

# **The Warring Gods of Sustainability**

Approaches to Sustainability within Capitalism

*Lukas von Schuckmann*

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(30hp/credits)



## **LUCSUS**

Lund University Centre for  
Sustainability Studies





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*Und über diesen Göttern und in ihrem Kampf waltet das Schicksal,  
aber ganz gewiß keine „Wissenschaft“*

*And over those gods and in their fight governs fate, but certainly not “science” – own translation*

*— Max Weber, 2002 [1919], p. 501*

*we are the people we’ve been waiting for*

*— John Barry, 2012, p.290*

## Abstract

There is no answer to the question “Are sustainability challenges solvable within capitalism?” which is not already taking sides in a debate about values, perceptions and motivations. There are several different approaches to sustainability, based on assumed feasibilities and expected agents of change. By disclosing one’s own stand in the debate while being aware and acknowledging other possible approaches and their rationale would not only be constructive but essential if we are to find solutions to the pressing challenges ahead in the short time frame we have.

The aim of this thesis is to enable the reader to grasp and acknowledge the differences between approaches to sustainability within capitalism, while taking an informed decision for him-/herself as a prerequisite for meaningful dissonance and deliberation.

I distinguish between four approaches to sustainability within capitalism based on the type of envisaged change mechanism, i.e. formal institutions – laws, constitutions, regulations – and informal institutions – norms, values, perceptions. Each approach is elaborated and presented in detail: *neoliberal sustainability*, based on the neoliberal rationale and without any considerable demand for institutional change; *neoliberal deep sustainability*, advocating informal, i.e. value and perception, change within neoliberalism; *Keynesian sustainability*, which favours stricter regulation and does not focus too much on informal institutional advance; and *republican sustainability*, which suggests a revival of civic values in combination with stronger regulation. The selection of approaches is based on an extensive literature review across disciplines and schemes are pooled according to common characteristics. After presenting the four approaches, each is extensively critiqued with arguments of proponents of other approaches including arguments from *Eco-Socialist/Marxist* and *De-/Post-Growth*, which serve to critique capitalism as such.

This thesis is intended to be a thought-provoking presentation of the plurality of sustainability, proposed to facilitate deliberative processes in our daily encounters as well as political debates which have the potential to render clashes of worldviews and interests more constructive.

**Key Words:** capitalism, sustainability, institutional change, values, Habermas.

**Word Count:** 13,994 words.

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**List of Abbreviations**

CSR	Corporate Social Responsibility
CWM	Capitalism as if the World Matters
EM	Ecological Modernisation
IPCC	Intergovernmental Panel on Climate Change
KS	Keynesian Sustainability
NC	Natural Capitalism
NDS	Neoliberal Deep Sustainability
NS	Neoliberal Sustainability
RQ	Research Question
RS	Republican Sustainability
SD	Sustainable Development
TNC	Transnational Corporations
TTIP	Transatlantic Trade and Investment Partnership
WCED	World Commission on Environment and Development



**PART I**

**— Introduction —**

# 1 Introduction

the earth is one but the world is not

— WCED, 1987

There is little doubt that sustainability will be the “issue of our age” (Newell & Paterson, 2010, p.2). Environmental and social realities become increasingly overwhelming and threatening to societal prosperity, well-being and security. Yet, despite the extending and solidifying scientific knowledge base (e.g. IPCC, 2014; Steffen et al., 2015), widespread scientific consensus on sustainability challenges (see e.g. Cook et al., 2013) and the establishment of new scientific disciplines like sustainability science (Kates et al., 2001), disturbingly little is apparently happening in reaction.

Several reasons have been suggested in an attempt to explain this paradox, ranging from humans being psychologically (Johnson & Levin, 2009; Turvey et al., 2010) and evolutionary (Whybrow, 2010) ill-equipped to ‘normalisation of crisis’ in political and public discourse (Buell, 2004; Welzer, 2014, p.34). The base of this thesis, though, is that another reason for inaction are conflicting ideologies, worldviews and values among political, economic and academic actors, which highlight some problems and obscure others, which make some solutions seem obvious and other ridiculous, which determine temporal and spatial scales of analyses and which build a seemingly solid wall between proponents of different camps.

## 1.1 Motivation and Justification

It is a commonplace that there is a plethora of understandings of sustainability and consequently at least as many perceived solutions. They are all contested by the respective others and together build a complex web of competing views. Nonetheless, contestation seldom goes beyond plain opposition. Ignorance of other motivations, experiences and worldviews often prevail.

The initial motivation for this thesis was to approach the question: “Are sustainability challenges solvable within capitalism?” Intuition suggests determining essential features of capitalism and examining their compatibility with certain sustainability criteria. This is roughly what Jonathon Porritt (2007, pp.86–109) did in a brief section of “Capitalism as if the World Matters”, answering “yes, but”. Also Marcel Wissenburg (1998) scrutinised the compatibility of environmental sustainability and liberalism in “Green Liberalism” – the title revealing his conclusion. However, I argue these approaches neglect the competing views and understandings of sustainability. The way they evaluate is very

much from a specific point of view, determined by preconceived ideas and others would come to very different conclusions.

For instance, Naomi Klein (2014) in “This Changes Everything” comes to the opposite conclusion. However, she, too, falls prey to imprecision and generalisation, as the subtitle reads “Capitalism vs. The Climate”, while what she means but not says in the book is “Neoliberalism vs. The Climate”.

The same goes for statements like Anthony Giddens’ (2009), who stated “[c]limate change should be lifted out of a left-right context, where it has no place” and that “the issue is so important and all-encompassing that the usual party conflicts should be suspended or muted” (p.114). Giddens, too, neglects the variety of understandings and the resulting differences in acceptable solutions. They fail to see that decisions of how to tackle sustainability challenges are not neutral but lead to specific forms of society, which some might find undesirable, despite being e.g. environmentally sustainable.

Therefore, each approach constructs what sustainability, environment and society means, their use and ultimately the actual problems and how those can be solved. It’s important to acknowledge this diversity of perspectives, both within and beyond capitalism, if one wants to take an elaborated stand in the debate. It’s important to understand and differentiate the different positions and not trivialise the differences by giving one-size-fits-all arguments, critiques and solutions. It’s important to understand that all approaches rest on certain assumptions and understandings of the workings of society in general and the economy in particular. They all are based on a particular logic and if they wouldn’t make sense to their adherents, these approaches wouldn’t exist.

I am of the firm conviction that disclosing one’s own stand in the debate, while being aware of and acknowledging other possible approaches and their rationale, would not only be constructive but essential if we are to find solutions to these pressing challenges in the short time we have. The problem is that in most debates and articles the personal assumptions and motivations are almost never disclosed. Instead the perspectives and findings are presented as absolute, while in reality they present ‘problem-solving within a paradigm’ (cf. Kuhn, 1970), i.e. their preconceived ideas determine the outcome of their analysis from the onset as a heuristic guideline.

I therefore leave the above “research question” (RQ) intentionally open, and instead let others answer. The ultimate aim of this thesis is twofold: *firstly*, the reader should be enabled to grasp the differences between approaches to sustainability and acknowledge the rationales and understandings of sustainability, capitalism and feasibility of change; *secondly*, the reader should be enabled to decide for a position him-/herself, i.e. take “honest partisanship”.

This is a prerequisite for meaningful deliberative discourse and constructive dissonance, which is essential for transformative knowledge in the pursuit of sustainability (Wals, van der Hoeven, & Blanken, 2009, p.28). But the reader might wonder ...

## 1.2 ... why a study on capitalism?

The reason for scrutinising the relationship of sustainability and capitalism is that capitalism is the almost unquestioned background given in politics, society and economy. It shapes the general perception of the challenges and “forms the basis of the political institutions and social relations which define our collective ability to effectively respond to environmental change” (Newell, 2011, p.4).

From a Foucauldian standpoint it is argued that the most powerful and influential individuals in society benefit from the continuation of the current capitalist order. Their reasoning and interests therefore constitute the dominant and most influential power/knowledge in the shaping of regulations, institutions and policymaking in general.<sup>1</sup> From a Marxist-Gramscian perspective, Sklair (2002, pp.8–9) notes that the “transnational capitalist class” determines with the wealth and influence acquired through transnational corporations (TNC) not only the economic but also the political and cultural, i.e. consumerist, transnational practices.<sup>2</sup>

Because of this and the seriousness and urgency of the challenges ahead, it is of *political* and *ethical* importance to critically examine economics and the economic order (Barry, 2012, p.142). Nevertheless, capitalism is the “elephant in the room” (Newell, 2011): often overlooked and unaddressed.

Obviously there are many other meaningful ways of how to investigate social and environmental change, like gender relations, political regimes and culture, who also give valuable insights in (unequal) causes, consequences and viable solutions to sustainability challenges. Nonetheless, especially with the increasing prominence of climate change in public awareness, humanitarian disasters like in the Mediterranean Sea and the global financial and the Euro crises, the scrutiny of capitalism’s capability to deal with sustainability is opportune and relevant.

But is it really relevant and not dealt with over and over again? We might want to postpone the answer to this question and first take a look at the framework, to then be able to evaluate the contribution of this thesis in chapter 2.5.

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<sup>1</sup> Elaborated more in the critique of neoliberal approaches to sustainability in Chapter 5.

<sup>2</sup> Elaborated more in the Marxist/Socialist critique of the capitalist approaches to sustainability in Chapter 8.1.

## 2 Framework and Theory

For the purpose explained above, I developed a typology of different approaches to sustainability. However, before presenting it in chapter 2.3, it's necessary to briefly recapitulate the evolution of sustainability in the public and political discourse as well as to familiarise ourselves with what determines a capitalist system. This is essential to understand the status quo, the context of political decisions and disputes, and its influence on approaches to sustainability.

### 2.1 Limits to Growth, Sustainable Development and Ecological Modernisation

Sustainability rose to popularity in the 1970s through the *Club of Rome's* landmark report about the "Limits to Growth" due to finite resources (Meadows et al., 1972), which was shortly after extended with technological (Schumacher, 1973), entropic (Georgescu-Roegen, 1975) and social (Hirsch, 1977) limits.

However, the concept of growth was too strong in emerging neoliberalism to be seriously challengeable, and so the 'limits'-discourse was soon replaced by the much more vague and free-market friendly *sustainable development* (SD) (Bernstein, 2001, p.121). SD was first commonly defined by the Brundtland Commission as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (WCED, 1987). It starts from the premise that the developing countries cannot follow the development path of the industrialised countries to pursue their legitimate development aspirations. "Economic growth should therefore be promoted, but guided in ways that are both environmentally benign and socially just" (Dryzek, 2013, p.156).

SD, not seen as a path to take but as a discourse, propagates compatibility of growth, conservation and social justice, consonant with the general optimism which governs the *neoliberal sustainability* approach explained below (Dryzek, 2013, p.159). Though contested and vague, Bernstein (2001) notes that SD "mark[s] the institutionalization of environmental concern" (p.3), bringing environmentalism into the political mainstream exactly because it is formulated in a normative language compatible with the dominant economic reasoning and interests (Bernstein, 2001, p.214), unlike older environmental movements like the "cult of the wilderness" (Martínez-Alier, 2014, p.7) of people like John Muir.

