PE
- **Cultural** political economy recognizes aspects formerly neglected in political economy such as **gender, ethnicity and sexuality and associated politics of recognition**. It does not celebrate networks because "networks do not necessarily fuse the self-interest of different actors into a harmonious and egalitarian whole" (Sayer, 2001, p. 699)

Changes in work and business organisation

- Offshoring of professional and technical jobs
- Steady increase in Contingent work (Gig jobs) and Project-based forms of organizing (begun in the construction, consulting, aerospace, and defense industries, "project work is now becoming a predominant form of organizing in high-tech industries, and it is spreading into banking, retail and other sectors of the economy" (Barley et al., 2017)
- Pervasive use of **Human Resource Management** ("people management") based on performance monitoring and evaluation (HRM serves the twin goals of maximizing the value from workers and minimizing the influence of unions (Turbey et al. (2015) (meta-regime or rule)

Impact of work changes

- Systematic attempts of monitoring worker performance are found to affect the self-evaluation of workers, leading them to identify with espoused principles of the organisation such as "*satisfying the customer*" and "*being "entrepreneurial*" (resourceful)
- This is less true for social care, where workers are being put under a system of time-based tasks for reasons of efficiency and billing. Under such a system, workers have **reduced autonomy** in doing tasks and less time for listening to clients
- Surveillance through external evaluation and control gets "under your skin" in the form of **self-discipline and comparison with others** (Sennett, in The Culture of the New Capitalism, echoing Foucault)

Negative effects of meritocracy & individualism

- "**The invidious comparisons between people become deeply personal**. In this talent cull, those judged without inner resources are left in limbo. They can be judged no longer useful or valuable, despite what they have accomplished".
- "The statement "you lack potential" is much more devastating than "you messed up". It makes a more fundamental claim about who you are. It conveys uselessness in a more profound sense" (Sennett, *The Culture of the New Capitalism*, pp. 123-130)
- In the name of liberty we are **suffering from individualism**: every person and every institution striving to get the most for him, her, or itself, over the needs of society and a threatened planet (Mintzberg, Rebalancing Society)

Liberalism and the changing relationship between self and society

- Liberalism is connected to the hardship of industrial capitalism and beliefs about human character and progress
- It is based on **four ideas**:
  i) acknowledgement of inescapable ethical and material **conflict** within society
  ii) **distrust of power**
  iii) faith in **human progress**, and
  iv) **respect** for people what they think and whoever they are (Fawcett, 2014, pp. xii-xiii).
- It give rise to neoliberal individualism (Fevre, 2016), **the acceptance of competition and inequality by self-interested individuals**. But also to progressive values.

Liberalism as a progressive force

- Liberal ideas informed the **civil rights movement** in the US throughout the 1950s and 1960s (Turner, 2008). This movement laid bare what later has been called the "liberalization-emancipation paradox". Under the guise of liberalization (focusing on negative freedoms), both private and public institutions are liberated from the requirements to fair working conditions, and gender or racial equality (as aspects of positive freedom).
- The perception of widespread injustice, based on liberalization, provided the ideological impetus and legitimization for **emancipatory movements** such as the civil and women's rights, as well as the human and ecological rights movements.

Transformative social innovation

Strands of New Economy	Social Innovation networks under study
Degrowth & Localization	Global Ecovillage Networks, Transition Towns, INFORSE, Time Banks
Collaborative Economy	Ashoka, Impact Hub, Time Banks, Fablabs, Hackerspaces, Science Shops, DESIS, Global Ecovillage Network, Transition Towns
Solidarity Economy	RIPESS, Global Ecovillage Network. Time Banks
Social Entrepreneurship & Social Economy	Ashoka, Impact Hub, Time Banks, Credit Unions, DESIS, INFORSE

Source: Avelino et al. (2018)

# Transformative social innovation as a multivaried phenomenon (Part 2)

- Politically inclined researchers (Moulaert), see transformative social innovation as a response to neoliberalism and inhuman state policies, but another explanation is that TSI fits with basic human needs for autonomy, relatedness and competence.

- Transformative social innovation **also occurs in the market economy** in the form of worker cooperatives and Teal organisations based on self-organisation and purpose (Laloux, 2014).

- Transition Towns and Eco-villages are openly anti-capitalistic, Ashoka and Impact Hubs use business model thinking for addressing social issues. For understanding them better it is important to look at immaterial needs

Social innovation examples

- Greater autonomy in work (worldwide phenomenon), cooperatives, for-benefit companies, flex work (remote, freelance), ...
- Open innovation
- Massive Open On-line Course (MOOC)
- Peer-to peer production and consumption
- Living labs (ENoLL has 400 members), Urban labs, Fablabs, ...
- Timebanks (255 in UK with 40,000 members)
- Slowfood has 1500 convivia and 100,000 members
- Eco-villages (10,000)
- Alternative currencies and credit unions
- ...

Immaterial needs

- Human needs according to psychologist Abraham Maslow can be divided in five components: physiological, safety, love/belonging, esteem and self-actualization.
- The universality of the theory outside is contested (Wahba and Bridwell, 1976), in contrast to the **theory of self-determination**, which has been proven to apply across cultures.
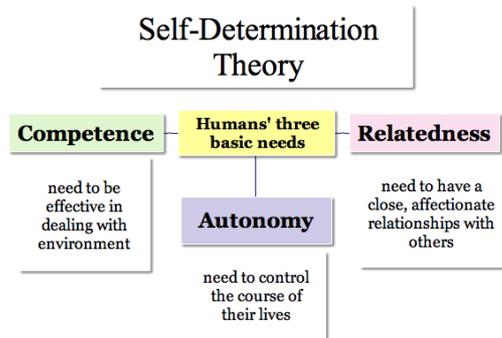
Self-determination theory

"people have innate psychological needs that are the basis for self-motivation and personality integration. (...) SDT identifies three innate needs that, if satisfied, allow optimal function, growth and wellbeing"

- **Competence**: the ability to control the outcome and experience mastery
- **Relatedness**: feeling connected to others and experience caring for others
- **Autonomy**: to act in harmony with one's integrated self (based on intrinsic motivations)

- According to a Gallup survey in 2011-2012, **across the world only 13% of the workers are engaged** with the goals of the organization. 63% are not engaged and 24% are actively disengaged
- Source: http://www.gallup.com/poll/165269/worldwide-employees-engaged-work.aspx

Take home points

- **Important directionalities** feeding on each other: marketization, individualization, performance measurement, business-friendly government policies, …
- **Competition** and **meritocracy** as two important meta-rules for socio-economic evolution and the market economy as an important meta-regime (Feola (2019): "capitalism is not a 'landscape' factor, but rather permeates the workings of socio-technical systems")
- New concepts for possible use are: double movement, immaterial needs, dialectics, internal contradictions and imaginaries
- **Immaterial needs** should be given a more prominent place in reasoned history