

# Renewing Socialist Development in the Third World

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**ABSTRACT** *Current global economic trends have rekindled interest in development alternatives. Competing socialist and green proposals for these development alternatives raise important questions about crafting institutional vehicles for the simultaneous realisation of popular empowerment, sustainability and poverty alleviation development goals. Much of the debate is about economic scale and the re-localising of production and consumption sundered by globalisation. Yet socialists and greens are fuzzy on principles of economy necessary to achieve their desired goals. To help sort out these issues this article introduces the concept of “socio-material communication” as a way of differentiating among available economic forms. It then offers a design for socialist development that is progressive, sustainable and realisable under current “really existing” conditions. It is concluded that realisation of socialist and green development goals for future human betterment requires the combining of modes of socio-material communication to meet specific development challenges, rather than seeking to impose one mode, such as economic planning or society-wide market operation, indiscriminately.*

**KEY WORDS:** Economic development, socialism, eco-sustainability, third world, local exchange and trading systems

The evidence is incontrovertible: processes of capitalist modernity around which the bar for development had been set no longer operate. The movement of peoples across the third world from agriculture into industry has been superseded by flows out of agriculture into services, with the service sector increasingly defined internationally by contingent and precarious modes of informal, vulnerable employment. Current third world rates of urbanisation in many cases exceed those that existed in the heyday of the Anglo-European industrial revolution. Yet, rather than being absorbed by industry, pools of surplus humanity are bloating shantytowns and slums. Manufacturing is relegated to “special economic zones” (SEZs) that are ever more separated from domestic production and consumption. SEZs are scattered around the world and operate in a fashion radically decoupled from the kind of industrialisation and “national” development that took place from the mid-nineteenth century (see Westra, 2010b). States with the lowest levels of per capita income, where industry has in some cases hardly surpassed 10% of total employment, are experiencing what is dubbed “premature de-industrialization”

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(Whittaker et al., 2008), ensuring that the sorts of well-paid manufacturing jobs that under-girded the erstwhile capitalist “golden age” in much of the West and Japan will never be the lot of third world populations.

Productive owner-operated “entrepreneurial” farming, which is fundamental to developed state prosperity, failed to materialise across the third world (with the exception of South Korea and Taiwan, where land reform and reverse scissors state agricultural policy was necessitated by Cold War dynamics).<sup>1</sup> For the purposes of this article we need not revisit esoteric debates over the concatenating of capitalist and pre-capitalist formations that was brought about by colonialism and imperialism, in order to recognise the twilight zone circumstances of subsistence agriculture and quasi-feudal landlordism persisting into the twenty-first century. Currently, much of the world’s 1.4 billion people who live below the United Nations (UN) designated US\$1.25 per day poverty line, reside in states in which subsistence agriculture and quasi-feudal landlordism continue to preponderate (United Nations, 2009). As demonstrated by the Chinese economy, this subsistence sector constitutes a fertile source of low-wage labour, replenishing that routinely exhausted in SEZs. It further offers a “fallback position” for those workers rendered redundant by global crises (Rocca, 2007). It is instructive to see the World Bank (WB) lauding this “potential for rural residents to participate in the urban economy while retaining their rural residence and their foothold in farming” (World Bank, 2008: 216). However, what has alternately been dubbed “repeasantization” (Ploeg, 2008) has become a global phenomenon. It is an ominous indicator of a tendency where precarious, contingent and vulnerable work remains the *only* kind of work. But, as land in third world states is increasingly grabbed by powerful states and agribusiness, even the capacity of subsistence agriculture to act as a fallback occupation for impoverished, contingent workers is unlikely to last for long (Knaup and Mittelstaedt, 2009). In the end, the debate over neo-liberal or “Washington Consensus” policies has been mooted by the benumbing realisation that the Earth’s biosphere and resource base could never have accommodated generalising the mass consumption development model the third world was being groomed to follow, beyond an elite cohort in select so-called “emerging market” third world states, the consumption demands of which are already exacerbating tensions (Broad and Cavanagh, 2009).

While the foregoing constitutes a clarion call for change, such change must be predicated upon a clear sketch and persuasive argument for the progressive pedigree of the successor society. In this vein, advocates of socialist development recognise that Soviet-style “productivist” models of the past offer neither genuinely realisable nor socially palatable alternatives. The aforementioned transformation of global manufacturing has also largely eviscerated working class collectivities that socialists believed would become the central catalysts for change. Progressive future alternatives will be expected to expand popular empowerment rather than restrict it. The persistence of rural livelihood for much of humanity, compounded by the disarticulation of food provisioning under neo-liberal policies and the spectre of environmental Armageddon, adds up to the fact that socio-material betterment and eco-sustainability in agriculture coupled with sustainable connections between agriculture and material goods provisioning now top the social change development agenda.<sup>2</sup>

This article contributes to socialist/green debates over the appropriate institutional vehicles for realising socialist development goals of popular empowerment, sustainability and poverty alleviation. It commences by pinpointing a significant weakness in the one-sided focus of these debates on questions of economic scale, arguing that scant attention has been devoted to the principles of economy that are required to achieve desired ends under particular geospatial configurations. To remedy this deficit the concept of *socio-material communication* is introduced as a way of grappling with the ramifications that particular economic institutions carry for socialist/green goals. The concept also spotlights the extent to which the range of modes of economy that historically have been available to human societies is limited; viable modes cannot be conjured up *ex-nihilo*. The article proceeds to sketch out a general model for future socialist/green societies. It is concluded that realising socialist/green development goals for future human betterment requires the combining of modes of socio-material communication to meet specific development challenges rather than seeking to impose one mode, such as economic planning or society-wide market operation, indiscriminately.

### **The Socialist/Green Aperture**

For purposes of the present argument an extensive review of proliferating shades of the green literature is unnecessary. Critically acclaimed scholarship at the forefront of contemporary green future-directed thinking argues in unison “that capitalism’s inability to sustain the environment is one of the biggest threats to its future” (Speth, 2008: 188; also see Korten, 2009; McKibben, 2007). This “green” claim is generally coupled with searing indictments of the neo-liberal “growth” mantra, along with corporate or “Wall Street” capitalism’s misallocation of global resources in both industry and agriculture, which resonates with the Marxist critique of capitalism (greens like Marxists, of course, recognize the role finance plays in this monstrous resource misallocation).<sup>3</sup> Green perspectives dovetail further with gravitations within Marxism toward “eco-socialist” foci on questions of economic scale. Rethinking the geospatial dimensions of economic organisation is viewed as an inexorable step in adopting environmentally sustainable transportation and energy. The re-localising of the agricultural and food economies is accepted as a way to reinvigorate community life generally, in addition to revitalising an efficacious democracy.<sup>4</sup>

In the very limited attention to economic questions in “debates” between greens and eco-socialists each side harks back to quite divergent intellectual traditions. Greens are inspired by writings of Adam Smith which had extolled the virtues of freely negotiated exchanges among small buyers and sellers democratically pursuing their self-seeking proclivities. Through an “invisible hand” of self-organising markets these exchanges, Smith famously claimed, would allocate social resources in an optimal and equitable fashion. Greens emphasise how Smith’s original vision had assumed the *embedding* (seemingly akin, greens argue, to the notion later elaborated by economic historian Karl Polanyi) of such market intercourse within the social fabric of close-knit local communities, the values of which would serve to place bounds upon individual aggrandisement that tended toward destructive economic outcomes (Korten, 2009: 29-34; McKibben, 2007: 122-8). There is even an

argument to be made that one empirically verifiable exemplar of Smith's invisible hand was in improvements in soil quality by profit-seeking landlords which lowered the price of basic foodstuffs in eighteenth century Britain and made everyone better off (Duncan, 2004: 98-9). In any case, the green chorus is clear: under "globalisation" Smith's vision has miscarried to the extent that only sweeping change will extricate humanity from the environmental and economic morass.

