

## **Economy and planet: a blind spot for community psychology?**

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### Abstract

#### Introduction and purpose

Conventional economics shares a number of characteristics with mainstream psychology: it emphasises the rational, autonomous, individual making choices; it ignores the wider context of ecology and society and the collective dimension, and its theories can be irrelevant to serious social and ecological problems. Mainstream economics has been criticised because its models did not predict the 2009 financial crash, its theory of money does not reflect the realities of 'fiat' or bank money creation, and because it relies on the assumption of endless exponential growth. But despite these criticisms from non-economists and dissident economists, the conventional model continues to dominate the field.

Community psychology has been one response to the individualism, acontextualism and empiricism of mainstream psychology, but has not typically engaged with criticisms of the conventional economics with which it shares assumptions, nor with the economic dimension of community.

Today's complex of social, ecological and economic, ethical crises, are connected to the endless pursuit of economic growth in a global economy, underpinned by capital accumulation, expropriation and the burning of plentiful hydrocarbons. Critical responses to the damaging prioritisation of economic growth have emerged both in the academy, for example work on alternative measures of economic social well-being, and ecological economics) and from social movements, for example the décroissance / decrecimiento / degrowth and post-growth movements in the global North and the

ecologically orientated social and solidarity economy, de-colonial / vivir bien and peasant movements of the global South.

### Methodology

In addition to a theoretical review I will reflect on my own experience as a scholar-activist promoting alternatives to the dominant economic growth / global competitiveness policy paradigm in the city and region of Manchester, England, and on the community psychological nature of this project. Issues to be explored include the dialectic between critique and engagement, tensions in social movement building and the relationships between conceptualisation, participation, communication and practice.

### Results and conclusions

It will be argued that insights from community psychology can help articulate an alternative set of community-orientated values and provide conceptual and practical tools for counter-hegemonic social movements. However, the path from community psychology praxis to social movement praxis is not obvious, except in isolated cases where individuals like myself have dual identities in both spheres of activity.

Keywords:

**economics, ecology, social movements**

### Introduction

I live in Manchester, the first industrial city, the home of the free trade movement in the 19<sup>th</sup> Century, but also of the co-operative movement, and the city where Frederick Engels conducted his research on the capitalist system. There are several Universities, including the University of Manchester, one of the world's most highly rated, with a lot of competition for places. There, last year, the highly selected and very able students began asking questions. Why did the economics they were being taught not cover the events of the last 7 years, when the global financial system nearly collapsed, and millions of people experienced economic hardship. And why were they still being taught economic theory and methods that had so obviously failed to predict the financial crash?

I will return to Manchester but first I want to look at the characteristics of the neoclassical economic theory that dominates the economy curriculum in most Universities.

### **Neoclassical economics - the first cousin of traditional psychology.**

Neoclassical economics is the name given to the approach. It is not the same as neoliberalism, although there is an overlap. Neoclassical economics is the

technical discipline while neoliberalism is the ideology, and the set of political and policy prescriptions such as rolling back the state and bringing market mechanisms into all areas (Davies, 2009). Not all neoclassical economists are neoliberals, though many are, and neoclassical economics, because of its central assumptions generally supports neoliberalism.

The assumptions of neoclassical economics are interesting, because they are similar to those of conventional, empiricist psychology. Arnsperger and Varoufakis, in a much cited article ((Arnsperger & Varoufakis, 2006), identify three key assumptions.

1) Methodological individualism: the idea that socio-economic explanation must be sought at the level of the individual agent, in terms of their action, or agency, “imposing a strict separation of structure from agency, insisting that socio-economic explanation, at any point in time, must move from agency to structure, with the latter being understood as the crystallisation of agents’ past acts” (p. 2).

2) Methodological instrumentalism: “All behaviour is ... to be understood as a means for maximising preference-satisfaction.” (p. 3). Note that this does not necessarily mean all people and actions are rational, but they are to be modelled as if they were. And despite increasing sophistication of neoclassical economics, “homo economicus is still exclusively motivated by a fierce means-ends instrumentalism. He may have difficulty defining his ends, without firm beliefs of what means others expect him to deploy, but he remains irreversibly ends-driven”. (p. 3).

3) Methodological equilibration: the central point of reference is “What behaviour should we expect in equilibrium?”. Whether an equilibrium is likely, is not questioned, the concern is with perturbations from the equilibrium and the tendency to return to that state.

This meta-theoretical model has led to a practice of economics based on the rational, autonomous individual, making choices. Its conceptual models ignore the wider context of ecology and society. It ignores the collective dimension, and those aspects of human life (such as domestic work) that aren’t subject to monetary exchange. And its models were shown to be of staggering incompetence when the global economy tumbled – only a handful of economics professionals predicted the crash. But the orthodox teaching goes on, with its quantitative models that bear little resemblance to the real world of human life in a finite world.