With the Rio Earth Summit in 1992 the tone of the discourse shifted again. From seeing development and sustainability as compatible if managed correctly, *environmental* sustainability was now promoted as potential motor of economic development through incentivising entrepreneurial innovations (Christoff, 2009, p.80). This came to be known as *Ecological Modernisation* (EM).

This shift is explainable with the neoliberal characteristics described below: states were increasingly portrayed as incapable of promoting environmentally and socially sustainable development, overstrained with the rapidity of global trade, social transformation and the growing complexity of technological and organisational advance (Mol, 2003, p.86). The notion of the knowledge-based economy of innovation and competition began to dominate policy-making (Teräväinen, 2010, p.409) and TNCs, efficiency and technology became the means to achieve sustainability (Dryzek, 2013, p.306; Mol, 2003, p.100).

While Marxist ‘Treadmill-of-Production’-theories regard the prominence of environmentalism as window-dressing, EM explicitly carries over the optimistic stand of SD, seeing in it genuine structural and institutional development which enables business within ecological limits (Mol, 2003, p.203). This optimism translates into pragmatism based on seemingly realistic, status-quo compatible policy reform and support of technological innovation (Barry & Doran, 2006, pp.250–251; Fiorino, 2014, p.29) within the existing institutions that organise production and consumption (Mol & Spaargaren, 2000, p.19). Eventually, it made “technological innovation, economic growth, capital accumulation and consumerism in principle acceptable – if only they were of the correct, i.e. the ‘green’, variety” (Blühdorn & Welsh, 2007, p.194). More recently and building on EM, the new discourse of the *Green Economy* emerged, as proposed for instance by UNEP (2011).

These are the concepts that dominate the public and political discourse. While they are the result of popular perceptions and political interests, this evolution is not set in stone. Instead, there exists a wide array of views on sustainability, which try to influence it. To fully understand the typology of those views in chapter 2.3 and its implications, we first must shed some light on the nebulous terms ‘capitalism’ and ‘neoliberalism’.

## **2.2 Understanding of capitalism and neoliberalism**

There are several different conceptions of capitalism, which stem from different rationales and logics. Francis Fukuyama (1992), for instance, proposes after the collapse of the Soviet Union that the properties of natural science translate into “a universal evolution in the direction of capitalism” (p.xv) summarised as “the end of history”. Schumpeter and Marx on the contrary regarded capitalism merely as a “historically transient form of society” (Bottomore, 1985, p.14) – though based on different rationales. To see if we can still carve out what determines ‘capitalism’, we need to take a look at different theories of capitalism.

### 2.2.1 Capitalism

The first coherent study of capitalism and the corresponding kind of society was undertaken by Karl Marx.<sup>3</sup> In brief, for Marx a capitalist economy consists of two relationships: the relationship among capitalists on the one hand and between capital and labour on the other. The former is a structural force compelling capitalists to expand, reduce costs and increase their market share thus causing the inherent property of capitalism to accumulate capital and expand it through re-investment of profits. However, it also results in exploitation of labour, prompting class struggle and ultimately the revolution of the workers. Altogether, the central features of capitalism for Marx are class antagonism through social division of labour and competitive capital accumulation (Marx, 1968 [1890], pp.790-791; see also Callinicos, 2003, pp.35–37).

For Max Weber capitalism is not a historically determined stage in human development like for Marx, but rather a special phenomenon emerging from Western culture, i.e. Protestantism. Whereas for Marx the attention lay on the process of production, Weber focused on the rationalisation of society, manifested in economic accounting and instrumentalised through private property, money, markets, wages and profits. Capitalism, then, is the system in which fulfilling the desire for products, which are produced through division of labour and traded on a free market, is pursued in an instrumentally rational way (Weber, 1961 [1927], pp.275–278, 352–354; see also Bottomore, 1985, pp.26–32; Clarke, 1982, pp.214–215, 226).

Joseph Schumpeter generally agrees with Weber on the features of capitalism – though not on its development. He emphasises the role of the entrepreneur entering old monopolistic markets, leading to ‘creative destruction’ of the values of the old companies through innovation in the process of competition. This causes an inherent and inevitable force of capitalism to grow (Schumpeter, 2003 [1943]).

Liberalism as put forward by von Mises and Hayek does not provide an actual analysis of a specific kind of existing capitalism and the corresponding existing society as the other three approaches did. On the contrary, it’s a political philosophy of capitalism, built on the primacy of individual liberty. Proceeding from the *Marginal Revolution* it insists on the maximisation of liberty, utility and production through establishing free markets, which in turn necessitate the existence and security of pri-

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<sup>3</sup> Some might demur that it is Adam Smith instead, however, I would argue that Smith described the economic mechanisms on which capitalism is built, and thus he certainly laid the foundations of economics as academic discipline. However, he did not scrutinise capitalism as an economic system and the kind of society it produces.

vate property (Menger, 1976, pp.74–76, 97). Markets are not specific historical phenomena but the manifestation of rational economic action in the pursuit of individual utility maximisation.

In a nutshell, although quite different, all of the above would agree on the following five core aspects which a system must feature in order to be capitalist: division of labour and thus the existence of wage and profit; guarantee of private property; exchange on markets; competition; and economic growth through innovation.

### **2.2.2 Neoliberalism**

After having ascertained what determines a capitalist system, let's turn to the question what constitutes the much-headed concept of neoliberalism. Although neoclassical economics is not a coherent stream, one particular form dominates today based on the works of Friedrich Hayek and later Milton Friedman.<sup>4</sup> In this view, the adverse effects of power inequalities on society and economy stem from restrictions to competition in the form of monopolies and 'large' states. Tautologically, they propose increasing competition through trade liberalisation, market globalisation, fiscal austerity, deregulation of capital markets and privatisation. The state recedes to providing only a regulatory framework, to guarantee 'liberty under the law' by preventing monopolisation, mediating between clashing interests, but also guaranteeing innovation incentives through patents. However, it mustn't interfere actively, e.g. through distributive regulation (Lal, 2006, pp.49, 57). Assuming that states do not necessarily act in the public interest but that bureaucrats instead follow their own self-interest and maximise their personal utility at the expense of both the general public and the companies they regulate (Niskanen, 1974) and that states are generally less efficient in the provision of goods and services (see e.g. Megginson & Netter, 2001), neoclassical liberals conclude that "imperfect markets are superior to imperfect planning" (Lal, 2006, p.106). The neoclassical marginalist analysis provides a reference frame which can be used to identify necessary reforms and assess their progress:

"It is ... no criticism of the marginalist analysis to note that reality does not correspond to its abstractions: insofar as the real world does not accord with the abstractions of marginalism it is not the economic theory that is in error, but the real world that is in need of reform" (Clarke, 1982, p.165; see also Lal, 2006, p.55).

This so-called *neoclassical* liberalism grew in influence since its beginning in the late 19th century but especially under Reagan and Thatcher in the 1980s. Today it provides the theoretical underpinning and justification of the political project of *neoliberalism* (Barry, 2012, p.150).

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<sup>4</sup> Note especially Friedrich Wieser (1983 [1926]) as a neoclassical liberal with very different conclusions, seeing the cause of power imbalances in the competition in an unequal society and thus demanding e.g. strict regulations; also elaborated in Clarke (1982, p.170).



The term neoliberalism<sup>5</sup> is contested in its exact definition, but in this thesis – based on Boas and Gans-Morse (2009, pp.143–144) – it's understood: *firstly*, as economic reform policies in accordance with neoclassical economic theory; *secondly*, as a development model, i.e. a political project following growth and modernisation; and *lastly*, as an ideology which puts the emphasis on liberty as the principal social value as well as on the individual as opposed to the community.

Based on the characteristics of capitalism described above, neoliberalism presents an organisational theory of a capitalist society comprising a reduction of the state as well as a removal of barriers to competition and trade, thus favouring market-based mechanisms to correct incentives rather than hard-edged regulations. This view constitutes the political reality today and provides the theoretical underpinning of the two neoliberal approaches to sustainability (chapters 3 and 4) – either explicitly, because of its innovative capacity, or implicitly, against the background that it is the dominating discourse which determines the feasibility of proposals.

With this theoretical knowledge in mind it is now time to take a look at the different approaches to sustainability.

### 2.3 Description of the typology

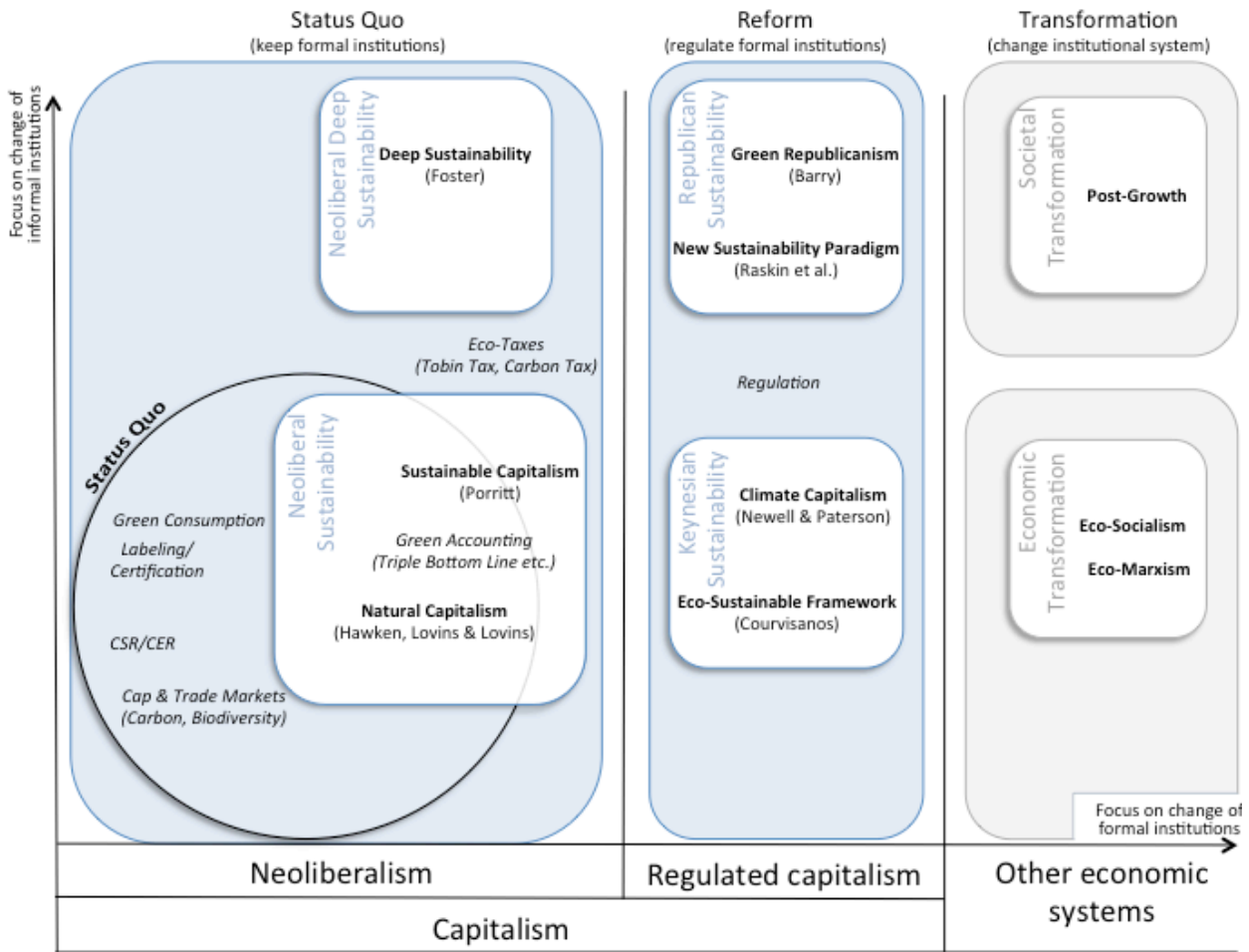
I distinguish between four *approaches* to sustainability, within which I pool different *frameworks* of scholars, based on the type of envisaged change mechanism, i.e. formal institutional change – laws, constitutions, regulations – on the x-axis and informal institutional change – norms, values, perceptions – on the y-axis (Figure 1). I chose to focus on institutions because they provide a fruitful entry point in the discussion of sustainability in relation to capitalism. It is changes of the formal institutions that demarcate junctions between economic systems, however, only including informal institutions is able to explain different currents within economic systems, especially regarding the choices of agents of change. Each approach will be presented and subsequently juxtaposed to a selection of critiques by adherents of the other views in a kind of theoretical panel discussion.