Socialists fervently commenced re-excavations of Marx's writings to demonstrate the fundamental anti-authoritarian and eco-sensitive thrust of Marxism (Bell, 2004). The latter, in particular, it is argued, will flow from the genuine socialist criterion of *use-value* and human need for all production decisions rather than exchange value and market profits. Use-value considerations become the catalyst for re-embedding or "re-aligning" the labour and production process, as well as choices of the what, how and how much we produce, with nature and the "integrity" of its ecosystems. This in turn draws to the fore questions of economic scale and the re-localising of production and consumption. It is then claimed the empowerment of direct producers within this framework (through effacement of profit-driven exploitation) will foster local political and economic democracy which could then be linked with like struggles in other communities or "ensembles" to build a socialist commonwealth of sorts (Kovel, 2002). It is here that debate arises within the socialist camp over the role of economic planning and the state, as questions arise of co-ordinating ecologically sound activities among communities as well as ensuring both the democratic and eco-pedigree of particular communities, especially given the fact that many current "localities" are huge urban agglomerations (Albo, 2007; Löwy, 2007).

But is the *greening* of each of these economic traditions really such a simple matter? Take green faith in the turning of markets to environmental ends: there exists a blithe assumption in mainstream economics spawned from Smith's writing (which has also infected currents of Marxism) that it is possible to decouple "the market" from capitalism. The roots of this view are to be found in conflation within mainstream economic discourse of two very different kinds of "exchange." One view of exchange advanced in green references to Smith's fundamental eco-sensitivity resembles what Polanyi had characterised as a form of sharing or, in Polanyi's tripartite typology of economic principles, as "reciprocity" (Figure 1). A similar notion of (small-m) markets where buyers and sellers meet face-to-face to exchange goods and services is also distinguished by Marx in terms of the isolated trades

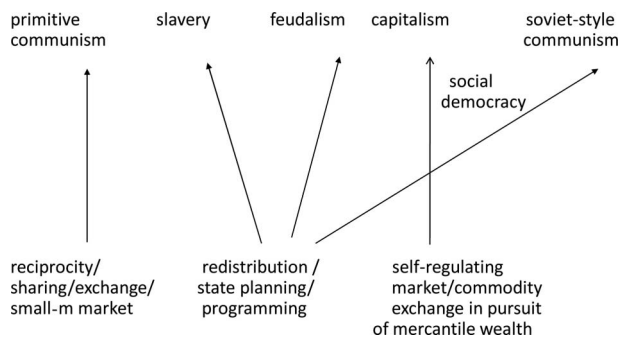


Figure 1. Marx/Polanyi correspondence

marking interfaces between different groups of pre-capitalist peoples in history as well as in meeting of community needs in what Marx dubbed “primitive communist” societies. What is being exchanged are use-values or goods produced in communities primarily for direct consumption; a surplus may then find its way on to small-m markets. In a capitalist society, goods are produced as commodities for the purpose of accumulating mercantile *abstract* wealth and are exchanged in this process in *impersonal* society-wide integrated market operations. Capitalism’s profaning of the earth is thus not simply a question of economic scale or paucity of community ethics but one of the fact that the fundamental social goal of production and exchange is abstract and quantitative. The historical record of capitalist societies from Smith’s time onward in producing noxious goods by eco-degrading methods is testament to this.<sup>5</sup>

Greening of economic traditions also requires paying explicit attention to the malleability of particular modes or principles of economy in ensuring the material economic reproducibility of society. For example, exchange in the first sense above, carries no innate anti-environmental thrust as inhering in the impersonal quantitative metric of the capitalist market. But its ability to meet the demand for basic goods in society with more complex divisions of labour is questionable, and requires greater in-depth treatment of the principles guiding such exchanges than vagaries about an “invisible hand.” The fiction that the dawn of the capitalist era was marked by a “barter” economy is also found in the Marxian tradition. However, in such a purported economic regime where the labour of each isolated individual is tied to producing a specific good, social supply of basic necessities would always be extremely inelastic to the detriment of a society’s very survival. The historical record of the eighteenth century European transitional period of freeing labour from feudal bonds is replete with accounts bemoaning the ethic of artisans and pre-industrial labourers who, deciding they had worked enough to provide for their *own* need, just went on vacation (see Duplessis, 2004: 262-6). On the other hand, the efficiency of the capitalist market, manifested in its ability to respond rapidly to changing price signals, is predicated upon the existence of a class of “free” labourers rendered *indifferent* to the production of *particular* goods and available for businesses to hire and deploy in the production of *any* good according to changing patterns of social demand and opportunities for profit-making. Again, this wellspring of capitalist efficiency is destined to conflict with qualitative, use-value-based engendering of respect for the Earth.

Marxist theorists are on the right track in maintaining use-value and satisfaction of human need as the yardstick for environmentally sound socio-economic change and realisation of socialism à la Marx as a “free association of producers.” Eco-socialist advocates (and greens for that matter) are also intuitively correct to expect eco-soundness to be better maintained, and democracy and popular empowerment deepened, in local communities. However, eco-socialists and greens remain fuzzy on the precise economic principles and institutions necessary to attain their desired goals. True, the provision of use-values through the metabolic interchange between human beings and nature is the substantive economic foundation of all human existence. But eco-socialist statements along the lines of “shifting the coefficient  $uv/xv$  [use value/exchange value] in the direction of the numerator in order to build anti-capitalist intentions” such that “exchange is negated through a withdrawal from

capitalist values” (Kovel, 2002: 214) do not inspire much confidence in future modalities by which socialists will manage this interchange. Exchange value, for example, refers to the price of a good. We have already noted the conflation of exchange as reciprocity or sharing and that existing in the specifically capitalist market as the process by which mercantile wealth or value is augmented. Prices, through the simple role of money as means of exchange, may be used to facilitate exchanges in the first sense of the term (that is, exchanges of *use-values*) in future societies. Money also has a function as a unit of account which may be put to varying non-capitalist uses. In fact, prices, money and even wages are categories long pre-dating capitalism and have appeared in varying modes of economy without necessarily conflicting with these. Their benign existence in socialist society is thus entirely possible.

But the real question of enshrining use-value as the matrix for socialist economic decision making is the *heterogeneity* of use-values. Mainstream economics from Smith’s time elides this heterogeneity through its fundamental supposition that no tension exists between use-value as the substantive foundation of human material life and the capitalist production of goods as commodities for the purpose of value augmentation (see note 7 below); a belief which effectively “naturalises” capitalism. Marx, on the other hand, viewed capitalism as a socially and historically constituted order that comes into being as changes in human wants and the means for satisfying these emerge and which then passes from history as new human use-value wants and needs arise that capitalism is unable to accommodate. Marx’s studies of capitalism confirm not only this historical point – that capitalism is synonymous with an industrial society based on the mass production of standardised goods – but, that even managing the production of this historically limited range of use-values, the capitalist pursuit of mercantile wealth as the fundamental social goal faces a panoply of contradictions.<sup>6</sup> What these contradictions reflect is precisely the resistance of use-value in its manifest qualitative heterogeneity (with the greatest resistance always posed by capitalist treatment of human labour power as a commodity)<sup>7</sup> to the homogenising quantitative thrust of capitalist profit-making.

As the agonising experience of Soviet-style experiments so clearly confirmed, “anti-capitalist intentions” are insufficient to build a progressive society. Rather a *positive* programme of socialist construction predicated upon an understanding of what, in its basic ontological incarnation, socialism *is* as well as what the specific socialist development goals are in particular socialist developmental contexts, is required. Only with the heterogeneity of use-value as the matrix for economic decision making will socialism be able to realise its eco-potentialities as well as exhibit the necessary sensitivity to third world conditions where alleviation of hunger, basic popular empowerment and even building rudimentary infrastructure for transportation, sanitation, basic social services and so forth loom large. Let us turn to questions of challenges that the foregoing poses for choice of modes of economy.

