Green citizenship and the social economy

ECPR Joint Sessions, Uppsala 2004
‘Citizenship and the Environment’

Graham Smith, University of Southampton
  gsmith@socsci.soton.ac.uk

In the market society accompanied by waning state provision, the culture of economic organisation for competitiveness and consumerism is marginalising the idea of economic organisation for meeting social needs, fostering social solidarity, and developing human capabilities. (Amin et al 2002: 115)

Given the significance placed on themes such as individual responsibility, empowerment, participation and communal politics within green academic and activist literature, it is surprising that citizenship has only recently become the subject of systematic attention within green political theory (Barry 1999; Dobson 2003; Smith 1998). One of the key questions facing theorists is the extent to which our political, social and economic institutions need to be restructured in order to support the cultivation and expression of green citizenship. After all, citizenship does not emerge fully formed. Rather it embodies a set of dispositions and practices that need to be cultivated and expressed in different social institutions. Focusing only on the formal characteristics of citizenship – individual rights and duties ascribed by the state – means that we can overlook the significance of these different social institutions in understanding how green citizenship might be shaped in contemporary societies.

This paper focuses specific attention on the potential contribution of one group of institutions engaged in economic activities – the social economy. The question of economic organisation and its relationship with practices of citizenship remains an underdeveloped area of research, but one that is necessary given the pressing need to think through alternative forms of green political economy. Arguably, one of the reasons why systematic attention to forms of economic organisation has been absent is because contemporary green political thought has been dominated by theories of deliberative democracy and ecological modernisation.
The deliberative turn in green politics has predominantly analysed the relationship between forms of political participation and the achievement of environmental sustainability. The implication of this approach has been sustained attention (whether implicit or explicit) on the practice of active citizenship in the public sphere, either in oppositional civil society (Dryzek 2000) or in institutions of the state (Smith 2003). Citizenship is generally considered in the classic terms of the relationship between individual and state – for example, much discussion has focused on the rights and principles that are necessary conditions for the emergence and sustenance of democratic deliberation and judgement. However, as John Barry rightly suggests: ‘Although green citizenship is politically based, the activities, values and principles it embodies are not confined to the political sphere as conventionally understood. The virtues one would expect to be embodied in this green form of responsible citizenship, as a form of moral character, would be operative in other spheres of human action and roles’ (Barry 1999: 228). Current work on deliberative democracy provides a challenge to the existing structure of political institutions, but it has remained silent on other areas of activity – in particular alternative forms of economic organisation.

The second dominant discourse, ecological modernisation, does focus attention on the economy, but in this case it has little or nothing to say about green citizenship and certainly nothing to say about the structure of economic organisations – the for-private-profit corporation is given. Under the influence of environmental economics, ecological modernisation emphasises the role that regulatory and fiscal policy can play in shaping the consumption patterns of citizens. Once environmental costs and benefits are effectively internalised, market prices will provide environmentally-correct signals. From this it follows that individual citizens (and corporations) acting in an economically-rational manner will also be behaving in an environmentally-rational manner. The practice of green citizenship is thus simple: the citizen need only act as a consumer following price signals. Within this framework of green political economy, other aspects of the practice of citizenship are ignored. No account of the cultivation and expression of a more active citizenship is necessary – green citizenship is achieved through altering fiscal incentives. There is no doubt that fiscal and regulatory policy shape our activities and behaviour. However, we can raise (at least) two concerns about such an approach. First, ecological modernisation assumes that the achievement of sustainable forms of development requires only greener consumption. This is doubtful. Second, it assumes that citizens are willing to accept the legitimacy of increased environmental regulations and taxation. Evidence is far from promising –
without cultural change, it is not clear that citizens will be willing to alter their consumption and behaviour patterns or trust that the government is increasing taxation for legitimate reasons (rather than simply looking for new revenue streams) (Smith 2004: 143).

So neither of the two currently dominant green academic literatures speak directly to the question we are interested in – to what extent might economic institutions become a site for the cultivation and expression of green citizenship? Our interest in the question of economic organisation has at least two parts. First, there is little work on how green citizenship might be cultivated – Andrew Dobson’s recent work on environmental citizenship education in schools apart (Dobson 2003). Given that we spend much of our lives in the workplace, an obvious question is to what extent might these workplaces be structured to enhance citizenship? This specific question relates to a broader concern about the nature of contemporary green political economy – that it lacks a reconstructive programme. Recent work in green political economy has become ever more sophisticated in its critique of neo-liberal economics and economic policy making, but has been rather silent on developing a positive and transformative approach. In this paper the social economy is offered as a promising location from which a reconstructive green political economy might be developed and thus our focus is on the extent to which social economy organisations can promote green citizenship.1 If, as is argued, the social economy is a promising location for the cultivation and expression of green citizenship, then there may be good reasons to extend the activities of this sector into areas currently dominated by public bureaucracies and capitalist firms.

