

Towards a Radical Institutional Critique of “Green” Growth

Jenica Marie Kramer

Graduate Student
Institute for Economic Research (IIEc)
National Autonomous University of Mexico (UNAM)

Abstract: The belief system associated with neoclassical, or orthodox economics, can be understood as an enabling myth which supports an ongoing process of capital accumulation. Despite the heterodox approach taken by many proponents of sustainable development, the notion of green growth can similarly be described as an enabling myth, serving as justification for the continued expansion of capitalist markets. This inquiry seeks to establish that ideas selected from three institutional economists support a radical institutionalist critique of green growth. The good society of John Kenneth Galbraith shall situate this investigation within the history of economic thought and offer key concepts with which a contemporary critique may be built. William Dugger’s understanding of power, alongside his description of how enabling myth works to naturalize instituted process becomes structural support for a radical institutional critique. Expanding upon Elinor Ostrom’s notion of polycentric governance, this inquiry recognizes grassroots struggle and reasonable direct action as legitimate tactics in the transition to a sustainable and fairer world. Furthermore, this is a call for economists working within the tradition of evolutionary economics to seriously engage with the degrowth discourse prevalent within the field of ecological economics.

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This inquiry seeks to establish that ideas selected from three institutional economists support a radical institutionalist critique of green growth. Firstly, *the good society* of John Kenneth Galbraith situates this investigation within the history of economic thought and offers key concepts upon which a contemporary critique may be built. The study of *power* provided by William Dugger, alongside his framing of how *enabling myth* works to conceal and naturalize *instituted process* becomes structural support for a radical institutional critique. Finally, the *polycentric governance* of Elinor Ostrom brings our institutional framework to life, particularly when considered in light of critical research and recent events serving to *politicize polycentrism*.

On Practical Judgement and the Growth Doctrine

It seems to me, the most virtuous aspect and redeeming quality of the long history of economic thought is what can be described as a normative search for the social good. And so, it is along this virtuous path that we begin. Aristotle reasoned that the good life is life, lived well—in pursuit of virtue, developed through intellectual contemplation and socialization with others. But unlike Aristotle’s *Nicomachean Ethics*, situated within the “democracy” of ancient Greece that excluded women and enslaved men, John Kenneth Galbraith’s *The Good Society* (1996) holds that all people should have the opportunity to pursue the good life, regardless of their social status. For Galbraith, *the good society* shall be reached when access to *a rewarding life* is not denied to anyone on the basis of “remediable” circumstance.

Despite a somewhat sanguine deference to what he perceives as an overall historical tendency towards social progress, Galbraith (1996, 12-13) warns against a political attitude of self-interest adopted by persons enjoying *relative privilege* within the United States of America.

Galbraith's (1996, 4-5) concept of relative privilege proves useful for uncovering who gets to dictate the social good, and how. Seeking *political justification* for the existence of social hierarchy, those who benefit from it develop, and later make frequent reference to, ideologies that defend their self-interested behavior. In other words, the "privileged position" invents "the economic and social doctrine that serves it best."

Galbraith (1996, 14, 21) manages not only to warn against the specific threat posed by the ideology of neoliberal capitalism, but cautions against *ideological identification* writ large—or, what can be understood as the acceptance of doctrine at the expense of (virtuous) intellectual contemplation. Ideological identification appears as "the expression of an economic and political faith." It should be viewed as "an escape from thought into rhetoric" which permits "the substitution of broad and banal formula for specific decision in the particular sense." Galbraith urges that we move away from relying on ideology to justify the economic and political positions we support, advocating instead for the implementation of *practical judgement*, in which action is based upon contextual analysis of available facts, unique to each particular case. This judgement of the practical sort is not only needed to avoid collapsing reason into dogma, but is crucial for challenging the doctrine which seeks to privatize the good society. Thus, in order to implement practical judgement, we must clarify our goals. That is, we must determine what constitutes a good society.