### **Socio-material Communication and Material Reproducibility**

Working with the Marx/Polanyi correspondence alluded to above (Figure 1) we can readily see that potential modes of socio-material communication available for

material reproduction are not unlimited and carry specific provisos for organising economic life. The concept of socio-material communication is felicitous because it surmounts limitations with respect to creative thinking about socialism inhering in both Marx's notion of modes of production and Polanyi's tripartite typology. In its most schematic form, "mode of production" was used by Marx to delineate broad historical epochs and to suggest a historical movement of humanity from pre-class society of primitive communism through class society, culminating in a post-class society of socialism and then communism. Marx treated the capitalist economy extensively but left only scattered remarks on pre-capitalist modes of production relating more to questions of class and exploitation rather than intricacies of material reproducibility. Nor did Marx leave much in the way of *systematic* writing on future socialism (though he certainly created the groundwork). Of course, the Soviet-style experiments which laid claim to his legacy came years after his passing.

Polanyi, on the other hand, engaged in detailed study of varied principles of economy deployed in human history. Most significant is Polanyi's discerning of the "economistic fallacy" whereby mainstream economics imperialistically substitutes its notion of the economy implicitly predicated upon the study of "the market" (capitalist) economy for economics *per se* (Polanyi, 1977). But his antipathy toward the Soviet-style experiment interfered with his potential appreciation of Marx's much more subtle and precise conceptualising in terms of reification that which Polanyi understood as the tendency of the economic under capitalism to dis-embed from society. That is, for Marx, it is not simply a question of the economic "levitating" from the social à la Polanyi but the socially and historically constituted chrematistic of the capitalist commodity economy taking on "a life of its own" to then wield the social and nature for its abstract, quantitative purpose of value augmentation.<sup>8</sup> The reifying force of capital is well expressed in Marx's notions of capitalism as an "upside-down" economy where human interpersonal relations of production are converted into impersonal "relations between things." Finally, Polanyi never considered a socialist future for humanity where economic principles might be combined in creative ways to meet specific development goals.

*En route* to examining why conscious adoption of varying modes of socio-material communication is necessary to operationalise use-value as the matrix of eco-sustainable socialist development, let us review ways in which forms of socio-material communication interface in other human societies. One central yet largely overlooked element of Marx's analysis is that all human societies including capitalism must have at their core at least one cardinal principle of economy that guarantees certain basic conditions or "norms" of material economic reproducibility. The first and most fundamental of these norms is that social demand for basic goods be met with a minimal waste of social resources (within class societies this is realised under constraints of existing social class relations of production).<sup>9</sup> The second is that the direct producers must receive (at minimum) the product of their necessary labour.<sup>10</sup> While it is true that class societies have their own discrete social goals – in capitalism that goal is the wielding of society for the abstract purpose of value augmentation – the norms must be satisfied at least as a *by-product* of value augmentation to ensure the material reproducibility of the capitalist class order as a historical society.

Material reproducibility of feudal society, for example, was predicated upon peasant landholding and peasant production of basic goods. Given the direct and immediate access of peasant producers to the means and product of their labour the economic norm that the direct producers received the product of their necessary labour was easily satisfied (except if threatened by nature and disease). The long historical persistence of the feudal economy is testament to this. The imbrications of peasant production in webs of interpersonal relations of domination and subordination and the redistribution of basic goods through these ensured that wider social demand would be also be met. Yet the edifice always hinged on the work rhythms of peasant holdings. As put by Hilton (1987: 127):

We therefore have a landowning class whose very existence depended on the transfer to it of the surplus labor and the fruits of surplus labor of a class which was potentially independent of it, over which it exercised political, military and juridical power, but in relation to which it fulfilled no entrepreneurial function.

However, other forms of socio-material communication maintained an existence alongside the core principle of redistribution. Sharing of the agricultural commons was integral to peasant village life while small-m markets and an international trade in luxury products contributed to lifestyles of the ruling nobility along with sundry “middle” classes (artisans, merchants and so forth) and clergy.

Soviet-style experiments, to take another example, utilised authoritarian state, society-wide planning as the key mode of socio-material communication to organise production and distribution of goods. Labour power was largely decommodified but subjected to extra-economic compulsion in a fashion which has led analysts to posit affinities between Soviet-style experiments and pre-capitalist societies in this area of economic intercourse (see Westra, 2008b). Central planning adequately served goals of the early Soviet-style experiments to construct heavy steel economies and mechanise agriculture (belying views that planning *per se* “does not work”) yet it struggled to meet demand for basic consumer goods, including foodstuffs, and carried adverse environmental costs. It is a matter of debate whether society-wide central planning as the key mode of socio-material communication in Soviet-style experiments met both aforementioned tests of material economic reproducibility in even the medium term, as critiques of its “economics of shortage” suggest (Kornai, 1980). The evidence is that multifarious forms of socio-material communication proliferated across the Soviet-style system to underwrite its material economic existence as a historical society. In the words of Scott (1998: 203-4):

That collectivised agriculture persisted for sixty years was a tribute less to the plan of the state than to the improvisations, grey markets, bartering, and ingenuity that partly compensated for its failures ... [Thus] did a set of informal practices lying outside the formal command economy – and often outside Soviet law as well – arise to circumvent some of the colossal waste and inefficiencies built into the system.

And we may note that, in comparative historical terms, the Soviet-style experiment was relatively short lived.



Capitalist economies in their formative phase of development relied predominantly upon integrated systems of impersonal self-regulating markets based on commodified labour power as the core mode of socio-material communication. While, as noted above, the fundamental social goal of capitalist society is the abstract quantitative augmentation of value, what has remained an underappreciated and largely untapped aspect of Marx's study of capitalism is his demonstration of how the *labour theory of value* ensures this abstract chrematistic of capital accumulation as capitalism *simultaneously* meets the tests of material reproducibility required of any historical society as a by-product.<sup>11</sup> As explained by Albritton (2007: 65):

the relations within which individuals stand are exchange relations. As values, commodities are qualitatively the same, differing only quantitatively as they are connected by the purest external representative of value, money. Thus the social relation in ... capitalism is a "cash nexus," and individuals find themselves standing within networks of prices. But behind these prices is a division of labour, and, if we follow Marx on this, each price is ultimately an objectification or materialisation of abstract simple labour. The labour theory of value, then, points us towards a consideration of how society organises its total labour power.

As an ideological postulate, capitalism disavows the state. Nevertheless, it has relied upon that institution to a greater or lesser extent since its inception. From a contribution of approximately 7% of GNP in late nineteenth and early twentieth century Britain, state economic activity in the final quarter of the twentieth century contributed an average of 45% of GDP among advanced capitalist economies. The role of state economic "programming" and even extensive planning of infrastructure construction and management becomes increasingly prevalent as capitalism shifts to heavy steel/chemical and consumer durable/automobile economies (see Westra, 2006). This increased role of the state parallels the emergence of the corporate capital form of enterprise which eschews market transactions and pricing ("internalising" these) and exerts centralised control over business operations akin to that attempted by Soviet-style states. The key divergence is that even the most thoroughgoing corporate capitalist social democracies never sought a total squelching of the capitalist market, only its supplementation or "regulation." Most significantly, forms of community sharing, reciprocity and small-m market economy for both goods and services have always persisted. In fact, varying shades of the reciprocity mode of socio-material communication have recently burgeoned and are increasingly contributing to human survival in the neo-liberal era (Williams, 2005).