**What is the social economy?**

The social economy refers to a broad category (or categories) of organisations: cooperatives, mutuals and voluntary organisations, associations and foundations that engage in economic activity (traded or non-traded) with a social remit. Given the range of organisations, the social economy cannot be defined in traditional legal terms. The term social economy is French in origin (*économie sociale*) and it aims to distinguish this group of organisations from public authorities and private enterprises with an exclusively profit-making objective.

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1 This paper focuses on the role that the social economy can play in the cultivation and expression of green citizenship. This is not the only reason for greens to support the extension of the social economy – others include the re-conceptualisation of work that the social economy can inspire, the shortening of distances between consumption and production, etc. (Barry and Smith 2004).
The social economy includes, for example, building societies, charity trading arms, consumer retail societies, community businesses, credit unions, fair trade companies, housing associations, intermediate labour market companies, local exchange trading schemes, marketing cooperatives, mutual cooperative companies, social businesses, social firms, time banks, voluntary enterprises, workers’ cooperatives, etc. (Pearce 2003: 29). Thus the organisational form often favoured within green thought – the workers’ cooperative (Carter 1996) – is but one element of a broader group of organisational forms. It becomes obvious then that we are dealing with a wide range of organisations with different size and structure, engaged in varying types of economic activity at different geographical levels. The nature of the economic goods and services produced is not the key defining feature of the social economy, rather ‘such enterprises belong to the Economie Sociale sector because of their purposes and the way they organise and manage their productive activity’ (Molloy et al 1999: 8). The broad range of organisational forms means that across the social economy we will find a variety of different relationships between stakeholders such as workers, volunteers, trustees, members, users, customers, funders, contractors and the wider community. For example, workers’ cooperatives engage a different group of stakeholders in different ways than voluntary enterprises and community businesses.

The social economy is apparently the fastest growing sector in Europe (Molloy et al 1999: 11). The two areas where there appears to be most growth are economic integration (in particular training) and provision of social and health care services. Other new niches such as environmental improvement are also playing a larger role in the activities of the sector. From a traditional employment perspective, social economy organisations make a significant contribution to the national economy. Using figures from the late 1990s, the International Center of Research and Information on Public and Cooperative Economy (CIRIEC) estimates that there are just under 8.9 million full-time equivalent jobs in the social economy in the European Union which equates to 6.57% of full time civil employment (CIRIEC 2000: 18).²

CIRIEC defines the social economy according to four criteria:

(a) the object of providing services to members (common or mutual interest) or the community (general interest);
(b) the primacy of people over capital;

² This figure is equivalent to 7.92% of full time salaried civil employment.
(c) democratic functioning; and
(d) a management system which is independent of the public authorities.
(CIRIEC 2000: 11)

In some ways it is easiest to define the social economy in comparison to more familiar organisational types – voluntary organisations, capitalist corporations, public authorities and the informal economy. The social economy is not simply another term for the voluntary sector. Although many voluntary associations are part of the social economy, the ‘non-distribution constraint’ often used by analysts to distinguish the voluntary or non-profit sector (Salamon and Anheier 1997) excludes cooperatives, mutual aid societies and newer social enterprises that generate and distribute profits.3

The most common criterion used to define the social economy is the limits placed on the role of investors; on the private acquisition of profits (CIRIEC 2000: 102) – thus perhaps the most significant comparison is with for-profit or capitalist firms. Within the social economy the primary objective of organisations is not profit or capital accumulation and the primary beneficiary group is not investors. Also, unlike most for-private-profit corporations, social economy organisations offer mechanisms through which stakeholders other than investors or shareholders can influence the decision-making process of the organisation. In drawing a distinction between the social and capitalist economy, Ash Amin and his colleagues state:

While organisations may be run as efficient businesses, their prime interest does not lie in profit-maximisation, but in building social capacity (e.g. through employing or training socially disadvantaged groups) and responding to under-met needs (e.g. environmental improvement, free or affordable child-care or housing for low-income families) – and in the process creating new forms of work. The social economy thus marks economic activity (traded and untraded) with a social remit. (Amin et al 2002: 1)

A third contrast with the social economy is the public sector. Although the state may often be a significant source of income (whether through contracts or grants), organisations in the social economy are managed independently from the state. This means that not-for-profit companies established by the state to

3 Much research on the voluntary sector is dominated by the United States John Hopkins Comparative Nonprofit Sector Project.
deliver public services (e.g. Network Rail and foundation hospitals in the United Kingdom) would fail the independence test and would be situated just outside the boundary of the social economy.

Finally, the most porous boundary, and one that raises many contentions, is with the informal economy, itself much celebrated within green politics (although often confused with the social economy). Jacques Defourny – a prominent writer on the social economy - argues that the social economy ‘does not include those activities which are not taken into account by national accounting systems’ (Defourny 1992: 28). This is an unnecessary limiting of the idea of the social economy, one that uses a neo-classical economic logic to distinguish what is and what is not productive activity – simply because something is not valued within national income accounting does not entail that it is not productive. Such a categorisation of the social economy would remove a range of alternative forms of economic organisation, for example local exchange trading systems (Barry and Proops 2000) and other more informal self-help organisations, which may expand the range and potential of the social economy and its contribution to the achievement of the environmental, social and political aims of sustainable development.