For Galbraith (1996, 23-24), economic opportunity is key. The good society must have a good economy, an economy that works "well and for everyone." Noting the "constraints imposed by human nature, by history and by deeply ingrained patterns of thought," Galbraith (1996, 3) recommends that any "useful identification of the good society" should consider both

institutional structure and “human characteristics that are fixed, immutable.” Stated differently, our ideal good society must consider culture as well as human nature. These acknowledgements will guide our practical judgement away from utopian visions, towards goals that are achievable.

Unfortunately, Galbraith appears to have overlooked the importance of another constraint acting on the good society. In addition to human nature, nature in the broad sense—represented by the intricacies of ecological relationships and the laws of physics—limits that which can be achieved by any society, good or otherwise. This admission is apparent in Galbraith’s (1996, 24) unequivocal stance that “the good society must have substantial and reliable economic growth,” represented by “a substantial and reliable increase in production and employment from year to year.” What Galbraith presents as irrefutable fact—that economic growth contributes to social well-being—is apparently for him, not representative of the “escape from thought into rhetoric” which he opposes.

Galbraith’s firm belief in the growth doctrine is congruent with his rosy interpretation of history marked by social progress. That is, Galbraith’s identification with the ideology of development that promises prosperity for all (in the long-run), is itself an expression of an economic and political faith. What is needed, is a contextual analysis of available facts. The growth doctrine must itself be challenged with practical judgement. The good society must be an ecologically harmonious society, in addition to a society in which access to a rewarding life is not denied to anyone on the basis of remediable circumstance.

Currently, relative privilege exists in the form of uneven risk, associated with the effects of global warming and ecological crisis. Communities who are least responsible for trashing the planet suffer the most, while those who benefit from it seek political justification for their self-

interested behavior. Galbraith (1996, 22) was unable to predict the extent to which the *controlling doctrine* of neoliberal capitalism would succeed in reconfiguring the institutional structures of society. Attempting to permanently affect judgement by redefining what is practical, this controlling doctrine has converted even the most necessary (and achievable) goals into utopian dreams. To understand how, we must adopt an analysis of *power*.

Green Growth as Enabling Myth, or the Instituted Process of Ecological Disaster

It is true that Galbraith developed his own analysis of *power*. The phenomenon of *relative privilege* detected by Galbraith could even be understood as an embodiment of power. However, with a radical institutionalist critique in mind, I have chosen to consider the theoretical advances of William Dugger—primarily through an investigation of two key texts: “Power: An Institutional Framework of Analysis” (1980) and “Instituted Process and Enabling Myth: The Two Faces of the Market” (1989). William Waller suggests that “A Reconsideration of William Dugger’s Analysis of Power” (2022) could lead to an effective methodology for investigating economic and social problems from an institutionalist perspective. In “From Primitive Accumulation to Modernized Poverty” (2022), Alexander Dunlap demonstrates how this can be done, applying Dugger’s framework to an analysis of structural violence from a cultural and political anthropology perspective. What I propose is that, in addition to providing structural support for researching economic and social problems, Dugger’s ideas offer crucial insights for a radical institutionalist critique of green growth.

Dugger (1980, 897-898) defines power as “*the ability to tell other people what to do with some degree of certainty that they will do it.*” Coercive power is dubious and risky; whereas

power that is covert and based on obedience is secure, benefitting from the advantage of going (mostly) unnoticed. The level of force required for the successful realization of power is an inverted indication of its true strength. Power depends on “the relation between institutional structure and individuality.” It must be understood as a function of institutionalized patterns of thinking and doing which affect individual beliefs and behaviors. For Dugger, the institutional structure of the United States of America is divided into six clusters of institutions. The corporation, which dominates the economic cluster of institutions, has become the primary force in American society. That is, the dominant institutions of the educational, military, kinship, political, and religious clusters have all come to serve the dominant institution of the economic cluster. This particular institutional make-up is what Dugger refers to as *corporate hegemony*, which might be understood as a feature of neoliberal capitalism—the strength of whose *controlling doctrine* was underestimated by Galbraith.