Of course, nowhere is the intermingling of modes of socio-material communication as glaring in the neo-liberal era than in countries of the third world. As stated above, it is not necessary to revisit debates over whether pre-capitalist relations of production running the gamut from primitive communism through subsistence farming to forms of quasi-servitude redistributive economy are calculatingly spawned under the aegis of colonialism and imperialism or reflect the dogged persistence and/or isolation of antediluvian forms of economy in particular situations.<sup>12</sup> The key divergences of capitalism from the third world situation are

first, from the nineteenth century onward, the effacing of pre-capitalist social relations in agriculture and the absorption of “freed” labouring populations by material goods production activity.<sup>13</sup> And, second, in the developed capitalist economies, non-capitalist, extra society-wide market forms of socio-material communication operate in a supplementary fashion (under the constraint of capitalist class relations) to ensure the material economic reproducibility of capitalism as a historical society.

In the third world, modalities of capital and vestiges of the pre-capitalist rural economy work against each other in a toxic brew deleterious to material reproducibility. We have already cited a classic example of this toxicity above: the “freeing” of labour power from ties to the land and access to means of production at the dawn of the capitalist era created the proletarian class dependent upon wages paid by capital to obtain the product of its necessary labour ensuring its reproducibility as a class and capitalism as a historical society. The vampire-like siphoning of “vulnerable” populations from mixes of subsistence and quasi-servitude plantation agriculture by globally disarticulated industry which then spews out human beings with exhausted labouring capacities into pools of surplus humanity bloating shanty towns (or jettisons them back to their villages of origin, as World Bank policy so cynically lauds) is a reflection of both “economies” failing to meet the historical test of material reproducibility. That requires the direct producers obtain the product of their necessary labour (and we are bracketing here discussion of the monstrous misallocation of resources fomented under neo-liberal policy). If employment in the SEZs was sufficient to ensure the direct producers receive the product of their necessary labour there would be no need for a so-called fallback position in subsistence farming. If the latter satisfied basic conditions of material reproducibility, rural producers would not need to migrate to SEZs or sell their children into slavery to survive. However, each constitutes an enabling condition for the other which portends no future, class or otherwise, for the human beings ensnared by this toxic brew.

### **Socio-material Communication in the Socialist Green Future**

There are challenges which all projects of socialist construction in both developed capitalist economies and the third world will have to meet. The obvious first challenge is eco-sustainability. This vitiates socialist visions which advocate “basic” or “guaranteed” income redistributions as the paramount goal given how current structuring of economies and division of labour around ever-expanding consumption of imminently “obsolete” goods (as well as the supporting commercial, lived and transportation infrastructure) contributes to our environmental morass. And, as both greens and eco-socialists well recognise, actually generalising the current development model of mass consumption automobile societies amounts to the ensured annihilation of the biosphere. Society-wide planning, even with information and computer technology-generated calculations simulating market equilibrium solutions and animated by democratic decision making, as recent models propose, also fails in the area of environmental sanctity. This is because socialist models remain too much a prisoner of capitalist modalities in their reduction of socialism to abstract technical questions (notwithstanding economic democracy) of marshalling

necessary inputs to meet given output targets. Similarly, so-called market socialism which proponents suggest would harness capitalist “efficiency” under various schemes of public ownership will remain environmentally negligent as it is precisely the quantitative bent of society-wide market operations that is the source of eco-degradation.

All societies building socialism will need to institutionally configure their economies to promote socio-material betterment – involving primarily the social *motivation* for *work* (Figure 2). Marx, in one of his most visionary statements, maintained how, in a genuinely progressive socialist society, work, even arduous forms of it, is to become “life’s prime want” (Marx, 1875). That is, *alienation* in work, in all its historical forms, must be extirpated. For example, capitalist society “frees” work from the *extra-economic* compulsion the direct producers were subjected to in interpersonal relations of domination and subordination in pre-capitalist economies. But workers in a capitalist society, paradigmatically at least, are then subjected to *economic* coercion. That is, no matter how high the remuneration, work, that human activity without which human society would be an impossibility, is destined to be alienating precisely because it constitutes a *disutility* performed only for future reward. Soviet-style experiments, given their guarantee of the decommodification of labour power, certainly held populations with scant experience of capitalism in thrall with their relatively abundant social entitlements. Yet they proved less attractive to mass publics of advanced capitalist states given their historical regression to forms of extra-economic compulsion for work. Socialist societies of the future must deploy modes of socio-material communication and institutional/property edifices which promote *self-motivation* as the paradigmatic form of compulsion for work if they are to provide a historical advancement over capitalism.

Finally, all socialist societies must configure their economies to reproduce material life for concrete human purposes and the satisfaction of human use-value needs and wants. Because capitalism wields human economic life for its abstract goal of value augmentation and, to the extent it even meets use-value wants, does so only as a by-product of that abstract chrematistic, capitalism stands as the limit form of what a human society should *not* be. Socialists must think about their new society in its most fundamental incarnation as the institutional opposite or antithesis of capitalism.

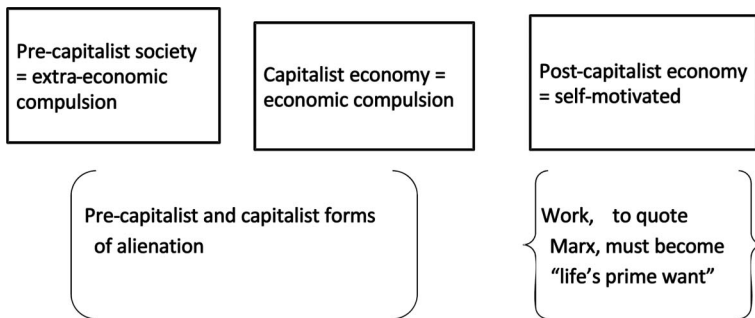


Figure 2. Historical forms of motivation or compulsion to work

This goes as well for the third world where, although the predominance of capitalist economic modalities in the overall “national” economy has in many cases been limited (often to only select export sectors and their linkages), its ideologies and practices have been hegemonic. But, as already remarked on in relation to the Soviet-style exemplar, it is not enough for socialists to strip away the capitalist integument or, in more recent popular left parlance, to “decommodify” economic relations, as non-market forms of alienation may emerge to take their place. Most importantly, when the capitalist integument is stripped away, socialists must cultivate an acute social sensitivity to the heterogeneity of use-values in manifold terms of the what, how, how much and where of their production, placing a careful eye on the eco-sanctity of human existence as well as effacement of alienation in economic life.

As alluded to above, and treated in broad outline elsewhere (Sekine, 2004; Westra, 2008a; Westra, 2009; Westra, 2010a), it is proposed that to achieve such multifaceted socialist goals under current “really existing” world economic conditions socialists will need to commence the successor society project around three economic sectors. Each of these must deploy discrete modes of socio-material communication and forms of institutional organisation tailored to the specific use-value needs and forms of use-value and service provisioning that the sectors are to be responsible to society for (Figure 3).

The bedrock of the socialist society may be appropriately named the *qualitative* use-value sector. The geospatial scope of the sector is the local community, referring to a social collectivity residing in a given area (that may be honed from existing town, borough, district or villages), encompassing between 100,000 and 200,000 people, depending upon the population circumstances encountered and producing use-values. The *raison d’être* for qualitative use-value communities is not simply a question of small-scale versus large-scale but to ensure that the basic goods society

### Tri-sector economy adopting 3 key principles of economy – sensitive to use- value heterogeneity and human need

**Qualitative goods sector** – rural communities + sections of urban areas with adjacent agricultural lands adopting forms of reciprocity + LETS. Responsible for foodstuffs, household sundries, clothing, locally sourced building materials and as many other final consumption goods as possible given local conditions.

**Urban or city sector** – linked to qualitative and quantitative goods sectors. Responsible for most specialised services and to provide flow of labour for quantitative goods sector.

**Quantitative goods** – ‘state’ sector, located near requisite resources, adopting participatory ‘guidance’ planning. Responsible for heavy construction and transportation equipment, producer goods, energy and transportation infrastructure, and so forth

**Figure 3.** Tri-sector economy

requires for its fundamental material economic reproducibility are supplied in appropriate quantities and produced in eco-sensitive ways as well as under conditions of democratic popular empowerment, collective ownership and socialist self-motivation. These communities will be essentially producing final consumption goods or use-values largely for themselves.