The cultivation and expression of green citizenship in the social economy

There are at least two ways that we can think about the relationship between citizenship and the social economy. The first is a familiar argument from within democratic theory about the developmental effect of associations: they offer a highly conducive environment within which to cultivate the knowledge, dispositions and skills that are essential to practices of green citizenship. Participation in the social economy helps to prepare individuals to be citizens. A second argument is also relevant. Rather than seeing citizenship as something practised in another location – i.e. the public sphere – the social economy can also be viewed as an arena in which citizenship is expressed and practiced in its own right.

There are two broad characteristics of social economy organisations that are of particular interest when considering the cultivation and expression of green citizenship: ethos and structure. These two characteristics also provide further clarification of the differences between the social economy and capitalist for-profit corporations and public sector bureaucracies.

Ethos
The *ethos* of the social economy orientates organisations towards mutual, communal or general interests. Social economy organisations engage in productive activities, but the generation of profit is secondary to their explicitly social aims – a stark comparison with capitalist firms. Any profit and surplus is distributed according to different principles than shareholding. A significant portion of the social economy interprets social aims in explicitly environmental terms – these organisations range from counter-cultural food cooperatives and ethical trading enterprises through to more mainstream wildlife conservation and community recycling initiatives (Young 1997). The variety of explicitly green economic enterprises within the social economy is impressive and has long been part (though often under-emphasised) of the ‘project’ of green (and other) new social movements.

Our interest is not simply with explicitly green social economy organisations – environmental protection is but one aspect of sustainable development. The majority of social economy organisations view themselves as primarily engaged in responding to unmet social needs - tackling socio-economic injustices and poverty alleviation. In many cases the social economy is active in areas of deprivation where capital has fled and employment opportunities are few. But whatever their specific mission, the mutual, common or general interest that is fundamental to the ethos of social economy organisations is surely fertile ground for the recognition of environmental considerations in day-to-day practice and policy (Dryzek 1987)? As the prominent social economy writer John Pearce argues: ‘It should be axiomatic that an enterprise which has a social purpose will have a clear positive environmental policy, for to be environmentally irresponsible is to be socially irresponsible’ (Pearce 2003: 43). However, the record of social economy organisations in adopting environmental policies and practices has been patchy at best – often working with limited resources and poor information, environmental considerations have been secondary to what many organisations perceive to be their primary social purpose. Awareness of the broader ecological context of social aims is emerging – for example the international *Statement on Cooperative Identity* includes the principle that cooperatives should ‘work for the sustainable development of their communities’ (International Cooperative Alliance 1996). Pearce has suggested that all social economy organisations should ‘report on their environmental policies and impact regularly as part of their social accounts’ (Pearce 2003: 43).4 Theoretically

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4 This would realise the idea of triple-bottom line accounting, providing information on the social, environmental and financial impacts of an organisation and how they interrelate.
then - if not always in practice – there are good reasons to see the ethos of the social economy as orientating organisations and their various stakeholders towards environmental sustainability.

**Structure**

The democratic structure of social economy organisations provides a further distinguishing feature in comparison to capitalist corporations and public bureaucracies. This leads to unusual patterns of the political division of labour and in the relationship between power and authority. These patterns vary according to the type of organisation we are considering – cooperative, mutual or voluntary association – and the size of the organisation. So, for example, both the participants and the expression of the democratic principle in small-scale workers’ cooperatives are obvious – one member, one vote - when compared to voluntary enterprises that may offer different forms of participation rights to different categories of stakeholders including trustees, workers, volunteers, members, users, funders, the wider community, etc. The form of participation will also be dependent on the size of the organisation. Whereas smaller organisations may facilitate direct participation by all stakeholders, larger organisations will have a different division of labour that is likely to be based on the representative principle or where direct participation is nothing more than occasional votes for trustees or directors. Whatever the actual form, the social economy offers a number of interesting institutional designs within which different forms of participation can be practiced. For green political theorists this should be of particular interest given the connection that many writers make between democratic participation and the achievement of sustainable development. The fact that most theorists have concentrated on participation in relation to political institutions means that the democratic potential of the social economy has been ignored.

**The cultivation of green citizenship**

By reflecting on this relatively distinctive blend of institutional characteristics we can begin to investigate the manner in which the social economy might facilitate the *cultivation* of green citizenship. To this end, it is worth drawing on Mark Warren’s analysis of the developmental effects of associations (Warren 2001). He distinguishes between different types of effects: (1) information, (2) efficacy, (3) 5

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5 Warren also offers an extensive typology of public sphere and institutional effects of associations – these do not need to concern us here.
civic virtues, (4) political and critical skills. We need to be aware however that this brief investigation will be highly generalised and cannot hope to adequately reflect the sheer diversity of organisational types within the social economy. Also this section should not be read as an argument that these developmental effects only occur in social economy organisations – other institutional contexts will also play a significant role in cultivating green citizenship.