### **Planet and economy: community psychology's blind spot.**

To a psychological audience, these assumptions will appear eerily familiar, for they are those that underpin much mainstream, individualistic, empiricist psychology. Orthodox psychology similarly likes to build models based on the individual level, better if they are quantitative. It ignores the making of humans through their transactions in society via family, economy and community. It can be hopelessly irrelevant when confronted with the real challenges facing humanity – war, exploitation, ecological collapse. Much of this was said in the late 1960s and 1970s and that debate helped pave the way for both community social psychology and liberation psychology.

Indeed, the critiques of that dominant model, from community, critical and liberation psychologies generally take issue with these assumptions and with a way of doing psychology that treats people as isolated islands, self-interested

and without social conscience or consciousness. But these alternative psychologies have not generally engaged with either the critique of economic thought, or the economic dimension of community.

### **Escaping the economy: community psychology and alternatives.**

Beyond this, today's complex of social, ecological and economic, ethical crises, are connected to the endless pursuit of economic growth in a global economy, underpinned by capital accumulation, expropriation and the ever-increasing burning of fossil hydrocarbons. Critical responses to the damaging prioritisation of endless economic growth, have emerged both in the academy, for example work on alternative measures of economic social well-being, and ecological economics) and from social movements, for example the décroissance / decrecimiento / degrowth and post-growth movements in the global North and the ecologically orientated social and solidarity economy, decolonial / vivir bien and peasant movements of the global South. But what, if anything, does community psychology have to say about this, and can it help those working for a just and safe society and economy?

If we consider the influences on communities and community life, we might identify the following:

- Internal aspects of community
- Tradition and culture
- Social Policy
- Local politics
- Employment
- Costs and prices
- Scarcity versus abundance / security /
- Sovereignty - e.g. food, energy.

Clearly the majority of these have economic and ecological aspects, yet community psychology almost universally ignores these fundamental bases for community life and well-being. It could, however make a considerable contribution to transformation towards an economy that enables people to thrive without harming the planet.

The potential contribution of Community Psychology can be considered under the following headings:

#### **1. Articulation of another vision and model of social life - a true escape from the economy.**

Our own approach to community psychology (Kagan, Burton, Duckett, Lawthom, & Siddiquee, 2011) has long argued for the central role of a prefigurative approach, to both social action and investigation (Kagan & Burton, 2000). This is in large part a response to the fragmentation of meso-level initiatives, that fail to be brought together as learning and action, remaining no more than the sum of their parts. Our quest here is to connect the alternative modes of living a culture of solidarity and stewardship that emerge at the community level (Kagan & Burton, 2014), with large scale social and political movements for social change. This cannot be done by a community psychology that restricts its mission to 'research on communities' or to merely local action to ameliorate conditions, without focusing on the generative forces for injustice and destruction. By "escape from the economy" we are borrowing a term

from Serge Latouche (Latouche, 2012), who echoes Gorz ((Gorz, 2010) in drawing attention to the domination of an economic rationality wherein economic criteria take precedence over other dimensions of human life (see also Hinkelammert & Mora Jiménez, 2005).

**2. Contribution to the understanding of the institutional, ideological and social-psychological barriers to making fundamental changes to the global economic system.**

There are multiple barriers to redesigning and installing an alternative global economic system founded on justice and stewardship. The problem is that the system is mutually reinforcing, with its political, ideological, economic and legal subsystems working together (Harvey, 2010). These then constrain the thinking and action of those who stand to benefit from changes, entering into their own lives, their thinking, commitments, dependencies and relationships. However, community psychology (or at least the more critical and liberation orientated variants) has a good understanding of these processes, and of the processes of problematisation, conscientisation and de-ideologisation. Its practitioners can intervene at a variety of levels, exposing the mechanisms of economic domination and identifying ways of combating them (Walker, Burton, Akhurst, & Degirmencioglu, in press; Walker & Degirmencioglu, in press).

**3. Contribution to understanding the impacts of economic and ecological injustice on those most affected.**

Because community psychologists tend to operate at the micro and meso levels, engaged with communities who experience disadvantage, they are in one of the best positions to document and expose the impacts of the current system on those most affected. However, since the system operates internationally, with major expropriations of wealth from region to region (Amin, 2010; Chossudovsky, 2004), it is essential that connections are made among practitioners in diverse locations, overcoming the particularism of location. At the same time, the co-existence of diverse forms of exploitation across the globe and within all countries also needs to be understood and explained (Grosfoguel, 2008). But in this process, the publication of articles in outlets only read by other psychologists is ineffective in movement building – it is essential to take the understandings generated to other audiences.