In the developed world the challenge is to forge qualitative use-value communities from potentially arable lands and “non-built” areas (erstwhile farmland, for example, “rezoned” for “monster home” suburbs for the wealthy) adjacent to major urban centres, as well as around smaller towns and in rural districts. Depending on local conditions goods to be produced will include food staples as well as any other food crops for which there is community demand and supportive soil conditions. Of course, aquaculture, hydroponics, greenhouse gardening and so on expand the potential array of products beyond that circumscribed by climate zone. Some construction material, furniture, apparel, household sundries, children’s toys and so on may also be produced by qualitative communities. Remember, at the dawn of the capitalist era, agriculture constituted the centre of human productive communities and what manufacturing existed was embedded in rural areas and plied as a subsidiary operation. The first capitalist “dis-embedding” à la Polanyi was actually industry from agriculture, followed by technology and energy from ecology, humanity from the natural environment and ultimately the economy from the social. Current world economic trends have exacerbated such dis-embeddings multi-fold. Greens, in particular, have long decried the global disarticulation of agriculture and food provisioning in all its manifestations. These include: multinational corporate agribusiness genetic modification of species, chemical and industrial farming practices, hypermarket sales networks, energy-intensive international “trade” transportation infrastructures (where similar goods are simultaneously exported and imported) and the fact that world markets exert pressure on land use toward a narrow range of globally traded commodities and away from local and even national food provisioning needs (Lyson, 2004; McKibben, 2007; Norberg-Hodge et al., 2002).

Across the third world combinations of villages in which a semblance of community culture persists will constitute the geospatial site of the qualitative goods sector. The challenges here, even more pressing than for developed states, are the linking of local agriculture to local community needs and its de-linking from global markets which have fostered production of globally traded goods to the detriment of locally consumed staples. As one analysis succinctly puts it, “poor people go hungry while surrounded by fertile land that produces luxury crops for the rich on the other side of the world” (Norberg-Hodge et al., 2002: 75). It is emphasised that numerous studies carried out all over the third world demonstrate how “small-scale, diversified agricultural systems have a higher total output per unit land than large-scale monocultures” (Norberg-Hodge et al., 2002: 76) and this notwithstanding large landholdings linked to corporate farming control the best land. Such insights have already been given rudimentary mass transformatory expression in third world agriculture reclamation movements like La Via Campesina<sup>14</sup> and through what Martinez-Alier dubs “the environmentalism of the poor” (United Nations Research Institute for Social Development, 2002). Early critical socialist voices from the third world, unfortunately, little heeded in the days of Soviet-style experiments, had also

argued that huge potential for employment, poverty reduction and fruitful interchange with local agriculture resided in the local sourcing and production of a range of similar goods as those qualitative use-values proposed above for the qualitative community sector in developed countries (see, for example, Thomas, 1974). In fact, one significant divergence from the Soviet-style society-wide planning template was China's approach under Mao to enable collectively-owned town and village enterprises. This sector, operating across China's vast rural expanse and *outside* the state planning edifice, would emerge as the most dynamic sector from the initial reform years to the late 1990s, growing on average 20-30% per annum in that period (Goldman and MacFarquhar, 1998: 7-8).

Besides the overall abstract quantitative tenure of capitalism, environmental degradation, exacerbated under current global trends, flows from its sundering of historical links between production and consumption which foster *disinterest* on the part of workers as producers in *what* is produced and *indifference* among workers as consumers in the *how* of production. Overcoming this capitalist malaise by qualitative use-value communities of the size proposed here follows from the collective ownership stake all members of the community have in operating and allocating production tasks and resources as well as through the direct democracy of the community. Variants of the reciprocity mode of socio-material communication, enshrining co-operative interpersonal economic relations, mark the qualitative goods community sector. It is precisely in this economic context that local exchange and trading systems (LETS) and local money is essential. There are certainly other forms of reciprocity that may be utilised, including mutual aid, need exchanges, alternating service provisioning and the like. And the community as just outlined is not the only site where reciprocal exchange of use-values and services may occur. Schools, co-operatives, clubs, medical clinics and so on are similarly appropriate.

We will return to the mechanics of LETS operation momentarily. As the discussion in this article is about socialist change and development under current "really existing" circumstances what requires our remarking upon here is a point alluded to above: that across the neo-liberal era with capital increasingly unable to minimally sustain human livelihoods in even the developed countries, this compounded by the environmental morass the world over, LETS have already begun to proliferate. They have done so as spontaneous nubs of resistance and protection of society from globalisation's ravages. From its origination with Michael Linton in the early 1980s in a community in British Columbia, Canada, LETS spread around the world largely to "disadvantaged" rural areas, though these have been located predominantly in developed economies (Pacione, 1997).<sup>15</sup> Greens have made the connections between LETS and the resuscitation of community economies, local food production and consumption and incentives for organic farming (McKibben, 2007). Advocates for local money have argued for the role of LETS in community and economic democratisation, community social interaction as well as drawing attention to the historical record of LETS and other forms of alternative currency systems alleviating hardship during economic crises (Greco, 2009). That Marxists, including eco-socialists, have not considered LETS hinges on ambivalences found in Marx (Itoh, 1995: 50-1). However, as argued above, Marx's fundamental position on the *exogenous* character of the commodity economy (money, wages, even profits among them) suggests that, predicated upon public ownership of the means of

production, such forms may be utilised in a flexible fashion to achieve socialist development goals.

The second economic sector is the *quantitative* goods or “state” sector. The responsibility of this sector is producer goods, intermediate goods, transportation and construction equipment and so on (even if the productive domains of qualitative and quantitative communities in terms of categories of certain intermediate and final consumption goods will be determined in practice. The quantitative sector is so named because its production focus is products that lend themselves to standardised mass production methods. Within the quantitative sector, it must be understood that given the production methods and distance between it and final consumption a modicum of alienation in work will remain. Society can offset this partly through automation and deployment of information and computer technologies and also by the rotation of labour forces from the third administrative sector located in current cities as well as seasonal workers from qualitative communities. The mode of socio-material communication of the quantitative state sector is a variant of democratic participatory planning. The participatory plan, however, cannot be “mandatory” but a “guidance” plan as economic space has to be made for quantitative sector operations to compete and turn a profit which will benefit collective owners and the socialist society as a whole.

The geospatial locale of this sector must be decided by its shareholding owners – residents of the qualitative goods communities and its urban workforce – and entails careful consideration of proximity to resources and energy sources to be harnessed. Land ownership of the quantitative goods sector must be predominantly vested through shareholding in the hands of the qualitative goods communities that are serviced by it. In this way local communities ensure that only environmentally sound production practices are adopted by the quantitative sector and that the goods produced by it meet qualitative community economy demand. Quantitative sector productive infrastructure may be initially carved out of that currently owned by existing corporations. As touched upon above, current corporations involved in producing the sorts of goods ascribed here to the quantitative sector had already adopted modes of economic programming, if not outright planning, thus their co-opting by socialist “governments” or communities and subjection to participatory planning will not render them any less effective than successfully run publicly owned companies today. In fact, there is evidence that, leaving aside the exorbitantly remunerated top executives of corporations, there exists a gathering competent managerial “cadre” of current corporate, government and non-governmental organisation functionaries with strong interests in eco-sanctity and community-responsible business that may play their part with workers and farmers in the transformation outlined here (van der Pijl, 2010).