**Information / knowledge**
Any meaningful practice of citizenship requires individuals to be able to access knowledge upon which they might act and make judgements. If we are looking to develop green citizenship, then knowledge of environmental and social conditions and processes is clearly essential. For participants in the social economy, the practical orientation of organisations towards (often local) social and environmental goals means that they will be part of the social learning process that is necessary for the development of an informed green citizenship.

**Efficacy / empowerment**
Warren defines efficacy as a psychological disposition: ‘the feeling that one *could* have an impact on collective actions if one so chose to do so’ (Warren 2001: 71). The confidence this implies can be seen as a necessary condition for green citizenship – citizens need to believe that their actions will have an affect on sustainability. For many social economy organisations the cultivation of efficacy – or in more familiar social economy language, capacity building or empowerment – is their primary purpose. This might be empowerment of participants within the organisation itself, or of recipients / beneficiaries of particular services in the wider community. [Note that in some organisations the categories ‘participant’ and ‘beneficiary’ are the same] We can think here of the training that many organisations provide to socially-excluded communities, both in terms of skills provision and the development of self-confidence and belief. The participatory structure of organisations may also be significant to the promotion of efficacy, providing opportunities through which different stakeholders can affect the decision-making process. Social economy organisations are likely to offer a mode of empowerment not found in capitalist corporations or public bureaucracies. It is the capacity for empowerment that makes the social economy particularly attractive in tackling regeneration and social exclusion.

Community-based organisations tangibly raise levels of hope and self-confidence and a sense of social participation. By enabling people to work together for one another, they give expression to feelings of altruism and
mutuality, and thereby help to regenerate a sense of community. (Jacobs 1996: 100)

A similar point is made by Amin and colleagues who, having analysed a range of social economy organisations, argue:

... in many cases, existing social economy organisations have been able to demonstrate, again above and beyond the more usual concrete outputs, a contribution to building the capacity of individuals for self-realisation. In this sense, individual capacity is not necessarily concerned with changing the material wealth of the individual, or with enhancing their particular skills, or moving them nearer to the labour market of the formal economy (though it may entail all of these things). Capacity-building is, instead, a question of changing the individual’s perception of her or his own life and its possibilities. (Amin et al 2002: 47)

However, they also warn that empowerment ‘cannot simply be assumed to follow from the imposition of the social economy “model”’ (ibid: 46). Certain types of social economy organisations are more likely to cultivate efficacy – for example, highly participatory community enterprises are more likely to promote self-confidence than larger mutual enterprises where engagement may be little more than involvement in annual postal ballots for a board of directors. That said, even where direct participation is limited, social economy organisations may increase efficacy simply because members, users, etc are aware that these organisations are having a positive impact on the environment and social justice.

The link between participation in a social economy organisation and what is commonly termed political efficacy is less obvious, although widely assumed within work on citizenship. Carole Pateman defines political efficacy as the feeling that ‘individual political action does have, or can have, an impact upon the political process, i.e. that it is worthwhile to perform one’s civic duties’ (Pateman 1970: 46). The development of political efficacy within workers’ cooperatives is at the heart of her influential theory of participative democracy. There is evidence from large-scale (often cross-national) surveys of a strong correlation between participation in associations and political efficacy. Recognising this correlation, Pateman argues that meaningful workplace participation – in particular in workers’ cooperatives - will increase political efficacy. There are, however, questions about causality – i.e. do politically efficacious individuals join associations, or do associations cultivate political efficacy? Additionally, although there are few detailed investigations, specific
studies of workers’ cooperatives suggest that there is little empirical evidence for a generalised ‘spillover thesis’ (i.e. participation in the workplace leads to political efficacy) and much appears to depend on the form that participation takes, e.g. direct or indirect, levels of conflict, etc. (Carter 2003). Dahl even suggests that in some situations participants in self-management are more alienated from, and frustrated about, the wider political process than non-participants (Dahl 1985: 97). Whilst we can expect an increase in efficacy in general terms of increased confidence, capacity and agency, we need to be careful about linking participation in social economy organisations with specific claims about political efficacy.