In order to understand how the values and goals of the corporation have become the values and goals of universities, security forces, politicians, parents, and religious leaders, Dugger (1980, 901-903) identifies four social mechanisms, or *invaluation processes*, by which the corporation has attained institutional hegemony. It is through these invaluation processes that power operates and is reinforced. They are: *subreption*, *contamination*, *emulation*, and *mystification*. Subreption destroys institutional autonomy, incorporating the functions—or ends—of all major institutions as the means of the dominant institution. Contamination happens when the motives of one institution begin to influence the roles of others. Emulation is when one institution becomes the “fountainhead of social value.” Lastly, mystification occurs when the symbols most valued by society are produced by the dominant institution. Waller (2022, 98-99)

remarks that in later work, Dugger replaces subreption with *subordination*, in which the values held by major institutions are incorporated as the means by which the dominant institution defends its own values. Notably, as Dugger's thinking evolves, the values and functions of the major institutions which do not directly become the means of the dominant institution "are often used to turn away criticism of or actual challenges to" the dominant institution. To understand how this works, we might consider the social function of myth.

In Galbraith's terms, those with relative privilege seek justification for a political attitude of self-interest through ideology. For Dugger (1989, 607-609), the *vested interests* seek to justify their dominant position within stratified society through myth. Myths are powerful mechanisms for social control. When used to maintain hierarchical relationships, they become *enabling myths*. The market, when mistaken as a natural phenomenon, acts as enabling myth. This is because the market is in fact an *instituted process*. It is the product of human organization. This means that there are people who are responsible for instituting the market in such a way that many people go without access to the necessities of life. The myth of the immutability of the market protects the vested interests who benefit from it from having to actively defend their power; it enables them to exercise their power without the use of force. Galbraith advises that practical judgement should be employed to challenge the ideological justifications made by those with relative privilege, in order to achieve the good society for all. For Dugger: "What has been instituted in one way can be reinstituted in another way." The rules of the market need not be as they are. A fairer and more just world can be created. Rejecting the enabling myth and controlling doctrine of the market eliminates the protection from scrutiny enjoyed by the beneficiaries of the particular way in which the economy is organized, calling their privilege and

their power into question. In other words: “When the market is understood as an instituted process, those who institute it can be held responsible.”

Distinct from the market myth proper which naturalizes remediable inequalities in an attempt to quell dissent, the development myth embodied in the growth doctrine feeds on the false hopes that remain—further justifying the market as it is currently instituted, by promising to (eventually) lift the standard of living for all. If Dugger (1989, 609) is correct that “the law of gravity binds planets,” while “the law of supply and demand binds men,” then the law of economic growth apparently sets them both free. *Never mind the laws of thermodynamics! Capitalist expansion is limitless and defies physics!* It seems to me, green growth must have evolved from the development myth.

Dunlap portrays “The green economy as counterinsurgency, or the ontological power affirming permanent ecological catastrophe” (2023), and I tend to agree. Considering that “the economy” is one in which output tends to increase year-after-year, we can assume that “the green economy” is interchangeable with green growth. Given Dunlap’s previous engagement with Dugger’s institutional framework of analysis, I believe it is also correct to assume that Dunlap has both accepted and internalized Dugger’s thinking on power and myths. For Dunlap (2023, 47-8), the green economy operating as “counterinsurgency” acts a “global pacification device,” as well as “an apparatus designed to advance political control,” aiming to calm climate anxieties while at the same time stifling protest and opening up new markets for capitalist accumulation. Its effectiveness in achieving these goals is contingent on “legitimacy construction” or the successful creation of its own ideological justification (or enabling myth). When understood as a method of counterinsurgency, the green economy highlights the “intentional and engineered

reality” of climate disaster. And so, green growth is a myth, enabling the continuation of capitalist accumulation in the face of global environmental catastrophe. This is achieved by channeling climate concerns into enthusiastic support for the very economic system that is to blame for the destruction of planet Earth. I am inspired to rework Dugger’s (1989, 607) statement quoted above and suggest that *when the climate crisis itself is seen as a part of an instituted process, those who institute it can be held responsible.*

GLOBAL NORTH GOVERNMENTS: YOU OWE US!