**4. Assistance to activists and social movements fighting for economic and ecological justice.**

Denouncing a system that is oppressive, ubiquitous and ruthless is not easy. Nor is it easy establishing and defending prefigurative alternatives and alternative policies and designs. The system pins us down in many ways, infecting even the way in which we contest it. Can social psychology offer anything to maximise the effectiveness of social movements and their activists? Can it help those movements to create psychologically healthy spaces for action? Community psychology does not have a monopoly on theory and practice here, but it can make a humble contribution, as it has from time to time when approached specifically by activists seeking help with things like group dynamics and leadership processes (Kagan, Lawthom, Knowles, & Burton, 2000;

Mendoza, J & Zerda, M, 2011; Sánchez, Cronick, & Wiesenfeld, 1988). But while insights from community psychology can help articulate an alternative set of community-orientated values and provide conceptual and practical tools for counter-hegemonic social movements, the path from community psychology praxis to social movement praxis is not obvious, and there are relatively few examples where this has occurred.

### **An example.**

To finish I would like to reflect briefly on my own experience as a scholar-activist promoting alternatives to the dominant economic growth / global competitiveness policy paradigm in the city and region of Manchester, England, and on the community psychological nature of this project. I have been able to get involved in this work since retiring from a role in human services, and although it is useful to have a University affiliation and title, the academic and professional world of psychology has no involvement in this work. Our project aims to explore and spell out what a post-growth economy and society would mean in a municipal and regional context and to build support for its proposals. We aim to make this approach which aligns ecological, social and economic well-being, a part of everyday understanding - a new common sense.

Our context is challenging because our municipal and regional leaders subscribe to the economic growth orthodoxy, linked to a version of 'trickle-down theory, whereby it is argued that growing the economy, largely by attracting external capital investment via prestige projects, will increase incomes and social benefit for all, including the disadvantaged sections of the community. This view is linked to the model of competition in a global economy, to promotion of the city ("civic boosterism" or more recently "agglomeration boosterism", Haughton, Deas, & Hincks, 2014) and to the extent that it pays attention to ecological problems it does so via what has been termed "ecological modernisation" where the primary argument becomes that of building a green economy in order to further create growth (Deloitte, 2008) - again economic rationality totally dominates (Burton, 2013). Despite this there is an undercurrent of dissatisfaction, since people know that the model is flawed, that it does not deliver genuine prosperity, it increases inequality and has a high ecological cost .

As a small collective of five people, we have to work via other organisations, groups and people to have the maximum effect (leverage). That involves appealing to people's values (e.g. social justice), colonising dominant discourse (e.g. an emerging discourse about good vs. bad growth) while taking care that the message isn't diluted or co-opted. We are building up a core of people who can articulate Steady State thinking and working closely with influential groups and think tanks. Through our series of reports, commentaries, blog posts, meetings, workshops and discussions we use research evidence to establish the validity of the approach, while recognising that ultimately this is not a battle that will be won by having "the best ideas and facts". We create temporary settings to explore ideas, maximising the "edge" between disparate sectors to generate new thinking and cooperation. We are thereby trying to build support for a counter-hegemonic model across sectors. All this work is underpinned by what would be recognisable as a community psychological set of assumptions, methods and values.

We have had some successes, being taken seriously by local green groups, anti-poverty campaigners, and local politicians with whom we are in dialogue. Some of our proposals have been adopted despite official rejection of our core message that continued growth of the economy is neither possible nor desirable.

#### Problems we face.

Whatever our modest successes, we face an uphill struggle. Policy, politics and discourse is 'locked in' to the orthodox model, meaning that arguing for an alternative can still be met with incomprehension and horror. We are a small group fighting a hegemonic ideology that is broadly consistent across much of the political spectrum, fusing neoliberal economic rationalism with ecological ignorance in a highly plausible way, supported by the phantom abundance of global capitalism, the erosion of culture and the manufacture of insecure identity. So ideas get de-contextualised, distorted and then used to legitimate orthodox policy. This infects even supposedly or once counter-hegemonic political movements that in the North mostly end up offering 'austerity lite' and the use of market mechanisms for pressing tasks like climate change mitigation (Lohmann, L, 2009), and in the South, are wedded to an economic and social strategy based on extractivism (Gudynas, 2011, 2012): a form of dependence within the global accumulation regime.

#### **Conclusion**

Community psychology has ignored the fundamental questions of planet and economy, that while macro-level in nature, impact on all levels from the the global to the personal.

I hope to have shown that it is possible to intervene in local economies at municipal and regional levels, using community-psychological, or community-psychological-like approaches. However, while it is possible to build alliances, and influence thinking and practice, the dominant system is designed to resist these challenges in multiple ways, so it is essential that the relevant movements join together, learning from and supporting each other in the struggle for a better world, and for human survival itself.

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