Civic virtues
The significance of civic virtues has been an almost constant refrain in recent work on green citizenship (Barry 1999; Dobson 2003). As Barry argues: ‘Citizenship, as viewed by green democratic theory, emphasises the duty of citizens to take responsibility for their actions and choices – the obligation ‘to do one’s bit’ in the collective enterprise of achieving sustainability. There is thus a notion of ‘civic virtue’ at the heart of this green conception of citizenship’ (Barry 1999: 231). There is a diversity of civic virtues that underwrite citizenship (green or otherwise) and the democratic process, including, for example, ‘attentiveness to the common good and concerns for justice; tolerance of the view of others; trustworthiness; willingness to participate, deliberate and listen; respect for the rule of law; and respect for the rights of others’ (Warren 2001: 73). Warren is particularly concerned that there are high expectations within strands of democratic theory that associations will effectively cultivate these civic virtues – this is also true within much green political thought. At best, he suggests, we can only expect that some associations might cultivate some of these virtues. Given these reservations, Warren draws on the work of Nancy Rosenblum (1999), arguing that a more modest expectation is that associations will contribute towards a ‘disposition of cooperation’ - to the generation of ‘pre-civic (or civil) virtues’ of reciprocity, trust and recognition (Warren 2001: 75). It would seem reasonable to assume that social economy organisations do generate conditions for civility, in that cooperation between different actors is at the heart of many of their enterprises. Certainly the way in which many organisations integrate different social groups in and through their work is promising ground on which civility is born. Amin and his colleagues offer a number of examples of where social economy organisations breakdown barriers of prejudice and discrimination. One example is the Gabalfa Community Workshop in Cardiff: ‘By bringing disabled and non-disabled people together in everyday commercial transactions the project has successfully broken down barriers of fear and
prejudice on both sides by ‘normalising’ the presence of disabled in the community’ (Amin et al 2002: 48).

When it comes to the cultivation of the deeper civic virtues of green citizenship, we need to be much more sensitive to the form and ethos of different organisations. The social economy has developed from a range of cultural and political foundations which are likely to affect the disposition and virtues of participants, whether workers, volunteers, users, etc. For example, although both philanthropic and self-help organisations may respond to forms of injustice, the latter is more likely to generate dispositions of solidarity. However, whatever their value-base, the practical orientation towards mutual, common or general interests and the active response to unmet needs offer fertile ground to orientate participants away from narrow self-interests and to cultivate civic virtues.

**Political and critical skills**

Finally, the ethos and structure of social economy organisations appear particularly significant for the cultivation of political and critical skills necessary for active green citizenship. Warren lists a broad range of political skills, including ‘skills in speaking and self-presentation, negotiation and bargaining, developing coalition building, imagining solutions that will bridge conflicts, knowing when to compromise and when not to, and having the sophistication to know when one is being pressured, threatened, or manipulated’ (Warren 2001: 143). These differ from what he terms critical and cognitive skills which are necessary for autonomous judgement.

Social economy organisations are typically constituted in ways that provide stakeholders with different forms of political experience, particularly those with highly developed participatory structures. Those organisations that facilitate direct face-to-face participation will likely offer the most effective environment for the cultivation of political skills - the most obvious case being workers’ cooperatives. However, organisations with more complex governance structures that engage a broad range of stakeholders (often with different interests and backgrounds) are likely to face the conditions of conflict that are conducive to the development and practice of skills related to coalition building, compromise, negotiation, etc.

When it comes to cultivating good judgement, Warren singles out structural features of organisations that are liable to induce deliberation and reflection in response to conflict (2001: 156). While the social economy promotes participation and political skills, this need not necessarily imply deliberation and the
consideration of the views of others. Again though there may be good reasons to expect that social economy organisations are able to promote deliberation: as we have already argued, the social economy is likely to cultivate (at least) civility or mutual respect between different stakeholders – a necessary condition for mutual understanding and enlarged mentality (Smith 2003: 25-6).

Given contemporary concerns about the debilitating effect of the culture of individualism and self-interest on political and social life, this brief analysis of the developmental effects of social economy organisations suggests that the sector is a promising location for the cultivation of green citizenship. To date though this analysis has operated along the traditional lines that these organisations are ‘schools of democracy’; that they cultivate the knowledge, efficacy, dispositions and skills that are necessary for green citizenship to be practiced elsewhere - in the public realm. Citizenship is understood with reference to the relationship between state and citizen. However, by understanding citizenship in a broader sense – as a set of practices that are operative in other spheres of human action, not just the public sphere – we could argue that citizenship is not only cultivated in the social economy, but also expressed.

The expression of green citizenship

There are a number of ways that we might think of the expression of green citizenship in the social economy. One obvious way is thinking about the motivations of different actors involved in the social economy – let us take just three examples: volunteers, paid employees and consumers. Many individuals active in the sector are volunteers, driven by the express desire to contribute to the common good – it would be strange not to consider their commitment under the rubric of citizenship. Second, many paid employees are willing to accept the financial cost (wages are typically lower in the social economy) of employment within the social economy because they wish to be engaged in socially-useful production rather than profit maximisation in the mainstream economy. Again, such a decision makes sense when considered in terms of the dispositions of green citizenship.6 Third, consumers may also make similar types of judgement when deciding to purchase goods and services from the social economy (e.g. ethical consumption). Given that the choices made by paid employees,

6 The range of participants – paid employees, volunteers, users, etc. - involved in the process of production in many social economy organisations highlights how the social economy can be viewed as a site where the nature of work can be re-conceptualised (Barry and Smith 2004).
volunteers and consumers – as well as other actors within the social economy – are guided not simply by self-interest, but also by a broader concern with the public or common good, we may wish to categorise such activities and practices under the rubric of green citizenship.