The first approach is *neoliberal sustainability* (NS). It is based on the neoliberal reasoning, which also dominates contemporary politics in general. While acknowledging necessary change in politics, economy and society this change is generally envisaged without any considerable institutional altera-

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<sup>5</sup> From its original use in the 1930s as a Third Way between classical liberalism and socialism, neoliberalism changed considerably when it re-emerged in a pejorative connotation in the 1980s to denounce the restructuring of the Chilean economy under dictator Pinochet with the help of the Chicago School, i.e. among others Milton Friedman (Boas & Gans-Morse, 2009). Until today it often remains to be used pejoratively, though it not necessarily has to.

**Figure 1: Typology of approaches to sustainability**



Description: *blue boxes* = an economic system with certain instruments, knowledge and rationale; *white boxes* = approaches to sustainability in relation to their focus on formal vs. informal institutional change; *bold text within approaches* = framework of scholars, which were the main influences for the development of the respective approaches within this thesis; *italic text* = instruments; *grey boxes* = potential extension of the typology, however, in this thesis not developed but only used for critique.

tions. Because this approach is within the current logic, a lot has been written both in favour and against it, which is why it will present the most extensive approach in this thesis (Chapter 3).

All of the following approaches differ from NS in that more fundamental change is seen as necessary. Firstly, *neoliberal ‘deep’ sustainability*, grounded on John M. Foster’s (2008) “Deep Sustainability”, aims at keeping the neoliberal formal institutions, but advocates a value and perception change (Chapter 4). Following that is *Keynesian sustainability*, in which the focus lies on regulation in order to achieve sustainability (Chapter 6). And lastly, I introduce *republican sustainability*, which favours both formal and informal institutional change emphasising the need for participation and regulation (Chapter 7).

The two grey approaches in Figure 1 could be included in a more extensive work, but time and space constraints limit the focus of the RQ on approaches *within* capitalism and so they will serve for critiquing only. In general each approach builds on a critique of preceding ones. This potentially causes a preserved bias, as preceding approaches are not given place to critique succeeding ones. However, this reflects the actual way the presented scholars develop their arguments in the literature and their opinion and potential counter-arguments should be apparent and therefore implicit.

The borders between approaches have to be understood as continuous and often scholars propose mixtures of instruments, which are not necessarily coherent. The ordering was based on their main emphasis, but it should be remembered that they might lean to either side in certain nuances of their individual approaches. The typology should therefore be understood as a suggestion to think about sustainability and the economy, as a thought-provoking illustration, which is – as every model – a simplification of a complex reality, meant to serve as map for orientation.

The selection of frameworks and the formulation of approaches followed an extensive literature review across disciplines and I attempted to include frameworks as widespread and diverse as possible. Search for literature was conducted both online – Web of Knowledge, Scopus, Google Scholar – and in libraries – Lund and Copenhagen – based on search terms ‘sustainability’ and ‘capitalism’ in the title and main focus on recent publications from 2010 on. I concentrated on monographs, as the discussed frameworks are too extensive to be dealt with in papers. References within contributions were followed to constitutive scholars, like Dryzek (2013) and Porritt (2007), and from there on further.

Apart from acknowledging the different dimensions of sustainability, i.e. social and environmental (Jerneck et al., 2011, p.78), no further definition of sustainability will be given. This is consistent with the idea of this thesis that what is defined as desirable, feasible and necessary depends very much on the beholder. Instead I will describe for the approaches separately how sustainability is understood by their proponents.

## **2.4 Epistemology**

This work represents a discursive analysis in the sense that it aims at presenting the different worldviews and understandings that exist about sustainability. It therefore differs from critical discourse analysis, as it is not attempting to answer ‘how’, i.e. how realities are constructed and reproduced by proponents.

I see it in the tradition of *critical theory*, especially in the modern form of Jürgen Habermas. Broadly speaking, it is a theory based on critique, on dialectical *thesis-antithesis-synthesis*. Dialectics is about

acknowledging the non-linear evolution of ideas and that there is no universal, single law that governs society. Discovered contradictions are therefore no defect but are acknowledged as the means to achieve the development of reason, i.e. human thought, through critical interaction to achieve a synthesis (Benton & Craib, 2011, pp.108–110). As such it accepts different views and approaches, and is indeed “suspicious of the very categories of better, useful, appropriate, productive and valuable, as these are understood in the present order” (Horkheimer, 1972, p.206).

Habermas adds that an individual’s understanding of the world is determined by its learning from its activities.<sup>6</sup> However, the circumstances of this learning differ and so the drawn conclusions. The produced knowledge is not only for the *technical* interest to control and manipulate the physical world around us, but serves also *practical* and *emancipatory* interests. The former refers to our wish to communicate and cooperate for mutual benefit, while the latter describes our desire to grasp our place in the world and understand and reflect on the way we think about it. This is what assigns us individual agency and enables us to achieve autonomy over domination and dependence. “To achieve autonomy we need to know about the objects in our world, we need to be able to understand the people around us, and we need to be able to understand what we ourselves are doing” (Benton & Craib, 2011, p.115).

Furthermore, Habermas is especially useful for this thesis because of his emphasis of the importance of argument. With the impossibility of a single objective truth in social systems, ‘true’ becomes what can be agreed upon. This is what Habermas calls ‘communicative reason’: in trying to understand others and to make oneself understood, one engages in rational dialogue and thus, by definition, a consensus can be reached based on reason, i.e. better arguments (Benton & Craib, 2011, p.117). In relation to sustainability, Habermas’ attempt to ‘save the project of modernity’, i.e. the liberation of the individual, acquires a very real, material dimension.

## 2.5 Contribution and Limitations

Let us now come back to the question if this is really such a new thing. There exist indeed several interesting and informative frameworks, most noteworthy Raskin et al.’s (2002) sustainability scenarios, Hopwood, Mellor and O’Brien’s (2005) mapping of SD approaches and Dryzek’s (2013) discursive analysis of “The Politics of the Earth”.

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<sup>6</sup> The elaborations of Habermas’ theory rely on Benton & Craib, 2011, pp.114-119, but can be found in their entirety in Habermas, 1984, and 1987.

This thesis distinguishes itself through its focus on the motivations of actors and the identification of different agents of change. None of the above categorisations can satisfactorily enable the reader to find a personal answer to the question: “Are sustainability challenges solvable within capitalism?”, because they don’t help to understand the different rationales of why certain people follow certain approaches. Especially the first two are not neutral in their elaboration, but present certain aspects as desirable without disclosing their own intentions, which prevents the reader from forming a personal opinion. Lastly, the characterisation along institutional mechanisms of change is a new feature and proves very fruitful to grasp differences in the approaches.

However, it should be noted that the typology presented here is not exhaustive. Obviously several other approaches exist, for instance eco-feminist like Vandana Shiva (1988) or fatalist like James Lovelock (2005), and they all provide interesting and valid critiques and understandings and are thus worth being considered in an extensive review of understandings of sustainability. Unfortunately, this is beyond the feasible scope of this thesis and moreover they were not deemed indispensable at this step of developing the typology. I thus focused on those frameworks I identified as constitutive and most influential.

Lastly, certainly some of the localisations are disputable. This is mainly because the approaches don’t represent homogenous and united theoretical bodies. Instead the frameworks pooled within the approaches share fundamental, but not necessarily all ideas and understandings.

**PART II**

**— Neoliberal Approaches to Sustainability —**

### 3 Neoliberal Sustainability

Perhaps the only problem with capitalism ... is  
that it is only now beginning to be tried  
— Lovins, Lovins, & Hawken, 2009, p.108

Today neoliberalism is the frame within which sustainability challenges are usually addressed. However, as shown above, neoliberalism is not a homogenous paradigm, but rather a political project. Several forces try to pull the political agenda in their direction – one of which I call *neoliberal sustainability* (NS).

#### 3.1 Understanding of Sustainability

NS is closely linked to the concept of externalities, i.e. the usually unintentional causing of harm or benefit through economic activity. These externalities are outside the usual market setting and are thus not reflected in the prices. However, as prices are assumed to be the principal information system about scarcity and thus determine efficiency of allocation and management, undervalued entities and processes might be exploited. The aim of neoliberal environmentalism is therefore the internalisation of unsustainable externalities (see e.g. Brown, 2011, p.70). While the existence of externalities is a market failure, the existence of known, but unmanaged externalities represents a regulatory failure.

NS is based explicitly or implicitly on environmental economics and thus on ‘weak (sometimes called critical) sustainability’. This concept is an economic attempt to operationalise SD (Cabeza Gutiérrez, 1996, p.147). As such it is formulated in the same language employed in the neoliberal discourse in general. Weak sustainability acknowledges that a certain minimum of critical (renewable) natural capital is necessary for the sustained yield of services and ecological resilience (Turner, 1988, p.13). Thus, substitutability of capital forms is generally possible, but only within certain limits beyond which ecological stability is jeopardised. The focus therefore lies both on at least maintaining “the total value of aggregate economic activity” as well as of “environmental quality” (Hediger, 1999, p.1127).

Focusing on externalities and using a neoliberal approach result in favouring evaluation of environmental and social circumstances in 'economic', i.e. monetary, terms.<sup>7</sup> The underlying instrumental rationality of neoclassical economics becomes most obvious in the discourse employed and the arguments put forward. Society is referred to as 'social capital', nature and the environment as 'natural capital' which provides 'natural resources' and the aim is to enable actors through tools and instruments to "effectively manage their ecological assets the same way they manage their finances" (Wackernagel, 2011, p.82).

The conservation of natural and social capital is consequently justified as being necessary for increasing human utility either as essential input factor for production or in other forms of ecosystem services.<sup>8</sup>

### **3.2 Characteristics of neoliberal sustainability**

Frameworks within NS are diverse and yet share common ground in many aspects. The basic premise is that the short time frame given to address sustainability challenges like climate change rules out greater regime shifts and transformations. As Jonathon Porritt (2007) says "[I]logically, whether we like it or not, sustainability is ... going to have to be delivered within that all-encompassing capitalist framework. We don't have the time to wait for any big-picture ideological successor" (p.107). Thus it has to be worked with and within institutions we have who "cannot simply be brushed aside or reversed should we so desire" (Mol, 2003, p.92).