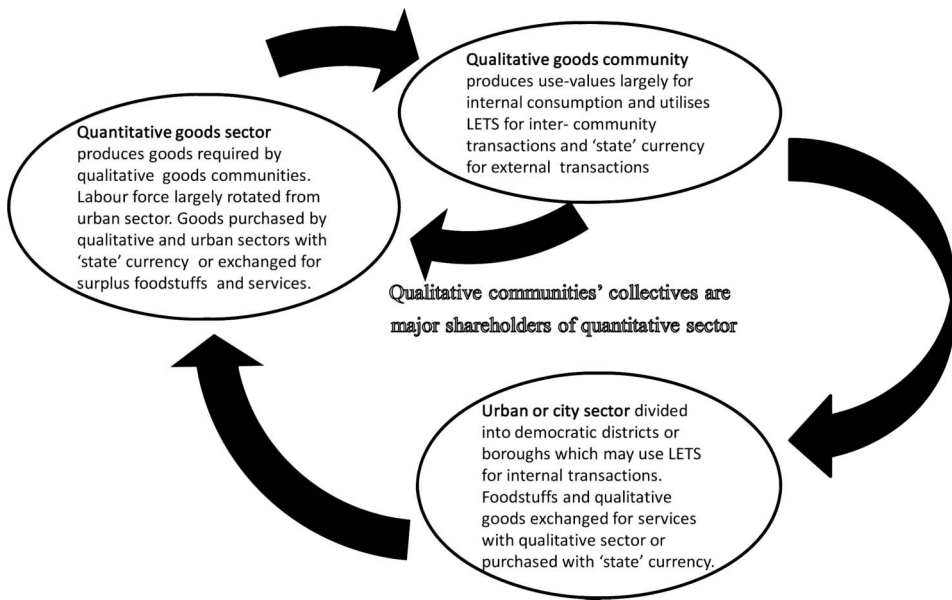
Notwithstanding the global disarticulation of production, more production infrastructure is currently in the developed world. Nevertheless, enough of it resides in most third world states for qualitative goods communities to turn to the servicing of their needs. As well, genuine socialist projects taking root in developed states can be counted on to offer technological assistance in solidarity with those in the third world. Indeed, as the example of the Bolivarian Alternative for the Americas (ALBA) demonstrates, socialist-orientated states within the third world, such as Cuba, Venezuela and Bolivia, are already promoting new forms of regional

co-operation and sharing of expertise and resources amongst each other (Broad and Cavanagh, 2009). Even so, given that considerably more people in the third world live in rural areas than in the developed states, and given the daunting challenges of poverty alleviation and food provisioning, the immediate goals must be to consolidate qualitative goods communities, reverse the flows of population to urban slums and the empowering of these communities to exert ownership control over quantitative goods sector activity as well as ensuring favourable terms of exchange between themselves and the services that will be the prerogative of the third or urban sector.

The transition to a socialist future is to take place under actually existing historical conditions. Thus, it is to be expected that cities in which variegated specialised service provisioning is concentrated must be factored into a socialist economy. In the tri-sector socialist alternative, cities constitute the third or *urban* sector. In many of the highly urbanised developed economies the three economic sectors will *not* be separated geospatially to any great extent. Rather, the operational thrust of the tri-sector economy is to create a vehicle supporting direct popular empowerment of peoples as well as for optimal functioning of modes of socio-material communication orientated to heterogeneous use-value considerations in economic life. Within large cities the question of popular empowerment has to be dealt with similarly. One way is to break cities down administratively into the “boroughs,” “districts” and “communities” of which they were historically composed and to some extent still divided for political management. However, centralised urban bureaucracies are to be eschewed. In the third world, where so much of urban growth has been ringing of cities by slums and shanty-towns, the domain of the vulnerable trapped in the pathological interchange between industry and agriculture, the revitalising of communities in the qualitative goods production sector provides an opportunity for the immediate diminution of urban populations.

Cities, however, in terms of consumption and waste disposal habit, energy use and coveting of food resources cannot carry on with business as usual. A circular flow model of the economic exchanges among the tri-sector communities will be presented below (Figure 4). Here we can point out how across both the developed world and third world urban agriculture has emerged as a site of current eco-economic change. One estimate suggests “as many as 800 million urban farmers produce about 15% of the world’s food” (Mougeot, 2006: 6). In the USA, urban community-based agriculture flourished during periods of wartime rationing and also became part of the emergency response to the Great Depression. Today, urban agriculture not only supplements diets of the poor but is a conduit to resuscitating urban community life and development and fosters new norms of community co-operation (Lyson, 2004: 95-6). To take an example from the third world, in Cuba, where most agricultural land was devoted to monocultural sugar production based on the trading relationship with the Soviet Union, the collapse of Soviet-style experiments forced a rapid constitution of a local food production regime. Urban agriculture provided a huge boost to this effort as 8000 gardens cultivated by over 30,000 people sprang up in Havana by 1998. The Ministry of Agriculture in Havana in fact replaced its front lawn with a garden operated by its employees and provided lettuce, bananas and beans for the Ministry lunch-room (Norberg-Hodge et al., 2002: 110-12). And, should water be scarce, minor modification to household plumbing will direct so-called “grey





**Figure 4.** Circular flow model of economic interchange in a tri-sector economy

water” from sinks and showers to filtering systems which then recycle it for use in urban gardens (Mougeot, 2006: 45).

There is also nothing “futuristic” in the deployment of new renewable and sustainable energy sources in each sector – qualitative, quantitative and urban (in both the developed and non-developed world) – as the future for our planet, if it is to have one, is now. As McKibben (2007: 145ff.) argues, the technology exists to build homes with solar roof tiles and shutters, create community clusters of solar panels and then link these with windmills emplaced appropriately around towns along with heat pumps capturing energy from the Earth all in a local grid which may be supplemented by small-scale fuel-burning power plants. European states, such as Denmark and the Netherlands, have already constructed decentralised energy systems. An eco-sound transformation of transportation networks has also begun, adopting methods ranging from fuel cell technology for buses to creating bicycle-friendly communities. One of the biggest challenges the world over, McKibben continues, is overcoming the psychological attachment to the automobile. De-automobilisation will be an essential part of the re-employment of populations and creation of a new economic vibrancy as a whole new infrastructure of eco-sustainable mass transportation networks must be constructed to replace the highway systems and their petroleum economy. Again, schemes to reduce single-owner automobile reliance are already in place in some European towns, offering a practical template. Yet, just as small moves toward re-localising economic life and eco-refurbishing of cities are being taken in developed states, which the new tri-sector socialist economy can extend, across the third world the emphasis on what is euphemised as “development” is producing massive dams, large-scale hydroelectric

projects, giant fossil fuel plants and petroleum transportation infrastructures which impel unsustainable urbanisation and support the export of agricultural commodities to wealthy countries (Norberg-Hodge et al., 2002: 104ff.). This must be vigorously opposed and reversed by socialist movements in the third world.

### **LETS and State Money in the Tri-sector Economy**

How socialists come to power and at what politico-administrative level does not matter. Provided they campaigned on the sort of eco-sustainable economic transformation guaranteeing human socio-material betterment sketched out here, the first act of the elected socialist governments in varying geospatial locales must be to devolve economic decision making to the democratic qualitative goods sector and collectivities within the urban sector, together with funding as one-time large budgetary grants to the communities and collectivities. From that point the question of money becomes crucial. Money, the world over, has already had ties binding it to substantive commodity money and the capitalist market operational procedures which governed commodity-economic allocation of money severed. What remains is *fiat money*. Fiat money in national and international economic spaces is today politically controlled and managed by a narrow cohort of specialised elites for international ruling class interests (Greco, 2009). For example, tens of trillions of dollars have recently been funnelled to varying categories of financial intermediaries in the USA and the European Union to cover losses incurred across a decade-long orgy of speculative gambles. Several trillion are allocated to wreaking death and destruction in Afghanistan and Iraq. Billions more find their way into “discretionary” budgets to thwart opposition to this order, running the gamut from covert operations in our university classrooms to “renditions” of so-called “evildoers” to secret torture facilities. Yet, try as a neighbourhood collective to borrow a hundred thousand dollars from your community bank to start up a local co-op and there is none to be had. Across the third world money has been wielded as a truncheon to “structurally adjust” economies toward all the eco-destructive, poverty-inducing, urban slum-engendering pathologies remarked upon above. And, as Greco (2009) continues, the current tendency to further bind international monetary intercourse to a shrinking group of currencies and centralised elite management cartels portends a world where the range of economic choices is ever more circumscribed and insulated from democratic input. If there is any silver lining in the foregoing it is that these practices show that neo-liberal free market spin is ideological and establish a *prima facie* case for the socialist control and management of money for quite different purposes than at present.