For most, if not all humans, avoiding further global temperature rise and ecosystem collapse would be considered a social good. In “A Polycentric Approach for Coping with Climate Change” (2009), Elinor Ostrom too endorses this stance. Observing that when climate policies are adopted solely at the global level they are less likely to generate the trust required for successful collective action to occur, Ostrom advocates for an experimental, multileveled, *polycentric governance* approach to climate change mitigation and adaptation. In recent years, an effort has been made to politicize Ostrom’s polycentric approach (Wit & Mourato 2022; Ridder et al. 2023). Fernando Tormos and Gustavo García do so explicitly in “Polycentric struggles: The experience of the global climate justice movement” (2018). For Tormos and García, *politicizing polycentrism* means embracing diversity in various forms. It also means expanding institutional analysis by recognizing the roles of social movements and of contentious politics in relation to climate governance strategies, while considering the power relations inherent to diverse and polycentric struggles. What I would like to do with Ostrom’s concept of polycentrism is demonstrate the usefulness of embracing its politicized technique by consulting sources outside

of academia and the economics profession. In doing so, I hope to enrich our scholarly research and institutional critique.

What follows is a transcription of *Democracy Now!* news coverage¹ filmed at the 2024 United Nations climate summit. Commonly referred to as COP29, this 29th “Conference of the Parties” concluded on the 22nd of November. The two-week summit was held in Baku, Azerbaijan. In the footage, climate justice activists and other concerned individuals are seen donning keffiyehs and holding signs that read: “NO CLIMATE JUSTICE WITH BLOOD ON OUR HANDS!” as well as “REPARATIONS FOR CLIMATE DEBT!” and “GLOBAL NORTH GOVERNMENTS: YOU OWE US!” Arnold Jason del Rosario of the Jubilee South Asia Pacific Movement serves as moderator. Arnold addresses the crowd and introduces speakers who represent various perspectives and voices from the Global South. Haneen Shaheen of Arab World Climate Action Network speaks first, followed by Collin Rees of Oil Change International (OCI) and Rimsha Rehan of Rural Reconstruction Nepal.

Arnold: [Addressing the crowd] “We are not demanding aid! We are not demanding charity! We are here to demand justice! And this justice comes through climate finance! How much do we want comrades!?”

Crowd: “Trillions! *Not billions!* Trillions! *Not billions!*—”

Arnold: “My friends, the tax that they are talking about is clearly lacking in the demands of the Global South! And now, to tell us further about the intersection of the climate crisis and the effects of the ongoing war and genocide all over the world, let me call on our comrade, Haneen!—”

Crowd: “Fill the loss and damage fund now! Fill the loss and damage fund now!—”

Haneen: “Now, it’s only our *fair share* of equity! It’s our *fair share* of equality! This is what we are asking for! This is what we want! Pay up now!”

Crowd: “Pay up now!”

[This exchange between Haneen and the crowd repeats twice more]

¹ <https://www.youtube.com/watch?v=wvcQs-CxJ2M>

Haneen: “*It’s our money!* You’ve been taking it for so long! Hundreds of years! Hundreds of years taking our resources! Hundreds of years taking our land! *Occupying us!* Mixing wars with all your development! Mixing war with private businesses! And you don’t *want* us to get our money back! Give us our land back! Give us our share!—”

Arnold: “I call on now, Collin from OCI!”

Crowd: “Pay up! Pay up! Pay up for climate finance! Pay up! Pay up! Pay up for climate finance! Pay up! Pay up!—”

Collin: “We are here to demand trillions of dollars of public finance! This is not charity! *This is a debt!*—an obligation that the Global North owes to the Global South! It is a legal obligation, and we will not stop fighting until that obligation is met! We are demanding that this finance be *public* and high-quality! This finance must be based on grants and grant-based equivalents!—*not on loans!*—not on things that further in-debt the Global South and continue this dangerous, deadly cycle! This finance must be high-quality—it must also *not* be from the private sector! Because the private sector are the ones who have helped drive this climate crisis!—who have helped get us into this mess! We cannot rely on the same corporations, on the same rapacious banks who have driven the climate crisis!—*who are driven by profit!*—*not by human rights and by justice!*—”

Arnold: “What we are asking for is not unreasonable! They pump money into the fossil fuel industry! *We know where the money is!* *We know where financing lies!* And now to discuss further, I call on our comrade, Rimsha!”