More radically, we can think of citizen participation in the decision-making processes of the social economy as extending the green commitment to democratisation into the economic realm. There is a tendency within political thought (including much green theory) to limit discussion of democratisation to the state. However, such a conception of democratic practice neglects the complex modes of governance which govern citizens’ lives. Citizens are subject to a broad range of regimes of governance that involve a myriad web of state and non-state agencies. With any given form of governance, it is valid to investigate the extent to which citizens are able to affect the regime to which they are subject. If we think in these terms, the social economy is part of the process of social and economic governance and thus we might legitimately analyse the extent to which it promotes the expression of citizenship. As with the earlier arguments about the cultivation of green citizenship, the particular blend of ethos and participative structure of these organisational forms promises meaningful opportunities for active citizenship in relation to forms of authority. This is particularly the case when we compare the social economy to other forms of governance, for example large-scale public bureaucracies and capitalist corporations which are more hierarchical in nature and offer few opportunities for meaningful participation. Too often the exercise of citizenship is conceived as a formal and passive affair - the social economy may offer a more human scale for the exercise of active forms of citizenship. Just as early pioneers of green political economy such as Schumacher (1973) called for ‘human scale’ economics and acting ‘as if people mattered’, the social economy offers one avenue for those long-standing green values and ideas of citizenship and well-being to be realised.

**Expanding opportunities for green citizenship I: associative reforms to the welfare state**

If the social economy offers a conducive environment for the cultivation and expression of green citizenship, the question that follows is how the activities of the sector might be further enhanced? The social economy has always responded to social needs that are inadequately met by either the state or the market. For some of these activities, organisations have received funding from public authorities. In recent years the state has turned to the social economy to deliver services that in earlier times would have been delivered by public sector bodies.
In the United Kingdom, this is particularly the case in areas of social welfare and health care and in regeneration policy. In the 1980s and 1990s social economy organisations were often expected to compete on price with for-profit companies – more recently they have often been given preference in certain areas of social policy, typically in recognition of the wider positive benefits (soft outputs) of their activities – including their impact on citizenship. Some of New Labour’s key programmes rely in part on the social economy. For example, the New Deal (a ‘workfare’ programme for the unemployed) includes an option of working in the voluntary sector and many social economy organisations provide training opportunities on conservation and other environmental projects; the New Deal for Communities explicitly recommends the development of the social economy in the regeneration of socially-excluded communities. The reshaping and restructuring of state activity clearly involves the extension of the social economy. The policy significance of the sector is most obviously recognised in the Department for Trade and Industry’s social enterprise strategy (2002) and forthcoming legislation creating community interest companies (DTI 2003; Strategy Unit 2002).

One way of reading these reforms is as evidence of a worrying roll-back of the welfare state driven by the logic of economic liberalism - ‘a subtle abandoning of the universal welfare state under the guise of partnership, efficiency of service delivery, and local targeting’ (Amin et al 2002: 123). However, we could also read the recent growth in interest in the social economy as a move towards a new form of welfare governance which would recast the relationship between the state, the social economy and citizenship. The extension of the social economy certainly resonates with the work of Tony Fitzpatrick on green social policy (1998; 2001) and more broadly with the arguments of Paul Hirst for the renewal of contemporary democracies through associationalism (1994; 1997; 2002).

According to Fitzpatrick,

…welfare associationalists insist that the dominance of the state and market sectors in social policy making is now detrimental to personal, social and ecological well-being… According to welfare associationalism ... (dis)integrative formalism must be supplanted by a ‘re-integrative informalism’ of non-market decentralization and social participation,

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7 Whilst such soft-outputs are recognised, support is typically rhetorical - service contracts rarely take these additional benefits into account preferring instead to focus on quantifiable (hard) outputs.
where individuals and groups either produce the welfare services which they consume, or, where this is unrealistic, have the greatest practicable control over their design and delivery. (Fitzpatrick 1998: 18)

Fitzpatrick’s’ critique of current forms of welfare governance and his vision of a welfare associationalism that facilitates ‘the partial convergence of the sites of welfare production and consumption’ (2001: 56) bears a striking similarity to Hirst’s arguments for associative reform. For Hirst, the provision of services by large-scale hierarchical bureaucracies – or worse by quasi-public bureaucratic agencies or hierarchically-managed business corporations (following privatisation and deregulation) - has led to a low level of accountability to citizens: ‘Top-down administration appropriates the service from those for whom it is provided, and they have little capacity to redirect a failing bureaucracy toward meeting their needs’ (Hirst 1994: 6). There is little or no room for citizens to shape the services they receive: ‘however good or bad the service delivery personnel are, citizens have little access to these institutions other than in the capacity of clients, as objects of administration.’ (ibid: 166).