Thus, while the necessity of political and economic change is acknowledged, it is aimed to be achieved without any deeper institutional restructuring. As Wackernagel (2011) says, "we can and must support our existing institutions in finding ways to stabilize, strengthen, and protect our planet's natural capital" (p.86).

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<sup>7</sup> A prominent figure pushing this forward in the UK was David Pearce, whose promotion of market-based mechanisms to solve sustainability challenges found a benevolent ear in the then governing Thatcher government (Bernstein, 2001, p.82).

<sup>8</sup> There is another neoliberal trend worth mentioning here for completeness sake, however, without extensive elaboration, as they seem academically and politically less important with notable exception in business and theoretical economics: we might call them the 'unproblematic', a camp Turner (1988, p.1) calls "cornucopian technocentrism", who are based on a very weak sustainability concept, i.e. unconditional interchangeability of capital forms. They argue that to achieve sustainability, economies should be further deregulated and markets less distorted through government interventions, monopoly power etc. Rather than problems sustainability challenges are perceived either as business opportunities or as justifiable collateral damage whose costs are lower than the gain from the resulting manufactured, renewable capital. Assuming the economy is growing, it is argued, future generations will be much richer and equipped with new and powerful technologies, which enables them to continue good and independent lives (Lal, 2006, pp.213–214).



What distinguishes NS from others are three aspects: their trust in business as the decisive agent of change; the emphasis on market-mechanisms in the solutions; and their optimism regarding possibility of change, which translates into pragmatism, based on what is perceived as realistic change within the given pre-setting of a neoliberal, globalised society. While the former two are generally unanimously accepted within NS, it is the extent of the latter where ways part to a certain extent, as we will see.

### **3.2.1 Business as agent of change**

Businesses are regarded as the vital players in the achievement of sustainability in their role of “New Pioneers” (Ellis, 2010) or “Sustainopreneurs” (Abrahamsson, 2006). One reason why, so they argue, is the anarchic character of global politics and trade. There is no overarching global government, capable of enforcing regulation, and thus there is a power void due to the incompatibility of the old nation state system with a globalised economy as well as with the nature of global environmental problems (Paterson, 2009, p.101). Although recognised as potentially contributing to the problems, TNC are seen as important actors, who operate within this void and who have the financial, technical and organizational capabilities to act more effectively on this level than nations (Christmann & Taylor, 2009, p.564). Several TNCs are even richer than many countries (Haas, 2008) and thus “[c]orporations may well be the only institution in the world today with the size, skills, resources, agility, organization, and motivation to solve the toughest problems” (Lovins & Lovins, 2001, p.108). In the words of Robinson (2004):

“It is clear that governments alone have neither the will nor the capability to accomplish sustainability on their own. The private sector, as the chief engine of economic activity on the planet, and a major source for creativity, innovation and entrepreneurship, must be involved in trying to achieve sustainability.” (p.378)

The reason why corporations should do that is that there are good business incentives to do so, as “resource scarcity, natural disasters or social instability either raise costs or endanger their operations” (Ellis, 2010, p.9). Furthermore, ‘pollution prevention pays’, i.e. increased efficiency reduces wasted inputs and thus money (Dryzek, 2013, p.170). Even when resources are not scarce yet, when prices are low and even if one does not believe in the sustainability challenges ahead, businesses can earn a lot by boosting productivity and efficiency (Lovins et al., 2009, p.5). It is especially this belief that “there is money in it for business” (Dryzek, 2013, p.170), that makes advocates like Porritt trust them against the background of reluctant politicians and lethargic citizens.

Additionally, corporations are under growing pressure from international NGOs, so that “the reputation of companies associated with resource wars and human rights violations will suffer, while CSR

companies will be perceived as ethical players” (Ganser, 2011, p.175). Moreover, ethical and green consumption is expected to grow, so that entrepreneurs have incentives to invest in green production systems to meet that demand (Mathews, 2011, p.877). For the implementation great expectations rest on voluntary but governmentally overseen certification schemes as a means to reduce information costs for consumers and to enable them to take informed decisions (Radermacher, 2011; Tanner & Wölfling Kast, 2003). Thus, conscious, critical consumption provides another incentive for corporations to innovate and move the economy towards an environmentally friendly, low-resource future.

As can be seen, great emphasis is generally put on individual responsibility, mainly as entrepreneur but also as consumer. Corporate Social Responsibility (CSR) is well established in business today. Although still behind its potential, it can, when seen as ‘strategic’ as opposed to merely ‘philanthropic’ CSR, even become a company’s core business, benefiting both society and the company through differentiation from and competitive advantage over other firms and access to new markets (Ellis, 2010, p.157).

Lastly, companies supposedly act and use scarce resources more efficiently than governments, as market and competition induce creativity and productivity. This leads us to the next aspect: the preference for market-based mechanisms.

### ***3.2.2 Markets as instruments of change***

Markets are portrayed as innovation-inducing and allocatively most efficient instruments, as their “ingenuity, their rapid feedback, and their diverse, dispersed, resourceful, highly motivated agents give markets unrivalled effectiveness” (Hawken, Lovins, & Lovins, 2010, p.260). This makes them superior to hard-edged regulation, which is seen as hindering the development of innovative ways of tackling imminent sustainability challenges (Porritt, 2007, p.90)

However, it is emphasised that markets should be used as an instrument to fulfil a certain purpose, i.e. the short-term efficient allocation of scarce resources. This requires markets to be analysed well, to understand their limitations and to properly design them to ensure their contribution to sustainability (Hawken et al., 2010, p.260; Porritt, 2007, p.90).

Two possibilities for handling externalities through market-based mechanisms exist: Either they can be internalised directly through taxes and subsidies, or new markets can be created, on which externalities are traded in form of permits (Paterson, 2009, pp.107–108). The former is an attempt to make prices reflect the true environmental costs and is proposed in combination with reducing

harmful and distorting subsidies<sup>9</sup> as a means to level the economic playing field on which sustainable enterprises are currently disadvantaged (Porritt, 2007, p.90).

It is the latter though which is currently politically held in high esteem, since it theoretically leads to the highest efficiency, as it allows the most efficient companies to sell unused permits. Thus it rewards efficiency and directly incentivises corporations to innovate and reduce emissions. Most prominent is carbon emissions trading, but examples now even include fields like biodiversity (Vaissière & Levrel, 2015) and visions for markets in non-used energy (*negawatts*) or non-driven miles (Hawken et al., 2010, p.281).

Accordingly, most proponents of NS put a strong emphasis on technology for the solution of sustainability challenges, most notably perhaps Cradle-to-Cradle and its belief in cyclic economies and design to reduce or even prevent resource waste and depletion (Braungart & McDonough, 2008).

Finally, most attach great importance to economic growth as a means to lift people out of poverty, e.g. through inclusive business (McFalls, 2011, p.141).<sup>10</sup> Apart from its potential to benefit the poor, growth is argued to make countries and companies richer and thus more capable of exploring appropriate technologies to solve environmental and social problems. And moreover, a capitalist growth economy simply depends on growth for its stability and also for environmental protection, as in depressions internalisation of additional costs holds little attraction (Mol, 2003, p.76).

However, development as measured in GDP growth is generally acknowledged to be unsustainable: extensive growth, i.e. increase in material and energy throughput, eventually will have to be replaced by intensive growth, i.e. “growth in value without change in the flow of resources” (Mathews, 2011, p.875). The way to achieve that, known as *decoupling*, relies especially on the insights from industrial ecology: the “shifting of industrial process from linear, open-loop systems in which resources and capital investments move through the system to become waste, to a circular, closed-loop system where wastes become inputs for new processes” (Ellis, 2010, p.41). Good growth is possible, if it contributes to increasing instead of reducing global resource availability (Braungart & McDonough, 2008, p.106).

A coherent theory in this regard is *green accounting*, as put forward in “Natural Capitalism” (NC) by Hawken and the Lovinses (2010) and “Capitalism as if the World Matters” (CWM) by Jonathon Porritt (2007). It is based on the argument that “the instruments companies use to set their targets, meas-

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<sup>9</sup> Myers (2002) identified six fields, in which existing subsidies are particularly harmful to SD: fossil fuels, road transportation, agriculture, water, forestry and fisheries.

<sup>10</sup> A concept made prominent by C. H. Prahalad (2004) in his book “The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits”.

ure their performance, and hand out rewards are faulty” (Lovins et al., 2009, p.13). For correcting this deficiency, NC proposes four types of capital – human, financial, manufactured and natural – and Porritt even five – adding social capital to the list – which have to be managed properly for an economy and society to function in a sustainable way. Especially natural capital is vastly undervalued or not valued at all, neither by corporations nor by governments. Extending the balance sheet and by this means redefining which capital forms are actually scarce would dramatically alter policy and management priorities.

### **3.2.3 *Ontological optimism***

NS can be best understood in seeing most proponents as outright ontologically optimistic and trusting in human ingenuity and reason, which reverberates in the praise for markets and efficiency. It is nonetheless not about denying the challenges and difficulties ahead, but about having the will to overcome them, as “there is no progress without optimism” (Ellis, 2010, p.148). This leads them to see companies as partners who adopt a sort of ‘corporate citizenship’, with responsibilities that go beyond making profits to include law abiding, ethics and philanthropy (Carroll, 2009, p.271; Mol, 2003, p.84).

Closely related, most NS actors are pragmatic in the sense of ‘the perfect is the enemy of the good’. Decision should be made with the best available information, without letting unknown best practices delay action until reaching absolute certainty (Braungart & McDonough, 2008, pp.210–212). “The first step is ... not perfection but to put social or environmental issues on the business agenda in the first place as opposed to not addressing them at all” (Ellis, 2010, p.164). The same is said about economic valuation techniques and “[w]hile there may be no ‘right’ way to value a forest, a river, or a child, the wrong way is to give it no value at all” (Hawken et al., 2010, p.321).

However, as mentioned in the introduction to this section, it is the extent of optimism that makes the difference between streams within NS, most notably between the two major green accounting frameworks NC and CWM.

The focus of NC is on the role of businesses, their chances and their incentives to be good corporate citizens. The emphasis lies on *productivity*, as the main driver both to boost revenue and achieve sustainability, but also on switching to a leasing- instead of ownership-economy, industrial ecology and reinvestment in natural capital (Hawken et al., 2010, p.4). No deeper cuts to the institutional setting are necessary.

Porritt (2007) is much less optimistic about productivity as main driver. You can notice him being more critical by the reality he assumes: capitalism as system (p.107); free trade with “footloose capi-

tal” avoiding high sustainability standards (p.96); CSR, which until now seems to deliver only with government regulation (p.246); but also post-growth and sufficiency, which won’t find a majority neither in politics, nor in society and especially not in poor countries (p.300). His solutions therefore put more emphasis than other NS-frameworks on more direct government influence, like carbon taxes combined with EU non-tariff barriers to counterbalance unfair competitive disadvantages (p.97) or individual carbon quotas (p.260). That places him at the border between neoliberal and *Keynesian sustainability* (Chapter 6). This criticalness apparently stems from a disillusion of individual and political capability to lead change, thus his discourse of avoiding the “doom-and-gloom”-parlance of many sustainability advocates (p.133) and his disparaging “conventional environmentalism”, which has so far “failed to win over hearts and minds either within the electorate at large or within today’s political elites” (p.31). Hence, his motivation for turning to NS might differ slightly from other proponents’, but ultimately his turning to business as most auspicious agent of change and the explicit preference of market-based mechanisms (p.90) places him in this approach.