Crowd: [Cheers]

Rimsha: “No more debt! No more loans! No more false solutions!”

Crowd: “No more debt! No more loans! No more false solutions!—”

Rimsha: “My dear friends, I come here from a country where there is a lockdown going on. It’s not covered anymore!—but my children, my women, and my youth are having a lockdown because of the air pollution that is being caused! And who is financing this climate crisis!? It’s all Global North countries who are financing this! And we are still begging them for more loans to support our economic growth! *They owe us!*—we don’t owe them! *They owe us!*”

Crowd: “*They owe us!* We don’t owe them! *They owe us!* We don’t owe them!—”

Arnold: “We have been told to *keep it down*, as if we aren’t being piped-down enough! Are we being *loud!*?”

Crowd: “No!”

Arnold: “Are we being loud *enough!*?”

Crowd: [Louder] “No!”

Arnold: “Maybe we can give it one more chance, my comrades! Trillions! *Not billions!*”

Crowd: “Trillions! *Not billions!* Trillions! *Not billions!* Trillions! *Not billions!* Trillions! *Not billions!* Trillions! *Not billions!*—”

The anonymous warning to “keep it down” is evidence of the censorship and control that the demonstrations were subject to inside of the COP. *Democracy Now!* reports² that the threat of

² <https://www.youtube.com/watch?v=iiDE2ifQZzQ>

state-sanctioned violence was present both inside and outside the official grounds, where Azerbaijani law-enforcement officials arrested journalists alongside climate and environmental justice activists. Despite (mostly) yielding to the restrictions required of them in order to maintain participant status at COP29, the demonstrators' demands were far from compliant with the status quo. In addition to their call to "STOP FUELING GENOCIDE!" that charges fossil fuel corporations with ties to Israel as complicit in the murder of over 45,000³ Palestinians since October 7, 2023—the demonstrators' notion of debt, re-conceptualized from the perspectives of previously-colonized and dispossessed communities of the Global South, reflects a worldview that is radically distinct from and in conflict with the ideology of green growth. The words "YOU OWE US!" read differently when backed by the generational trauma stemming from colonial violence followed by more predation wrought by an unfair system of international loans. The demonstrators' demands for the Global North to "PAY UP NOW!" are distinctly framed in this context.

If one only engages with the demands of the demonstrators on a superficial level, it may appear as if what they are asking for is simply finance. But they are not simply asking for finance. They are calling for those who are responsible for instituting the climate crisis and the unfair market system to be held accountable for their actions. They are calling for a redistribution of wealth and power. They are reconceptualizing the externalized costs of carbon emissions as debt owed to the communities least responsible for climate change and at the same time most affected by it. They are demanding reparations—both for climate debt and for the violent process of underdevelopment which accompanies capitalist development elsewhere.

³ This is an "official" estimate of the number of Palestinians killed by Israeli bombs or ammunition. The actual number of Palestinians who will have died as a result of Israel's genocide on Gaza is unfortunately much higher.

Conclusion

This investigation has sought to exhibit ideas selected from three institutional economists that may be utilized to advance a radical institutionalist critique of green growth. We began with the good society of Galbraith in which a rewarding life should not be kept from anyone on the basis of remediable circumstance. I argued that the good society should also be an ecologically harmonious society and considered the limits to economic growth. Dugger provided a definition of power as well as a framework for institutional analysis, and we addressed the social functions of myth alongside a critical reflection of green growth. Ostrom suggested an experimental, multileveled approach to climate mitigation and adaptation. Lastly, we embraced a politicized polycentric approach, considering the role played by social movements in climate governance strategy.

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