In the chartered qualitative goods sector LETS will reflect community collective commitment to the reciprocity economic principle of socio-material communication. With transitions proceeding under the supposition of an initial budgetary grant, the qualitative goods community will be able to set up material infrastructure for the production of most basic agricultural and construction goods. An agreed upon ownership regime and a process of democratic decision making will serve to largely undermine pre-existing power and wealth asymmetries in the community. And, given the socialisation of education, training, health care and other fundamental services, the *raison d'être* for perpetuating wealth disparities to ensure inter-generational

reproduction of a host of specialisations will be dampened. Beyond this, however, a myriad of potential goods and services deriving from individual interests and skills will need to be exchanged to enrich qualitative goods community life. Of course, qualitative communities which spawn through de-linking from current neo-liberal state projects face an immensely more difficult challenge though, again, examination of groups of villages in many third world states reveal that rudimentary infrastructure in construction and agricultural support as well as basic services exist which socialists can co-opt.

Of the three major functions of money – (i) means of exchange; (ii) store of value; (iii) measure of value – LETS operation in qualitative communities utilises money in its function as a means of exchange *only*. As qualitative community members are producing use-values largely “for themselves” the total product of the most basic goods will be appropriated by the direct producers. Such “appropriation” can be managed in various ways as by individual, family, neighbourhood co-op, collective etc. Assuming democratic decision making and a socialist community commitment to gathering and disseminating up-to-date economic information, the real *new* cost to society in expenditure of labour time for a limited range of basic goods can be directly measured for their *sharing*. LETS money is issued in democratically agreed allotments to families (or other specified units) based upon the community trust in this money for purposes of acquiring basic goods (prices for which will be administered) and exchange among varied producers of a wide range of goods, centralised calculations of labour time for which would prove daunting. In practice though, the LETS prices for these in small-m market exchanges will gravitate around these calculations. Exchange of services, of course, is, and will continue to be, a subjective enterprise which LETS will address in different practical ways.

It should be remembered that, as a form of socio-material communication, money and markets existed in history exogenous to variegated underlying relations of production in society. In capitalist society, where producers are atomised, and interpersonal relations of production are replaced by impersonal relations between things, money as the external measure of value emerges as the visible social connector, while the law of value acts as maestro imposing fleeting order on the anarchy of capitalist production to ensure both the material reproducibility of capitalism under constraints of its social class relations of production and continued profit-making. LETS schemes applauded by greens like Greco (2009), where an economy is to be based on a community-wide “free market” and LETS money allocated by an *issuer* only in exchange for goods and services (without the issuer itself controlling production) reprises views long ago criticised by Marx which failed to grasp the simple fact that private labour is never *directly* social (Itoh and Lapavistas, 1999: 248-51). LETS operation conceptualised here as an expression of the socio-material communicative principle of reciprocity and community sharing is superimposed upon a substantial transformation of the social relations of production. Again, there exist multifarious potential alternatives for this as well as community property relations, but the question of social labour time of the community devoted to production of basic goods *must* be addressed *ex ante*.

To understand the functioning of the state currency utilised by the quantitative goods and urban sectors and in the relations between these sectors and LETS communities, the extent to which state fiat money is institutionally managed in the

neo-liberal order must be appreciated. Rather than the currently existing publicly owned yet spuriously claimed “independent” central banks, a genuinely public bank, democratically accountable to representatives from the qualitative goods sector communities, collective management/worker committees of the quantitative goods sector and representatives from the urban sector will manage state money, credit issuance and so forth for vastly different purposes. A lengthy book can be written on the multifarious ways neo-liberal policy makers manage money and credit to subsidise a raft of environmentally, socially and economically deleterious practices ranging from massive subsidies to giant oil and agribusiness corporations to the “bailouts” mentioned above, all under conditions where the ratio of CEO salaries to those of average workers in the USA rose from 40: 1 in 1980 to an estimated 431: 1 by 2005 (Martinez, 2009: 221). In the socialist tri-sector successor society augmenting abstract value will no longer be the social goal. It is to be replaced by the satisfaction of qualitative human use-value needs, and with social provision of so many necessary services, the social significance of possessing money will be hugely transformed and its use as measurement and store of value circumscribed. In practice, the extent to which the society-wide market operations of capitalism are restricted in the early transitional period will be the determinant factor in the use of state currency credit and rates of interest, if any, varying categories of borrowers are charged for its advance (Itoh and Lapavistas, 1999: 259). But one thing is clear, another lengthy book can easily be written on the numerous ways socialist and green development goals will be furthered by a host of new, democratically decided subsidies and allocations.

The relationship between LETS money and state fiat currency is guided by the need to maintain the co-operative socio-material communicative principle of reciprocity in qualitative goods communities and in urban boroughs where LETS operate. State currency flows into qualitative communities as rent income from ownership entitlements of the quantitative sector and possibly from sales of agricultural products to both the quantitative goods and urban sector. However, it is to be expected that state currency also flows out for purchases of quantitative goods and specialised services. The centrality of LETS within the qualitative goods sector amounts to a measure of community co-operation and solidarity. Because the direct producers of qualitative communities are largely working for themselves, that their activities are directed not only toward reproducing their economic lives but also for enhancing community flourishing into the future does not alter the fact that the distinction between necessary labour and surplus labour will recede. And, parallel to that, much of the impetus to hold state currency. Within the quantitative goods sector the distinction between necessary labour and surplus labour will remain. But because it will be co-operative associations, as mentioned above, which democratically decide the uses to which monies and goods thus generated are put, the function of surplus labour will be radically different from that existing in class societies given how it will “complement” necessary labour rather than “confront” it as an alien power (Itoh, 1995: 65). To facilitate exchanges among the sectors and sub-units within them, LETS and state currency may be exchanged one for one. Workers in the quantitative goods sector and service providers in the urban sector will be paid largely in state currency. However, given levels of socialisation throughout the sectors, its use is commensurate with LETS and confers no special

privilege. In the end, as socialist relationships are regularised over the generations among the spreading socialist commonwealth around the world, the lines dividing sectors can be expected to “wither away” as Marx envisioned.

## **Conclusion**

This article commenced with the point that development in terms of capitalism, particularly as it was conceived in the post-Second World War period, is no longer a realistic possibility for the third world. The focus then turned to an interrogation of recent socialist and green proposals for a new and progressive eco-sustainable future. It was argued that a paucity of attention is given by both socialists and greens to elaborating specific economic relations that will ensure the long-term material economic reproducibility of future progressive human societies and simultaneously achieve development goals of popular empowerment, eco-sustainability and poverty alleviation as well as fundamental socialist goals such as socio-material betterment. The concept of socio-material communication was then introduced as a means of grappling with how socialists might creatively combine economic forms in successor societies. The matrix for such creative combination it is argued is the heterogeneity of use-values. That is, the society-wide impersonal capitalist market with its homogenising quantitative calculus proved adept in satisfying social demand for standardised mass-produced material goods. Yet its management of the qualitative sensuousness of nature and agriculture has been hugely problematic. And, as social demand in industrial societies shifted toward heavy steel, consumer durables, national transportation infrastructures and a welter of public services, the capitalist market had to be extensively supplemented by the state redistributive principle of socio-material communication. The fact that today only a small percent of employment is devoted to standardised mass-produced goods in erstwhile industrial societies and even third world economies are becoming de-industrialised “prematurely” constitutes robust evidence for the diminishing necessity of capitalist markets and the profit principle in our economic life.