#### 4 Neoliberal ‘Deep’ Sustainability

the advance and even the preservation of civilization are dependent on  
a maximum of opportunity for accidents to happen

— Hayek, 1960, p.16

For vain pleasure of twenty-four years hath Faust lost eternal joy

— Marlowe, 2009 [1604]

The second approach to sustainability is *neoliberal ‘deep’ sustainability* (NDS).<sup>11</sup> This is a peculiar and, as far as I can tell, not very widespread discourse, which is nonetheless remarkable and noteworthy. It is based on John M. Foster’s (2008) “The Sustainability Mirage” and focuses, proceeding from a critique of the current conception of SD, on a change of the informal institutions – the values, norms and perceptions – while endorsing the neoliberal status quo of the formal institutions.

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<sup>11</sup> Not to be confused with ‘deep ecology’, from which Foster explicitly distances himself. Instead he calls his approach “deep sustainability” because its implications, as explained below, “compel[] at the deepest human level, the level at which we are ourselves subjectively-given natural forces” (Foster, 2008, p.97).

#### **4.1 Critique of Neoliberal ‘Shallow’ Sustainability**

In NDS the prevailing conceptualisation of sustainability is critiqued against the background of human psychological nature in regard to the insufficiency of green consumption and the incapacity of SD to trigger individual empathy.

While acknowledging that in sum green consumption could go far enough to change business practices, it is doubted that in the current form the necessary extent will be reached in time or even at all. Indeed, it might have the inverse effect, deterring people from taking real action, as they are seduced to believe that only through consuming correctly, they are doing enough. Their felt need to act is satisfied and their awareness of other possibilities and political issues decreases, thus undermining further commitment (Szasz, 2011, p.604). Hence “there [is no] obligation to strike anything other than the deal one chooses individually to strike” (Foster, 2008, p.87).

The second problem is the flawed conception of sustainability itself. Foster (2008) argues that the quantifiability of targets produces a crowding-out of intrinsic motivation: people don’t feel a responsibility towards future generations but a trade-off of having to adjust their own fulfilment of needs for some distant other. The question turns from “what is just” to “how green is green enough” which is usually expressed as some quantity of what is at least to be passed on. The quantifiability of sustainability now makes us “more likely to reflect the level of change with which we are personally comfortable, rather than that required for making the necessary objective difference” (p.37). The idea of quantifiable individual impacts allows us to have floating standards by which we measure our own commitment. All different impact levels are justifiable to ourselves and especially under competition or stress – for instance when climate change impacts grow in intensity – those levels can drop significantly, as the necessary adjustments to our own comfort grow, thus increasing the perceived trade-off. Those levels that are too high for our comfort are additionally undermined by the inherent uncertainty of calculation and probability. In combination with no actual accountability towards future generations, who are not here to enforce or even only reveal their will, the mere fact that we perceive being green as something quantifiable, opens the door to our not committing enough (pp.43-44, 52).

#### **4.2 Characteristics of neoliberal deep sustainability**

Based on the elaborations of John M. Foster (2008), NDS relies on the same neoliberal formal institutions as NS, yet, in a different way. Foster builds his approach on the achievement of individual pro-sustainable behaviour – as opposed to for instance green consumption which in general does not specify how to achieve behavioural change. In theory, everyone possesses the moral preconditions

for pro-sustainability, but they compete with other motivators. Especially if sustainability is perceived and communicated merely as an obligation to some distant future generations, pro-sustainability is likely to wane and we reconcile our bad conscience with window-dressing actions and arguments. Therefore the focus of sustainability must shift onto the present. Sustainability has to become our personal concern, our individual intrinsic motivation to achieve, by translating it from a long-term goal for the “sake of the future” and unknown generations to being individually desirable for the “own sakes of the present” (p.71). The aim is to “make[] the future uncomfortably present to us, rather than distant and hypothetical” (p.85).

Foster’s idea is derived from the medieval German saga of Faust,<sup>12</sup> who sells his soul to the devil for twenty-four years of wisdom and fulfilment of his desires. Later in hell he deeply regrets having struck the deal. Translated to our times, this “Faustian Bargain” equals making a deal that one can have the thing one values the most, abundantly and to one’s fullest fulfilment for the rest of one’s life – at the price of disaster and terror, but only for others and after one’s life. No one will be willing to cut that deal, as the thing chosen will lose any meaning at that price and one will be unable to enjoy it. It is this realisation of meaningfulness of things we dear ourselves here in the present which can make us behave sustainably out of an inner drive (pp.87-88).

With this intrinsic motivation, corporations become the relevant agent of innovative change. The free market, then, presents the greatest possibilities to learn, through maximising the number of possible “creative mistakes” (p.119), and thus to find important innovations. This adaptive advancement is the basis for a society to achieve sustainability in a carbon-constraint world. To enable the greatest degree of optionality, economic activities must not be narrowed through tight planning, but instead enabling “a multiplicity of enterprises [to] try ... to make a wide range of activities profitable, and learn[] vigorously from the results in the iterative short term” (p.136) demands leaving corporations in their pursuit of profit as free as possible.

The role of the government becomes setting a framework, to broadly guide but not steer business as well as to continuously identify and translate ecological pressures into those framework policies. Those pressures must be scientifically determined, but serve as working heuristics, i.e. as placeholders for the real numbers. Once predictions improve, the targets are updated. With intrinsic motivation this does not lead to floating standards, but instead the figures are merely used as targets to set us on course (p.120).

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<sup>12</sup> An idea originally devised in George Monbiot’s (2007) book “Heat: How to Stop the Planet Burning”.

Foster admits that “[t]here is still an enormous task of education, publicity and (frankly) exhortation here, as well as that of crafting policy and strategy” (p.111) and that “we need political leaders who aren’t concerned only to tell people what they superficially care to hear, or to legislate only in ways that it is ‘politically realistic’ to expect people to want” (p.121). As can be seen, despite its endorsing neoliberalism, NDS significantly differs from NS regarding its aspired radical alteration of the informal institutions. It is the formal institutions like the free market they share and which other non-neoliberal scholars object, as we will see in the next chapter.

## **5 Critique of Neoliberal Approaches to Sustainability**

There are good reasons why proponents of the neoliberal approaches to sustainability – both NS and NDS – have their convictions, based on certain understandings of the circumstances, the causes of unsustainability, the prospect of achieving change and specific worldviews. There is, however, a wide range of critique of these approaches by authors who prefer a more regulated form of capitalism, by others who criticise capitalism as such, but also by scholars of neoliberal approaches to sustainability themselves who are aware of limitations but still stick to it, e.g. out of pragmatism. Of this wide range I will provide a selection of theoretical, empirical and moral critiques.

### **5.1 Theoretical critique**

The theoretical critiques of neoliberalism regarding its capability to achieve sustainability are abundant. I chose three distinct aspects in an attempt to reflect the bandwidth: a specific critique of technology and innovation; a very brief presentation of a broader critique of free trade; and a critique of neoliberal discourse on a general level.

#### ***5.1.1 Critique of neoliberal innovation dynamics***

A fundamental critique of neoliberalism regards the reliance on ‘techno-fixes’. Innovations don’t happen within a vacuum, yet, it is rarely acknowledged that “[t]he agenda, pace and purpose of innovation is shaped by the institutions, power structure and choices of society” (Raskin et al., 2002, p.54).

Courvisanos (2012) takes the same line in his Kaleckian-Schumpeterian analysis of innovation cycles. Both Schumpeter and Kalecki “identif[ied] cycles, crises and innovation as the three dynamic forces plotting the path of economic development” (p.2). Kalecki introduces the idea that entrepreneurs take investment decision for innovation in the short term, while Schumpeter stresses the importance



of the entrepreneur entering new markets, challenging old capital with ‘creative destruction’ and leading to structural changes through transformative innovation in the long-term (p.253). While transformative innovations are essential for achieving sustainability, the problem is that entrepreneurs in small firms lack retained profits, i.e. capital, for investment. Moreover, transformative innovations are highly risky, because of inherent uncertainty of success, lack of expertise in the new field and lack of capital, making external funding through venture capitalists difficult (pp.104–105). Consequently, they remain “underfunded from limited private sources that lack profit retention and public sources constrained by neoliberal austerity programmes” (p.124). Big firms, however, have little incentives to invest in transformative innovations, which potentially devalue their old capital stock and threaten their market position through uncertain return on investment (p.105). Hence, “in times of strong boom conditions ... the struggle [among big firms] is for market share and quick shareholder returns to maximize share price ... In contrast, periods of cycle contraction [when transformative innovations are theoretically most likely and needed] result in limited or no innovation at all” (p.125). This indicates a structural failure of neoliberalism, rather than simply market failure, which consequently requires changing the entire neoliberal structure. From his Post-Keynesian perspective, Courvisanos concludes that “[n]eoliberal economic policies ended the world of macroeconomic stability and exposed capitalism to the harshest elements of uncertainty and instability which make transformational innovation highly risky and exceedingly uncertain” (p.183).

Additionally, some remark that the danger of rebound effects always exist and uncertainty is great regarding both the development of the exactly needed technology and the consequences of its use. Even when transformative innovations have been developed, much time will have elapsed during which extensive damage will have continued being done (Brand, 2012, p.409; Martínez-Alier, 2014, p.12; Schweickart, 2010, p.6743).

### **5.1.2 *Brief critique of free trade***

Some scholars, like Daly (1996, p.166), condemned one of the pillars of neoliberalism, global free trade, for enabling carbon leakage, evasion of high environmental and social standards and externalisation costs. Newell (2012, pp.68–69) concurs that export-led growth often causes high ecological and social costs, like transport emission, increased pesticide use and food exports from poor countries with undernourished citizens. Much ink has been spilled on this topic, fuelling especially the de-growth movement. Therefore this critique will not be elaborated more thoroughly at this point. Suf-

fice it to say here that free trade and environmental standards are seen by many as incompatible, especially in view of climate change.<sup>13</sup>

### **5.1.3 Discursive critique of neoliberalism**

A discursive critique of neoliberalism sheds light on the phenomenon of naturalisation of institutions. Economic considerations became what Foucault (2007, p.108) called the “major form of knowledge” and institutions like financial markets are perceived as being something natural and having independently evolved. This not only contributes to the empowerment of neoliberalism as economic order, but it also essentially depoliticises markets, their respective mechanisms and economics as a discipline. Barry (2012) notes that “[t]his move thus effectively removes it from any critique which could potentially lead to its replacement or radical restructuring” (p.119). Neoliberal reasoning not only becomes the *language*, as mentioned above, but more crucially the *grammar* both within politics and everyday life. Alternatives become marginalised and ridiculed as ‘irrational’, ‘uneconomic’ or ‘inefficient’ and if they are supposed to be heard at all they have to be expressed in that particular grammar. The problem is that the “economic approach to and understanding of social-environmental problems can (and systematically does) ‘crowd out’ non-economic forms of valuation and argumentation” (p.144). He exemplifies this with “anti-roads protesters [who have] to argue their case on the basis of the drop in tourism or decline in town shopping, or fall in the value of houses ... [rather than] on the intrinsic value of the environmental space of landscape in question” (p.143).