So, both Fitzpatrick and Hirst are arguing for an alternative pattern for the governance of welfare – provision by a plurality of self-governing and democratic associations – or in the language of this paper, social economy organisations. A plurality of associations would accommodate the plural communities (with different values and demands) that we find in contemporary democracies – citizens would have a choice of different service providers. The state would still play a significant role as regulator of provision, ensuring (social and environmental) standards of services and democratic functioning within social economy organisations. Importantly though, the state would no longer be ‘in the contradictory position of providing services through its bureaucratic agencies and also acting as the guarantor of the standard of those services’ (Hirst 1994: 168-9). Unlike visions of economic liberalism, Fitzpatrick’s and Hirst’s proposals do not seek to reduce welfare provision, but rather to change its form of governance, production and consumption.

Such a systematic extension of the social economy promises new avenues for the cultivation and expression of green citizenship – for citizens to engage in collective action and social governance: ‘it offers both recipients and providers a say in the governance and delivery of welfare’ (Hirst 1994: 172). As we have already discussed, levels and forms of participation are likely to vary for different stakeholders (worker, volunteer, recipient, etc.) depending on, for example, the size and structure of different organisations. What is clear however
is that compared to other modes of governance, the social economy offers more meaningful opportunities for the promotion of citizenship. For recipients of services, activism and voice within organisations is always an option, but at minimum the users of services will exercise a choice - the ‘possibility of exit, making it possible to switch between providers… is a central democratic device. It both promotes individual choice and acts as a constraint on unsatisfactory performance’ (Hirst 2002: 418).

Expanding opportunities for green citizenship II: economic democracy

Most of the attention paid to associative democracy is in the terms we have already discussed – the introduction of new forms of welfare governance. However this is only one element of Hirst’s proposals for ‘promoting the independence of citizens and giving them the experience of exercising authority themselves’ (Hirst 2002: 420). The other focus of associative reform is for-profit capitalist firms – the capitalist corporation is not the inevitable form of organisation of economic activity.

Associative democracy… promotes the democratic governance of corporate bodies in both the public and private spheres, aiming to restrict the scope of hierarchical management and offering a new model of organisational efficiency. (Hirst 1994: 74, italics added)

Here Hirst is moving onto the more radical terrain of economic democracy and his case for reform bears many similarities to Dahl’s arguments in A Preface for Economic Democracy (1985). Both writers are concerned that in the economic sphere, the ownership of capital determines the control of enterprises – a common theme within green political economy.

Employees and the communities in which firms operate have no specific rights in company law, and it places directors under no specific obligation to pay attention to their interests. (Hirst 1994: 145)

… ownership rights have given legality and legitimacy to undemocratic governments (large corporations) that intrude deeply into the lives of many people, and most of all the lives of those who work under the rulership of authorities over whom they exercise scant control. (Dahl 1985: 161)
Dahl’s specific arguments for economic democracy strengthen the position offered in this paper, namely that the extension of the social economy provides more opportunities for the cultivation and expression of green citizenship. His starting point is a commitment to political equality. If we take political equality to be a necessary condition for citizenship (green or otherwise), then it follows, according to Dahl, that we need a different form of economic governance. Dominant forms of ownership and control of economic enterprises generate unacceptable political inequalities in two ways. The first argument focuses on the practice of citizenship in relation to the state:

... ownership and control create great differences among citizens in wealth, income, status, skills, information, control over information and propaganda, access to political leaders, and, on the average, predictable life chances... differences like these help in turn to generate significant inequalities among citizens in their capacities and opportunities for participating as social equals in governing the state. (Dahl 1985: 54-5)

Under current economic arrangements, business interests are able to convert their economic position into a privileged position in the political process. If we are committed to democracy, we should be shaping an economic system that promotes political equality, democratic process and political rights, not one that impairs these values. Dahl recognises that economic liberty is a fundamental right and one that is a precondition for political equality. However, it does not follow from a commitment to economic liberty that economic enterprises should be privately owned and managed in the interests of shareholders. Dahl’s conclusion is that a system of self-governing enterprises would, at one and the same time, ensure economic liberty and lessen the impact of economic inequalities on the political system.