Economic history reveals that the co-operative, communal socio-material communicative principle of reciprocity and face-to-face exchange of use-values has supported material economic reproducibility of a variety of human societies. In both Soviet-style centrally-planned redistributive societies and in capitalist society it also proved irrepressible. And, as greens and LETS proponents show, its scope has grown anew under global neo-liberalism; particularly in agriculture and attendant community activities where human flourishing dictates attention to qualitative social outcomes rather than quantitative ones. The tri-sector socialist economic design proposed in this article is not “utopian,” in that terms’ pejorative connotation, nor will it require Herculean revolutionary exertions to realise. Rather, it is a matter of disciplined rational thought about our economic lives and their betterment combined with the democratic will of the mass public. The tri-sector economy as argued extends several already existing trends. The question of money has been emphasised throughout this article because of the stranglehold its current political management places on our economic future by perpetuating forms of economic activity which contribute little to humanity though much to a small global elite cohort. Besides reflecting the co-operative reciprocity form of socio-material

communication, LETS also spotlight the possibilities for using today's fiat money for very different human ends.

## Notes

- <sup>1</sup> This term draws upon Soviet era debates over agriculture. Stalin used a "scissors" pricing policy to extract wealth from the countryside and channel it to the proletariat in cities. Park Chung Hee in South Korea and Chaing Kai Shek (when in Taiwan) used pricing as a tool to enrich agriculture which then provided a market for urban goods. This was a particularly important development strategy in a milieu where rural-based revolutionary movements were challenging the capitalist order.
- <sup>2</sup> Socio-material betterment involves progressive change in structures of motivation for work, economic empowerment and quality of human material life in all its multidimensionality.
- <sup>3</sup> For a Marxist exemplar, see Kovel (2002). Compare, for example, to central chapters in Korten (2009).
- <sup>4</sup> On the Marxist position, see Kovel (2002) and Löwy (2005). Green positions on re-localization and community are presented in McKibben (2007).
- <sup>5</sup> The emergent field of environmental economics, lauded by some green theorists, stumbles over precisely this conflation of meanings of exchange in mainstream economics, as it seeks ways to reflect the "right price" for environmental destruction (see, for example, Speth, 2008).
- <sup>6</sup> The fundamental contradiction of capitalism as belaboured across several thousand pages of Marx's monumental *Capital* is that between value and use-value. Use-value is the transhistorical foundation of all human existence. Value is the historically delimited principle of capital. Use-value is qualitative and heterogeneous. Value is quantitative and homogenising. In *Capital*, Marx tracks the way value overcomes use-value obstacles or contradictions to form a historical society. *Capital* constitutes a dialectical thought system that unfolds all the categories of capital and their immanent interconnections. To achieve its goal in clearly defining what capital in its most fundamental incarnation is Marx allows value in theory to have its way with use-value. Outside the theoretical purview of *Capital*, in the rough and tumble world of history, use-values in their manifest heterogeneity resist the homogenizing thrust of value to varying extents.
- <sup>7</sup> In capitalist societies, the fact that human labour power is available for a certain price renders it like other commodities – an input to be converted to a particular given output. Yet, labour power is in a very fundamental fashion *not* just another commodity. Unlike other inputs in the production process, labour power cannot be capitalistically produced. Unlike other commodity inputs, it is impossible to adjust its supply to fit demand. Under conditions of ongoing accumulation, capital tends to absorb the industrial reserve army, precipitating a superabundance or over-accumulation of capital in relation to the size of the working population. As wages rise and profits fall, businesses close while capital turns to speculative endeavours. In the ensuing depression and devaluation of capital, surviving capitalists introduce new technologies, raising the organic composition of capital and reconstituting the industrial reserve army to spur but another bout of capital accumulation. Hence the contradiction between value and use-value in the very maintenance of capitalist relations of production is resolved in the capitalist business cycle by capital revolutionising the forces of production (see Westra, 2009: 30-3).
- <sup>8</sup> Polanyi never answers questions as to what *causes* the economy to suddenly "dis-embed" from the social or why, if the economy as he studied it across its varying historical forms always existed, have we only with the rise of capitalism recognised this and attempted a disciplined study of "economics?" Marx, on the other hand, answers these questions in his understanding of capitalism as an upside-down reified economy. That is, in "objectifying" relations of production by converting them into relations between things, capital renders economic life "transparent" for the first time in human history and, therefore, amenable to theorising. Marx's recognition of capitalist reification is the basis of Marxian economics' claim to science. Because mainstream economics, from classical to neo-classical, never interrogates the historicity of its discipline, its claims can amount to no more than ideology.
- <sup>9</sup> If social resources, most particularly human labour, are shifted to the production of iron while mass society is clamouring for grain, the future of such an order will be put in question. Human history is littered with examples where chronic misallocation of social resources led to such demises.
- <sup>10</sup> As Marx famously illustrated it, Robinson Crusoe's daily work time ensuring his survival on his island, including "extra" time he chose to work to put something away for a rainy day, constituted his necessary labour. Only if a few roving pirates stumbled upon Robinson's island and forced Robinson to work to sustain *them* while they drank and sunbathed instead of working, would Robinson have to

perform *surplus labour*. Social class relations of production where the direct producers – slaves, peasants or proletarians – receive only part of the product of their labour (that, at minimum, necessary for their survival to work another day) may be viewed in this light.

- <sup>11</sup> The “labour theory of value” explains how *the law of value* operates to mediate between the specifically capitalist organisation of economic life and the production of use-values, which is the foundation of all material existence. As argued elsewhere, Marxists have devoted much attention to the exploitative, class-dividing nature of capitalism, but very little analytical work has shown how such an order, which converts interpersonal relations of production into economic relations between things, is able to exist in the first place. For those interested in pursuing the complex economic mechanics of the law of value in both the micro-economic and macro-economic context of the capitalist business cycle, see the discussion in Westra (2009: 24-38).
- <sup>12</sup> Broad and Cavanagh (2009: 83-4) point out that among the billions living below the UN-designated US\$1.25/day poverty line are over 300 hundred million indigenous peoples who live in relatively (until very recently) isolated communities. These indigenous peoples avail themselves of natural resources and engage in reciprocal/primitive communistic modalities of socio-material communication. Though they are “poor” in the technical sense, their quality of life is arguably far better than many of their peasant counterparts who, unable to continue engaging in subsistence farming, often end up in urban slums.
- <sup>13</sup> There is not any historically “even” or “pure” model representing this change. Nevertheless, accounting for temporal variation and development sequencing, from the commencement of the twentieth century to the 1970s, the proportion of the labour force employed in industry in what are generally considered developed capitalist economies, was 40-50%. The proportion employed in agriculture plummeted to below 30% by 1950 and to around 12% by 1971 (Feinstein, 1999). Global South societies at the close of the twentieth century had more than 50% of their populations tied to agriculture.
- <sup>14</sup> See, for example, the La Via Campesina statement to the UN General Assembly meeting on 6 April 2009 on the global food crisis, <http://www.un.org/ga/president/63/interactive/programmeglobalfoodcrisis.shtml> and <http://www.nffc.net/Farmers%20Worldwide/Right%20To%20Food%20-%20Saragih.pdf> (both downloaded 14 June 2010).
- <sup>15</sup> LETS proponents maintain websites pointing to its geographical spread and extolling its virtues. An e-journal has sprung up on the subject. See, for example, <http://www.personal.u-net.com/~gmlets/resources/>; and the e-journal <http://www.uea.ac.uk/env/ijccr/links.html>.

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