The consequence of this neoliberal *governmentality* is summed up by Newell (2012, p.149):

“It is clear that creating more business, accumulating more capital, has become an end in itself devoid of any prior sense of what public purpose it might serve, what benefits it brings to the population at large, or even the extent to which it may be undermining the health, well-being and productivity of other people and economic sectors.”

This manifests itself in everyday politics where economic development needs no justification, while environmental measures are meticulously analysed regarding their potential impact on growth (Newell, 2012, p.47). This leads us to the empirical critique.

## **5.2 Empirical critique of neoliberal optimism**

While optimism is undoubtedly a prerequisite for change, the kind and extent of neoliberal optimism is questioned by many on empirical grounds.

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<sup>13</sup> See also the de-/post-growth critique of capitalism in chapter 8.2.

It is largely accepted that following a green accounting approach is ultimately profitable, however, some demur that it's often simply more profitable to act unsustainably, to evade regulation and externalise costs (Newell, 2012, p.112). Another problem arises questioning the longevity of entrepreneurial commitment if new technological inventions change relative profitabilities. Pursuing the same logic that corporations follow the profit-motive, corporations will act unsustainably if it is profitable, and, as a matter of fact, many do, most obviously oil companies like BP which spent as much in rebranding itself "Beyond Petroleum" as on renewable energies in the same time (Driessen, 2003, p.13) only to entirely exit renewables little later due to emerging fracking.

Moreover, CSR cannot logically apply to all firms in all places.<sup>14</sup> Also Porritt (2007, p.122) admits that CSR of fossil-fuel companies, i.e. treating hydrocarbons more responsibly, is futile. Indeed, there are many parts of the world where no pressure for extended CSR exists (Newell & Paterson, 2010, pp.56–57). Hitherto, voluntary commitment by corporations was of modest extent and, logically, hope in corporate citizenship and self-regulation "disregards the reasons why many companies choose to operate in locations where labour is cheap and natural resources abundant, where social and environmental impacts are inevitably large, but less regulated than in their home countries" (Newell, 2012, p.99).

Lastly, some question the capability of neoliberalism to achieve social sustainability at all. In fact, current sustainability endeavours (like EM) focus predominantly on environmental sustainability, omitting the social aspects (Barry & Doran, 2006, p.253) – which in itself does not yet testify inability to do so. However, recently Piketty (2014) showed among other things that, when economic growth is lower than the rate of return on capital, social inequality inevitably increases, especially in combination with inheritance. Considering that money accumulation goes along with power, this potentially undermines democracy and social coherence, unless checked through high wealth and capital taxes or Keynesian interventions that foster growth and reduces return on capital.<sup>15</sup>

### **5.3 Moral critique of market-based mechanisms**

Lastly, markets and competition are criticised for undermining morality. Falk and Szech (2013) showed in an experiment that under competition moral behaviour is significantly eroded, which

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<sup>14</sup> It is interesting to note the parallel to Ostrom, Janssen and Anderies (2007) who criticise panacea-thinking in human-ecological governance among other things for wanting to apply one single solution to many problems regardless of individual particularities.

<sup>15</sup> While today the average person in the West is undoubtedly better off than 100 years ago, some suggest that in history it was not the rising tide that improved the situation of the poor, but rather social welfare programmes (Raskin et al., 2002, p.28) or socialist movements that increased the liberty of the 19<sup>th</sup>-century workers against capitalist oppression (Bottomore, 1985, p.50).

questions the universal desirability of markets as well as individual sustainable behaviour under competition.

An extensive moral critique of markets was undertaken by Sandel (2012), who highlights two issues with extending markets into spheres of life traditionally not governed by market-mechanisms: inequality and corruption. Inequality matters insofar as in a society in which everything is up for sale, it becomes more *significant*: “Where all good things are bought and sold, having money makes all the difference in the world” (p.8). Corruption on the other hand refers to the fact that “markets don’t only allocate goods; they also express and promote certain attitudes towards the goods being exchanged ... [potentially] crowd[ing] out nonmarket values worth caring about” (p.9). While obvious in cases of humans or votes, where we feel selling them like commodities is inappropriate, to decide for what it is appropriate should be a political and moral debate rather than economic decision (p.10) – an essentially Habermasian demand. In relation to carbon markets, Sandel (2012) summarises the moral critique of markets as follows:

“From the standpoint of the heavens, it doesn’t matter which places on the planet send less carbon to the sky. But it does matter morally and politically. Letting rich countries buy their way out of meaningful changes in their own wasteful habits reinforces a bad attitude that nature is a dumping ground for those who can afford it. Economists often assume that solving global warming is simply a matter of designing the right incentive structure... But this misses a crucial point: norms matter. Global action on climate change may require that we find our way to a new environmental ethic, a new set of attitudes toward the natural world we share. Whatever the efficiency, a global market in the right to pollute may make it harder to cultivate the habits of restraint and shared sacrifice that a responsible environmental ethic requires.” (p.76)

In a nutshell, market-based approaches are not as morally neutral as they might seem and they contribute to a societal development, which is not favoured by everyone equally.

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This selection gives an overview of the wide array of critiques that exist. As such it is not and does not attempt to be exhaustive.<sup>16</sup> Instead, it should enable to grasp a balanced idea of the neoliberal approaches to sustainability.

Two paths lead from here.

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<sup>16</sup> Note though, that anti-capitalist critiques follow in chapter 8 after the presentation of the next two capitalist approaches.

Some scholars concentrate on the theoretical faults of neoliberalism and see the proof in the empirical manifestations. Instead of value changes, they proceed towards stronger and more direct regulation, i.e. a change of the formal institutions in favour of *Keynesian sustainability* (Chapter 6).

The last group combines the two previous ones and assumes that a change of both formal and informal institutions is indispensable to reform capitalism in pursuit of *republican sustainability* (Chapter 7).

## PART III

### — Reforming Capitalism —

With the intent to change the formal institutions, the realm of neoliberalism is left and we enter a different, regulated form of capitalism. The approaches presented here share with the neoliberal approaches a certain realism, i.e. thinking about the likelihood of change in view of urgently needed action especially regarding climate change. Overhauling an entire system naturally takes time, and time is what we quite possibly won't have (Newell & Paterson, 2010, p.x). Moreover, building a brand-new sustainable economy *ex nihilo* is unrealistic. Instead we "must begin from where we are now, with the structures, institutions, modes of production, laws, regulations, and so on that we have" (Barry, 2012, p.150), working with, reforming and if necessary abandoning them as we go. Even though the benefits of a different, more sustainable economic order are increasingly recognised, the reality is that "most people (in the West) will not democratically vote ... for a completely different type of society and economy overnight"; we therefore realistically cannot "start from a complete rejection of consumption and materialism" (Barry & Doran, 2006, p.252). This includes recognising the prevailing power structures which today are significantly biased towards TNCs, banks and insurances, and accepting that any viable proposal has to include "accumulation strategies for these and other powerful economic actors" (Newell, 2011, p.5).

## 6 Keynesian Sustainability

The unfettered market is important for economic efficiency,  
but only a fettered market can deliver on sustainability

— Raskin et al., 2002, p.29

In *Keynesian sustainability* (KS) the focus lies not so much on changing the informal institutions but rather on the formal ones. The name Keynesian sustainability therefore does not necessarily mean an adoption of Keynesian political economic theory, but rather is intended to highlight the more active role of the state. It is based on a different conception of sustainability and perception of feasibility as well as a different economic understanding and/or preference.

### 6.1 Understanding of Sustainability

KS approaches are often but not exclusively based on ecological (EE) or Post-Keynesian (PK) economic theory. EE was decisively influenced by Herman Daly (1996) who contends that the economy is a subsystem of the environment, which poses certain, unsurpassable limits to the size of the economy. An indispensable feature of sustainability is therefore an ecologically sustainable *scale* of the economy, just distribution and efficient allocation in the face of dwindling resources and unmet human needs (Farley, 2010, pp.262–263). PK generally agrees with EE, but in Keynesian tradition focuses more on macroeconomic policies.<sup>17</sup>

No matter the exact economic stances though, KS shares with neoliberalism the concept of externalities and that the roots of sustainability challenges are not inherent in capitalism. Rather, and this is where they part, they stem from a lack of knowledge and institutions in the form of regulation, especially considering power imbalances through capital accumulation, imperfect competition in unequal societies etc. The reason for assuming systemic failure in the institutional set-up, lies in the above-elaborated conviction that business is incapable of being the agent of change, as well as in the recognition that despite existing eco-sustainable technology, economic instruments and societal support still nothing fundamentally changes (Courvisanos, 2012, p.189).

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<sup>17</sup> Though close to EE in many points, it should be noted that PK actually critiques EE on the ground that innovation processes still succumb to uncertainty like in neoclassical and environmental economics, which ultimately undermines the capacity of sustainable, transformative innovations (Courvisanos, 2012, p.201) as elaborated in chapter 5.1.1.

## 6.2 Characteristics of Keynesian sustainability

Proponents of KS don't question so much the efficiency of market-based mechanisms, but rather their effectiveness in reality. Structural deficits of neoliberal politics demand an institutional shift and a more "systematic, strategic and interventionist" role of the state (Courvisanos, 2012, p.198). From stressing the importance of individual liberty, many turn instead to collective well-being as the measure. To many the agent of change is therefore naturally the state as the regulatory authority.

The reasons for unsustainability are seen in globalised, free-market capitalism, and neoliberalisation and globalisation, though often portrayed as natural consequence of human development, are argued to be first and foremost a political project. Decisions about SD and environmental protection are taken at the same place where trade treaties, business development and financial deregulation are decided. Thus the state becomes the decisive actor to achieve sustainability (Newell, 2012, pp.4–8).

Consequently, one aim of KS is the re-politicisation of institutions and markets, to make their historic contingency visible and remove both the powerful grip on imaginations as well as the pressures put on politicians by corporations who threaten to leave and cause tax and job losses (Newell, 2012, p.12).

The role of the state, post-Keynesians demand, is to make active fiscal and monetary politics to support eco-SD in the *long-run*, by flattening business cycles, generating investment security and thus facilitating transformative innovation in the *short-run* (Courvisanos, 2012, pp.159, 207). The short-run focus is important to enable learning from mistakes and improve innovation strategies given the inherent scientific and procedural uncertainties (cf. Donner & Webber, 2014, p.343). Ultimately, a KS-state delivers growth while simultaneously decarbonising production, reduces material footprints and addresses inequalities in exposure to sustainability challenges (Newell & Paterson, 2010, p.175).

Where markets are used to address sustainability challenges, they are more strictly regulated to ensure desirable outcomes and limit speculation so "that prices reflect the scarcity in the allocation of permits rather than the short-term strategies of finance houses" (Newell & Paterson, 2010, p.173). Other tools put forward include the Tobin tax on foreign-exchange transactions as a means to localise financial markets (Tobin, 1996),<sup>18</sup> and natural capital depletion taxes, including carbon taxes, in combination with border tax adjustments on carbon and energy-intensive products from countries

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<sup>18</sup> The Tobin tax is favoured and popularised by anti-globalisation group ATTAC (Action pour une Tax Tobin d'Aide aux Citoyens) though against the will of Tobin, who was assertively neoliberal (see e.g. Tobin, 2001).



with less strict regulation (Courvisanos, 2012, p.187; Newell & Paterson, 2010, p.176). The latter obviously requires an adjustment of the WTO to allow such trade barriers.