His second argument for economic democracy is that economic enterprises should be treated as political systems in their own right with relationships of power between governors and governed:

... with very few exceptions the internal governments of economic enterprises are flatly undemocratic both de jure and de facto... Hence the ownership and control of enterprises creates enormous inequalities among citizens in their capacities and opportunities for participating in governing economic enterprises. (Dahl 1985: 55)
Here Dahl recognises that different modes of governance promote different political divisions of labour and opportunities for citizens to engage in decision making. Thus a system of self-governing enterprises is also justified on the grounds that the dominant form of corporate ownership and control means that individuals have little control over a large part of their daily lives. The argument for democratising the workplace parallels the idea of applying democracy to the government of states – a commitment to political equality and democratic process demands the democratisation of economic enterprises. (ibid.: 115)

Dahl’s preferred form of self-governing economic enterprise is the workers’ cooperative – he is obviously attracted to the one member, one vote principle. Workers’ cooperatives have also long been the preferred form of economic organisation within green politics (Carter 1996; Green Party 2003). However, given our preceding discussion of the plethora of organisational forms within the social economy it is not at all clear why we should only be interested in workers’ cooperatives alone. In fact, compared to other forms of organisation within the social economy, workers’ cooperatives often have no lines of accountability to the local communities in which they operate. As Hirst argues, participation in economic enterprises should not be limited by a single category of stakeholder i.e. paid workers:

... the demand for economic democracy has been prised loose from the exclusive grip of advocates of ‘workers’ control’. It is now clear that there are more stakeholders in industry than just the immediate producers, and that corporate governance must reflect this ... it concerns the relationship of the firm to the wider community. (Hirst 1994: 142)

Hirst argues that self-governing economic enterprises must be accountable and democratic, but the specific structure of accountability and democracy is likely to be plural and diverse. Although he does not go into much detail, the plethora of institutional forms within the social economy appears to offer empirical examples of what he has in mind.

A transition to a form of economic democracy that promotes green citizenship is highly unlikely in the foreseeable future and is will certainly not emerge organically since social economy organisations are at a disadvantage under current market conditions. As David Miller states: ‘Rather than being a neutral device, [the market] discriminates against certain preferences, such as those for cooperative modes of organisation’ (Miller 1981: 324). There is a systematic bias within free markets in favour of organisational forms that satisfy only ‘private
desires’ such as income maximisation – i.e. capitalist firms. Organisations from the social economy that also (or primarily) promote ‘group-orientated desires’ (such as environmental protection, social justice, participation, etc.) find themselves disadvantaged under market conditions. ‘The market discriminates in favour of those who prefer the authority structure of the capitalist firm’ (ibid: 327-8).

Thus there is general agreement that the state must play an activist role in shaping a sympathetic environment for economic democracy. As Hirst argues, to move beyond the ‘republic of shareholders’ and to divorce ownership and control, ‘companies need to be encouraged by public policy to evolve into self-governing associations that are sufficiently representative of their stakeholders to continue to enjoy the privileges of corporate status’ (Hirst 1994: 146). Similarly, Miller recognises that it is the state that must ‘facilitate alternative modes of association, or change the financial terms on which different institutions compete in the market’ (Miller 1981: 328). Thus the promotion of green citizenship in both the associative governance of welfare and economic democracy requires an activist green state.

Conclusion

If we believe that the emergence of green citizenship is fundamental to the achievement of sustainable development, then we must consider the locations where this form of citizenship can be cultivated and expressed. There are good reasons for believing that the social economy is fertile ground for the cultivation and expression of green citizenship – thus a reconstructive green political economy that extends the role the social economy into welfare and economic governance offers one way of extending and deepening practices of green citizenship. The social economy can offer the context within which citizens and communities are given meaningful opportunities to affect the patterns of governance that directly impact on their lives and their environment.

The potential of the social economy is well recognised by public authorities - the European Union has shown particular interest in the sector over the last decade or so (e.g. CIRIEC 2000) and more recently the UK government has committed itself to a more systematic policy approach to the social economy (DTI 2002). There are at least two ways of interpreting this policy interest.

The first interpretation is highly sceptical and challenges the motivation of the state - there is reasonable concern that this policy interest is actually evidence of
a retreat on the part of advanced welfare states. As the welfare state abandons its commitments to service provision, an under-funded social economy attempts to respond to unmet needs. At least two aspects of the DTI strategy in the UK might bolster this sceptical position. First, the government is particularly interested in the role of organisations that aim to move from grant dependency to independence from public support through commercial activity. Second, while there is much emphasis on enhancing the business qualities of enterprises, there is relatively little discussion of how the government might facilitate the strengthening of the participative nature of the social economy and its potential impact on citizenship.

However, these are interesting times and one could also argue that a few seeds of radical change have been sown – the social economy could give practical expression to the emancipatory character and promise of green politics (Eckersley 1992). First, the emerging government support for the social economy is, in part, a recognition of the lack of public faith in the motivations of the traditional private and public sectors. The social economy is viewed as one way of re-engaging the public in collective action, including action towards sustainable development. Second, the forthcoming legal status of ‘community interest company’ means that it will be easier for the government to develop a systematic policy framework which favours the social economy in future reforms to welfare governance and in creating a more democratically accountable economic sector. What is clear is that any effective strategy for enhancing the cultivation and expression of green citizenship within the social economy requires the active engagement of the state. Whichever way the social economy develops in the coming years, if nothing else it stands as a ‘small symbol of another kind of economy, one based on meeting social needs and enhancing social citizenship’ (Amin et al 2002: 125).

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