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► **To cite this version:**

Karl Georg Zinn. A review of Peter Söderbaum, Understanding Sustainability Economics. Towards Pluralism in Economics, London, Sterling/VA: earthscan, 2008, 158 pages. 2009, 10.46298/jpe.10580 . hal-03704519

HAL Id: hal-03704519

<https://hal.science/hal-03704519>

Submitted on 25 Jun 2022

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Zinn, Karl Georg (2009) 'A review of Peter Söderbaum, *Understanding Sustainability Economics. Towards Pluarlism in Economics*', *The Journal of Philosophical Economics*, II:2, 125-127

A review of Peter Söderbaum, *Understanding Sustainability Economics. Towards Pluarlism in Economics*, London, Sterling/VA: earthscan, 2008, 158 pages

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It is almost impossible to read Söderbaum's lucid critique of neoclassical economics and neoliberalism without having in mind the recent economic crisis as the background of his attack against the short-sightedness and inhuman corollaries of mainstream economics.

This disaster seems to be the corollary of dubious speculations built upon debts and ever more debts but that is only the short story. The long story began almost thirty years ago with the pseudo-victory of neoliberalism, the real culprit of the devastating developments of our days. Growth of global gross national product had been pushed by credit and creation of fresh money by the financial sector. An unknown percentage of growth had been created only by the artificial and insane expectation of an ongoing expansion during the last decades and it is evident now that the global economy shows all signs of traditional over-accumulation and structural faults. It has been an unsustainable development and that is why the world needs a fundamental socioeconomic change; a change in favour of sustainable development (SD), which means above all to raise doubts about the saying "more is always better".

This orthodox rule of thumb is outdated. The environmental overexploitation, the depletion of natural resources and the scandalous distribution of income and wealth on the planet and within its different societies have to be brought to an end. Thus traditional growth must be disputed and the outcome will be a completely different "capitalism" or better say a post-capitalism which puts human reason and good sense above maximizing behaviour and narrow economic rationality.

Peter Söderbaum, Professor of Ecological Economics at the Swedish Mälardalen University, belongs to the small group of early critics of the misleading growth

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paradigm. His new book presents a systematic and challenging approach for reforms – reforms in favour of SD on the local, national and global level. His arguments provoke scepticism concerning further growth but it is not completely clear if Söderbaum believes that there is a possibility for “sustainable” growth as he avoids sketching this central point in detail. Keynes’ forecast (i. e. his 1943 view concerning the “long-term problem of full employment”) of an unavoidable stagnation – a hypothesis which had been buttressed by the French “stagnationist” Jean Fourastié 1949 by analogous arguments – does not elicit any attention from Söderbaum though his thinking would find important complementarities with those well-known scholars. Economic growth, the golden calf of the last two centuries, has to be transformed into ecological or sustainable growth and the world might be even confronted until the end of the century with the question of sustainable stagnation if not a kind of regulated frugality in order to fulfil the criteria of sustainability, but the author does not go thus far in his discussion of unsustainable trends.

The eight chapters of the book are presenting fundamental definitions, theoretical and political positions concerning sustainability, anthropological visions, the differences between market and non-market relations, actors, agendas, arenas and the process of decision-making within the social and institutional framework. At the end of each chapter the reader finds a short comment on “further readings” and several “questions for discussion”.

Sustainability comprises very different dimensions and thus can not be reduced to a single monetary indicator as main-stream economics does. Though sustainability is associated mainly with ecological questions, “health, poverty, equality, human rights and protection of cultural artefacts” (p. 122) belong to the agenda of SD too.

Until now there is no general theory of sustainability. The bulk of books and papers concerning that matter are dealing with partial problems and are presenting ideas and data, but it is almost impossible to integrate all these valuable studies into a common concept. Söderbaum’s systematic approach to „Understanding” what sustainability is about may be characterized at least as a firm base for a theory of sustainability. The eight chapters deliver an introduction into the recent discussions and controversial positions, show the ideological fallacies of the main-stream rhetoric of politicians, managers, lobbyists and economists and elaborate the author’s dominating perspective which is labelled „radical interpretation of SD” in contrast to “business as usual” and “social and ecological modernization” (p. 14).

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The “radical” approach to SD does not purport having an ultimate solution for the various problems connected with SD but the main purpose is a radical critique of the anti-pluralism and the monopoly of neoclassic theory which dominated the political and academic scenes since about thirty years. Söderbaum had elaborated already and published his vivid critique in several articles and books many years before the actual global crisis corroborated his view by the total crash of the neoliberal ideology and its founding paradigm, neoclassic economic theory.

This paradigm tries to catch all problems by a monetary reductionism and thus it is one-dimensional which implies that it is incapable to give answers to multidimensional problems which include ethical, social and political challenges besides and beyond the economic question. Even the economic perspective is cut too narrow by neoclassics and neoliberals, for they concentrate upon profit and shareholder value. This microeconomic view fosters the biased supply-side-economics and thus leaving out the macroeconomic question of an economically balanced distribution of income and wealth. The world experiences now the structural disequilibria which had been built up by the essentially wrong policy during the last two to three decades. All these misleading, unsustainable trends are confronted by alternatives which are elaborated very systematically and in details by the author. The enumeration of the multi-dimensional complexities of SD demands patience by the reader and the willingness to get free from the “normal” economic orientation which could be a barrier for a quick reception of that pioneering “book on understanding SD”.

Summing up, Söderbaum elaborates a fundamental critique of neoclassic paradigm and neoliberal ideology and confronts them systematically with alternatives. His personal view, institutional economics, is not offered as a single best way for everyone but the author understands it as a better possibility to deal with problems of SD than mainstream positions do. Above all Söderbaum asks for a pluralistic dialogue and integration of all members of society into it. Thus his plea against the monopolist ideological power of the ruling “elites” implies the necessity of radical democratic reforms. The democratic societies and the states as their representatives did not get the right answers for SD until now, otherwise there should be no such problems.

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