Companies remain important drivers of sustainability. However, realistically, it is assumed that their investments can be both beneficial and harmful for sustainability. Proper regulation is thus as crucial as making business see and realise opportunities to make money in a KS-economy. In adjusting the incentive structure, so that companies pursue those business opportunities in sustainable ways (Newell & Paterson, 2010, p.59), KS and NS potentially overlap, the difference being the emphasis of the authors as well as the degree of favoured regulation versus voluntary commitment.

As mentioned in the introduction to this section, KS is based on a specific understanding of what seems realistic. This realism also includes acknowledging obstacles to the approach itself. One obstacle is corporate power: with capitalism being dependent on growth, those creating growth gain considerable influence on politics and, unfortunately, often it was used to oppose social and environmental policies (Newell, 2012, p.43). *Secondly*, states themselves are exposed to competition to provide favourable business locations. Hence they have incentives to lower regulatory hurdles. *Thirdly*, in places of limited statehood, enforcement rates are low even if standards are high (Newell, 2012, p.99). *Finally*, pressures to protect jobs and existing structures in combination with fiscal austerity lead to reluctant support and funding for transformative innovations (Courvisanos, 2012, p.258).

For Courvisanos (2012, p.259) the solution is that the “community [has] to energize the political landscape” and that “[s]uch an eco-innovation strategy will not succeed without it being embedded in a broad popular movement for climate justice” (p.188). Ultimately, the regime shift nonetheless comes through top-down regulation, once the government has more “room to move” (p.211), when society’s interest in sustainability increases and more radical decisions are politically feasible.

## 7 Republican Sustainability

“Business-as-usual” is a utopian fantasy –  
forging a new social vision is a pragmatic necessity

— Raskin et al., 2002, p.29

Reform must be a moral reform before it can be political, for it is unimportant  
who holds the power, what counts is how that power is exercised

— Clarke, 1982, p.120

This thesis’ last capitalist approach to sustainability is *republican sustainability* (RS).<sup>19</sup> This view is predominantly influenced by John Barry’s (2012) “green republicanism” as well as by *The Global Scenario Group’s* (Raskin et al., 2002) “Great Transitions”. It is based on a critique of neoliberalism, acknowledging the need for formal institutional change, but also on a critique of KS, stressing the importance of changing informal institutions. The change, they say, has to emerge primarily from the people in a republican political economy, yet supported by a reform of politics and business.

### 7.1 Critique of previous capitalist approaches to sustainability

The critique of RS goes further than other critiques in that the feasibility of corporations and governments as principal agents of change is challenged. Moreover, RS proponents not only question the universal usefulness of markets but quite outspokenly reject the majority of market-based mechanisms on democratic and moral grounds, as will be elaborated in the next two sub-sections.

#### 7.1.1 Extended Critique of neoliberal approaches to sustainability

The moral critique of markets from a republican point of view is not so much a critique of the subversion of morals by marketisation but rather an objection to marketisation on moral grounds as such.

Financialisation of “natural resources” and “ecosystem services” is opposed either grounded on intrinsic values assigned to nature or on justice grounds. Decisions about society’s relationship to the environment, about access and benefits, are paramount for a community’s well-being and “[c]hoosing a particular course of action because it ‘makes the most economic sense’ evades responsibility for unjust and inequitable outcomes” (Matulis, 2014, p.157).

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<sup>19</sup> Note that republicanism refers to a society with an active, critical citizenry and is not to be confused with the US Republican party, which in fact does not pursue republican ideals (Dryzek & Dunleavy, 2009, p.214).

Moreover, marketisation transforms our relationship to nature as such. While meant to lead to better management in the sense of ‘what gets measured, gets managed’, it actually leads to a degradation of nature to a “supplier of resources”, obscuring that it is the “geophysical context that makes the idea of resources even possible” (Boehnert, 2015, p.10). Boehnert (2015) argues that this epistemological shift is constitutive for enabling material exploitation while presenting convenient possibilities for green-washing. At the same time, “democratic control of development agendas will be even more difficult as markets become the spaces where environmental decisions are made. Those making decisions will be those with the financial capacities to participate” (p.14).

Lastly, the consumer culture of neoliberal origin is in two ways a “corruption of what a citizen should be” (Barry, 2012, p.254). *Firstly*, market-induced materialism creates a culture of identification through consumption, especially of luxurious goods, which are per definition characterised by being comparably exclusive. This undermines solidarity and ‘civic virtue’, as the consumers become rivals for space, resources and power (Dagger, 1997, p.107), while simultaneously subverting individual resilience through inducing status anxieties and insecurities (Jackson, 2009, p.101).

*Secondly*, citizens not only are addressed as consumers but actually perceive themselves as such. Facing risks, especially the neoliberal promotion of individualism leads to people trying to “shop their way to safety” (Szasz, 2007), instead of taking collective action and demanding regulation and improvement of the root causes. Examples abound and include e.g. avoiding pesticides through organic food, contaminants through bottled water and violence through gated communities (Konefal, 2012, p.9).

### **7.1.2 Critique of Keynesian sustainability**

The reason for putting the focus on civil society as agent of change, is scepticism of why business and government would self-reform given the powerful forces of vested interests that prevail in both domains. Increasing the “room to move” of governments through popular support, neglects the fact that it’s not business that has a stranglehold on politicians but that actually politics and economics are intertwined in what David Harvey (2005) calls the “neoliberal state” (p.64). There was room to move in the financial and Euro crises, but neoliberal austerity and bank bail-outs were chosen over regulation and structural policy revisions. When individualism and consumerism persist, political visions most likely continue to end at the date of the next election and popular interest and support for long-term environmental and social programmes will be insufficient (Barry, 2012, p.255; Raskin et al., 2002, pp.40–41).

## 7.2 Characteristics of republican sustainability

It might not be coincidental that RS approaches are explicitly visionary in the sense of Bloch's *concrete utopianism*, i.e. based on present conditions and credible possibilities of evolution. RS is what Barry (2012) calls "ecological realist" (p.17), i.e. acknowledging the ecological realities that lie ahead and draw the appropriate consequences for the present. Three crucial aspects of RS shall be emphasised: the focus on civic virtues; on re-politicisation and democratisation; and on de-complexification.

### 7.2.1 Strengthening of civic virtues

Shifting the focus on the present combined with "Politics of Actually Existing Unsustainability" reveals obstacles to human flourishing today and enables and relies on that people would "riot for their own happiness" (Barry, 2012, p.19).<sup>20</sup> Civil society and organisations thus become major forces of change, pushing for compliance with sustainability standards and ethical considerations in politics and business. "Where political will is lacking, *civil will* drives the transition forward" (Raskin et al., 2002, pp.53–54).

Unfortunately, normativity and ethical thinking are generally disregarded in contemporary political economies, as "our reluctance to engage in moral and spiritual argument... has drained public discourse of moral and civic energy, and contributed to ... technocratic, managerial politics" (Sandel, 2012, p.14). Havel (2010, p.25) adds that capitalist consumerism actually depends on a demoralisation of the citizen, identity and meaning being dissolved in consumption and individual hedonism. Consumption becomes an act of identity affirmation and belonging to a group. Barry (2012, p.185) therefore does not see the individual's role in a consumer-citizen, voting through critical consumption, but rather in the identity-forming role of *non*-consumption, because it exactly counteracts demoralising individualisation, strengthens self-reliance, ethical reflection and community solidarity. This adds to the rights and freedoms discourse of conventional consumption critique, that individuals also possess responsibilities. This re-appropriation of republican responsibilities is what becomes crucial to establish in society.

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<sup>20</sup> Barry more than others is greatly influenced by post-growth, however, concrete utopianism "in the context of the reality of non-green voters and public opinion out-weighting green voters, parties, and popular support", places him in RS, proposing a "compromised, negotiable conception of green political economy... one that can appeal to and may gain the support of those who are not ideologically 'green'" (Barry, 2012, p.163).

### **7.2.2 Re-politicisation and democratisation**

The re-emergence of civic virtue and values must be accompanied with re-politicising and democratising both thinking about and acting in politics, science and economy, e.g. through increased localisation of business to re-embed the economy in social relations (Barry, 2012, p.282; Raskin et al., 2002, p.57).

Politics in RS becomes transformative and contestatory, as it allows and supports plurality of views, re-energises the role of the citizen, and provides a space for debate and social learning, rendering imaginative solutions possible (Barry, 2012, p.270). Frequently a shift towards 'macroeconomics of sustainability' is championed with focus on well-being as opposed to welfare, but without abandoning growth, which should instead be carefully monitored and used as an instrument; some even favour a redistribution of "economic growth ... from the 'over-developed' minority world to the majority world in the global South" (Barry, 2012, p.141). Instruments from previous approaches like green accounting and eco-taxes are generally not discarded in their entirety but scrutinised in their desirability and usefulness and employed carefully and democratically (Raskin et al., 2002, p.61).

### **7.2.3 De-complexification**

To enable re-politicisation and democratisation, it is important not only to regulate but also to de-complexify the economy, especially the financial sector. Ernst Schumacher (1973) already advocated a return to the local, 'human scale' of production in "Small is Beautiful" and Barry (2012) adds:

"This imperative to de-complexify is a democratic impulse in which ...relocalization, enhancing community self-reliance, reducing the distance between production and consumption, and reducing the material throughput of the economy are needed to create a 'human-scale' economy capable of being democratically controlled and regulated, embedded in, rather than dis-embedded from community." (p.158)

Nevertheless, de-complexification doesn't necessarily conflict with expertise and specialised knowledge in complex domains of the economy, but instead demands transparency and democratic control. Aspects of former approaches like cyclic economies, efficient resource use and renewable energy are commonly assigned great importance (Raskin et al., 2002, p.64).

Whether or not RS can be achieved ultimately depends on whether the currently fragmented environmental and social justice movements manage to unify to build a grand movement for sustainability (cf. Klein, 2014, p.450). Civil society must mobilise into a coalition and build a coherent force for transformation. The internet, global media and communication play a pivotal role in forging a global *imagined community*, a *cosmopolitan community of 'sustainability' risks* (cf. Beck et al., 2013). It is

climate change that presents for many the greatest chance of being the catalyst for this development, most prominently Ulrich Beck (2007) and more recently Naomi Klein (2014).

Crucial will be whether these movements manage to challenge dominant power structures and influence the “mediascapes” of consumer-population, whose worldviews and interests are subverted through advertisement, infotainment and corporate interests (Barry & Doran, 2006, p.267).

In a nutshell, RS approaches both formal and informal institutions. Civic virtues and sense of community are revitalised and space is given to critical discourses while institutions like free markets and growth are re-examined for their usefulness. The pragmatism of concrete utopias motivates scholars like Barry to embrace capitalism. In the next section I present a selection of thoughts that object that last step.

## **8 Critique of capitalist approaches to sustainability**

Capitalism is like that famous bicycle that has to keep moving forward or topple over – and corporations are all competing to see who can pedal fastest, straight into the brick wall.

(George, 2001)

Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist

(Boulding, 1973, p.248)

With RS I explained the last of the four capitalist approaches to sustainability. For a complete picture of approaches to sustainability, it would now be the time to turn to approaches beyond capitalism. The typology could be meaningfully extended to include e.g. Eco-Marxism and Eco-Socialism who see an error in the structural edifice of capitalism, thus focusing predominantly on formal institutional changes. Changing values and perceptions is not necessary for revolution, as the agents of change are exploited workers and environmental justice groups, whose grievance is structurally determined, not culturally.

An anti-capitalist framework that combines formal and informal institutional change is post-growth, which sees the root of unsustainability in materialistic consumerism and unbounded mobility advocating a revival of community, regional production and meaningful work and life

However, space and time constraints limit these approaches’ contributions to critiquing the capitalist approaches of sustainability.

## 8.1 Marxist/Socialist critique

From a Marxist perspective all of the above-presented critiques seem shallow, as the underlying reasons for unsustainability run much deeper and can only be found in the very structure of capitalism.

Callinicos (2003) gets to the heart of this critique:

“It is capitalism itself and the logic that governs it – a logic of exploitation and competitive accumulation – that is the problem. Neo-liberalism, by stripping away many of the institutions and practices that made capitalism (at least in the prosperous North) bearable, has brought into sharper focus its constitutive defects, but these defects have always been there, and can only be removed ... through its overthrow.” (p.26)

In the struggle for survival in competition, capitalists are forced, irrespective their intention, to regard the environment as a means for profit-making and capital accumulation (Callinicos, 2003, p.47; Sweezy, 2004).<sup>21</sup> But this force to accumulate becomes not only the root of environmental exploitation, it is also responsible for capitalism’s inherent tendency for economic and thus political and social crisis, as in competition companies have to constantly expand their capital stock to not be out-paced by expanding competitors. This expansion is not equalled by increasing profits as competition drives down prices. Ultimately, the tendency of the rate of profit to capital falls causing underproduction and crisis (Callinicos, 2003, pp.38–43). These inherent contradictions of capitalism could be temporarily stabilised through temporal and spatial fixes to allow for the development trajectory of the global North (Harvey, 2001 [1981]). However, now with imminent sustainability crises and ever-more countries of the global South catching up, industrialising and needing their own environmental space to draw on and pollute, “this possibility of fixing an ecologically destructive and spatially exclusive mode of production” (Brand & Wissen, 2013, p.704) diminishes.

From a Gramscian perspective of hegemony and power, Sklair (2002) argues that a “transnational capitalist class” employs strategies and discourses that fortify and sustain their hegemony, i.e. “exercise domination via political, moral and intellectual leadership” (Brand & Wissen, 2013, p.694): efficiency as principal decision criterion, markets as solution, growth as indispensable and desirable, feasibility of technological solutions. This includes also the discourse of “win-win”-solutions as inevitably there must be losers, as e.g. unhampered carbon combustion is impossible if climate change is taken seriously (Klein, 2014, p.210; Martínez-Alier, 2014, p.6). In what Gramsci calls a *passive revolution*,

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<sup>21</sup> The reasons for environmental exploitation differ between Eco-Marxists and Eco-Socialists. The former see environmental degradation as the consequence of a “metabolic rift” resulting from the assumption that the value of a commodity is determined by the socially necessary labour time and not by the natural input. Thus nature appears as a gift to the production, leading to its exploitation (Bellamy Foster, 2000). Eco-Socialists on the contrary regard environmental degradation as a contradiction of capitalism in itself, independent from the contradiction of use-value and exchange-value (O’Connor, 1988). Elaborated in Farahani and Faran (2013).

the transnational capitalist class forges alliances with conservative streams in the environmental movement to 'green' and thus "distance global capitalism from the sources of environmental problems" (Sklair, 2002, p.276) in order to prevent any connection between consumerism and sustainability challenges. Blühdorn and Welsh (2007, pp.187–189) call this the "post-ecological era", the appropriation of ecological thought in mainstream politics, without changing the underlying unsustainable drivers like growth and material consumerism. Yet, through this move any radical counter-hegemonic opposition is effectively thwarted. Even further, through endorsing market-based mechanisms like certification schemes, sustainability movements contribute to the legitimisation and expansion of neoliberalism (Konefal, 2012, p.7).

## 8.2 De-/Post-Growth critique

De-Growth proponents direct their critique at material growth, which no longer makes us richer, but instead ecological and social costs outpace the economic gains, so that it actually becomes "uneconomic growth" (Daly, 1996, p.166). In addition, constant growth rates equal exponential absolute growth, which is logically impossible, especially given the economy being a subsystem of the non-expanding ecological system.

But also 'green' growth is utopia, they argue. In the Ehrlich equation  $I=PAT$ , environmental impact (I) is the product of population size (P), income per capita (A) and technological efficiency (T) (Chertow, 2001). An increase of T is equivalent to *decoupling*.<sup>22</sup> Only if T is bigger than the combined growth of P and A do we have *absolute* decoupling, which is capable of relieving the stress on the environment and staying within ecological limits. Jackson (2009) shows that so far absolute decoupling was nowhere even close to being achieved (pp.71–76) and that with the projected population growth and the aspired economic growth, it is less than likely (pp.77–86). And even if it wasn't, a race for decoupling would result in magnifying global waste streams through constant replacement of old inefficient facilities ('creative destruction'), thus nullifying reduced stress on resources and environment (Paech, 2012, p.94).

Growth, moreover, is equivalent to increasing consumption, the ecological consequences of which are well-documented and ruinous vis-à-vis habit segregation and degradation, environmental destruction, greenhouse gas emissions, labour exploitation etc. (Paech, 2012, p.67).

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<sup>22</sup> Remember from chapter 3.2.2, that decoupling denotes a reduction of material throughput per unit of economic output.



Lastly, growth not only produces but actually requires inequality. Not only would most income be consumed if the whole pie would be split equally thus leaving little left for investment, but it also leads to unproductive status competition, because it was shown that what matters is not how much we have, but how much more we have than others. On a societal level this struggle for position is a zero-sum game in terms of happiness and well-being, thus only increasing material throughput without actual benefit. If anything, it leads to reduced social cohesion and trust (Jackson, 2009, p.53).

In a nutshell, a system which relies on growth – as does capitalism – is seen as incompatible with sustainability as the environment continues to be destroyed, fragmented and exploited and social inequalities are perpetuated.

**PART IV**

**— Concluding Remarks —**

## 9 Deliberation and a case against categoricism

We must hang together, or we shall assuredly all hang separately

— Benjamin Franklin

It ain't easy being green

— Kermit the Frog

The aim of this thesis was to present the rationales of different approaches to sustainability in relation capitalism, in order to enable the reader (and myself) to find a personal answer to the question “Are sustainability challenges solvable within capitalism?” For this purpose I developed a typology of four capitalist approaches to sustainability, differentiated along the envisioned change mechanisms in terms of informal and formal institutional change.

The first approach is *neoliberal sustainability* whose advocates strive for sustainability without greater institutional modifications. Instead they argue, given the short time span to tackle challenges like climate change, we have to dig where we stand. From this perspective the most promising and predictable agents of change are corporations, if you show them that there is money in it, if only they try. Politicians and civil society on the contrary are much more difficult to incentivise. The preferred instruments are therefore market-based: carbon markets or resource taxes on the political level and green accounting, i.e. the inclusion of all forms of capital in the balance sheet, on the corporate level.

With focus on informal institutional change, *Neoliberal ‘Deep’ Sustainability* distances itself from NS by critiquing their conceptualisation of sustainability. Given human psychological nature, the notion of a quantifiable obligation towards an unknown future generation becomes corruptible, if we don't feel an intrinsic motivation ourselves. Foster's (2008) proposal of a 'Faustian test' intends to shift the focus of sustainability onto the present and reveal our individual stakes. With intrinsic motivation neoliberalism provides the economic system, in which we can learn most and find the best way to achieve sustainability.

Critics of neoliberalism as a system hold against them that there are theoretical, empirical and moral concerns: finding the right technological solutions is a gamble and actually impeded by structural deficits; technological discoveries like fracking can easily cause a backslide to unsustainability; and an economic approach to sustainability crowds out other moral justifications and motivations to act.

In *Keynesian Sustainability* scholars also acknowledge that we cannot realistically start from scratch but have to deal with the existing institutions. However, they focus more on the political realm, regulation and a change of the formal institutions. While market-based mechanisms might be efficient, they question their effectiveness in achieving sustainability and thus demand a more active and interventionist state to ensure decarbonisation, reduction of material footprints and alleviation of social inequalities.

Lastly, in *republican sustainability* a revival of civic values is aspired, making the people and social movements the agents of change. This change of informal institutions is combined with more direct regulation through a revitalised politics, i.e. formal institutional change. The focus on civil society stems from their distrust in politics and corporations to lead change, given the strong incentives to maintain the status quo; the rejection of neoliberalism from the view that it undermines community and civic virtues through perpetuating individualism and competition.

The treatise closes with a selection of critiques of capitalism. *Firstly*, from a Marxist/Socialist standpoint, capitalism leads to social and ecological disruption through inherent, structural deficiencies. Exploitation is inevitable because of how the system works and designing solutions to sustainability challenges at best shifts the problem locally or temporally. *Secondly*, de-/post-growth scholars see an inextricable link between economic growth and resources exploitation, environmental destruction and social inequality, as the only way to prevent that – decoupling – is empirically unproven and logically unlikely or impossible.

To choose a stand in this debate is not easy. It involves weighing up pragmatism against idealism, reform against transformation, optimism against scepticism. Each has something that speaks for and something that speaks against it. There is no objective measure, but it very much depends on your personal context, beliefs and interests. Each approach is based on a certain logic and experiences of the proponents and it is hard to dismiss them categorically. Sustainability does possess a “universality of claims” (Anand & Sen, 2000, p.2030), on which ground behaviour that leads to unsustainable outcomes can be morally rejected. However, for approaches that aspire to achieve sustainability, this is a less easy task. This then is the realm of the *warring gods of sustainability*.

Although certainly the most influential of the sustainability approaches, NS is still far from being mainstream. Political and daily business is largely dominated by pure neoliberalism. On the one hand, that is problematic because economic policies still take precedence over social and environ-

mental regulation.<sup>23</sup> On the other hand, it promotes disciplinary myopia, i.e. a natural bias of how to understand and approach things (Perrings, 2007). However, trans-disciplinary knowledge is important to deal with sustainability challenges that are of complex nature (see e.g. Bäckstrand, 2003).

It is the deliberative processes in our daily encounters as well as political debates – what Habermas (1984) calls “communicative speech acts” (p.297) – which have the potential to promote trans-disciplinary knowledge and render clashes of worldviews and interests more constructive. It demands a considerable amount of reflexivity, not less of sustainability science itself. This includes e.g. Malm and Hornborg’s (2014) critique of the Anthropocene as being flawed in masking human intra-species differences and inequalities in contribution and exposure to sustainability threats. But it includes, as much, different positions within sustainability, as presented in this thesis.

It can therefore be read as a case against categoricalism. Having categorical answers to the question of how to achieve sustainability is equal to adopting a paternalistic position of disqualifying other individuals and their visions. This is equally true for market-radicals and Keynesians as it is for Marxists and Post-Growth proponents. Categoricalism and constructive dissonance are diametrically opposed.

The question remains: How do we achieve tolerance of and interest in each other’s views among people? This is not easy to answer, but being conscious of one’s one stand while acknowledging other possible understandings of sustainability is the first step.

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<sup>23</sup> This can be easily observed in WTO negotiations which lead to increased free trade and thus to increased emissions far greater than the tediously negotiated emission reductions in climate treaties – the TTIP negotiation is an example par excellence.

## 10 Reference List

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