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Maja Göpel

The Great Mindshift

How a New Economic Paradigm
and Sustainability Transformations
go Hand in Hand



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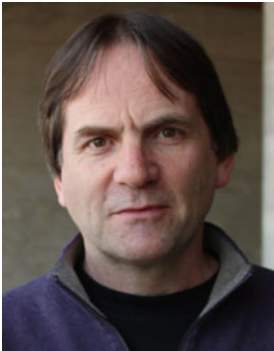
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*To Frankie Moore-Lappé,
beloved heroine and friend.
The more I understand,
the closer I move to your thinking*

Foreword by Prof. Dr. Simon Dalby



In December 2015, the world watched as delegates to the Paris climate conference crafted an agreement to attempt, finally, a comprehensive effort to tackle the rapidly growing dangers of climate change. The agreement marked at least some tentative innovations in global governance. Its approach worked with what states offered in terms of their intended contributions, rather than trying to accomplish the traditional process of drafting a “top-down one-size-fits-all” treaty. In numerous side events to the main conference, corporate actors, environmental campaigners and policymakers compared notes on their programs and exchanged ideas

about how to construct a more sustainable world. Clearly after two decades of fairly ineffectual efforts in climate policy, world leaders are starting to think about how to proceed and doing so in ways that suggest, very tentatively, that traditional modes of thinking are giving way to new ways of thinking about governance.

The Paris meetings emphasized the great difficulty that many contemporary modes of thinking and policy analysis have in grappling with the climate question. Conventional ideas of climate as a pollution problem, a matter for regulation and environmental legislation, are now no longer enough to grapple with either climate or many other sustainability issues. Discussions of earth system boundaries and a safe operating space for humanity are now juxtaposed with the dawning realization that at least some low-lying member states of the United Nations may be completely inundated in coming decades by rising seas. The conventional economic development thinking of the twentieth century seems increasingly inappropriate in the face of global change. Market-based measures may be part of the short-term policy attempts to reduce carbon emissions and accelerate the uptake of renewable energy systems, but clearly more is needed, much more than conventional economics has to offer.

In part, this is because of the simple but profound insight that forms one of the bases for this book that climate change and the combustion of fossil fuels that are the primary causes of the problem are not a matter of scarcity or inadequate economic development. Quite the contrary! The problem of climate change is a matter of too much fossil fuel that is easy to extract from the ground and burn to power all manner of human technologies. Applying economic reasoning premised on scarcity, shortage and the need to massively increase human energy use and hence produce necessities for human flourishing, to the problem of climate change, is a major conceptual and political error. Hence, the need for a fundamental transformation of policy discourses and of their intellectual underpinnings in modern assumptions and modes of thinking. A “mindshift” is very obviously needed.

This is obviously in part about economics, and crucially about the idea that growth is the answer even if it is not clear what the question actually is. Maja Göpel’s “great mindshift” is also about a recognition that humanity has, albeit mostly inadvertently, changed its place in the planetary system by the scale and persistence of its activities. The introduction of the controlled use of fire, agriculture, the selective breeding of domesticated species, complex tools, city building, industrialization, and now the construction of a global production and trading system based on fossil fuels have transformed both humanity and our habitat in fundamental ways. We have already postponed at least one, possibly two ice ages, and hence, the rich and powerful parts of humanity have effectively taken the future geological conditions of the only habitat we all have into their hands. All of which has led to the increasingly wide adoption of the term Anthropocene to specify present circumstances.

These new recognitions, of both the problem of too much fossil fuel and the sheer scale of humanity’s actions, now require that we rethink many things. Just as modernity required a dramatic shift in thinking as part of what Karl Polanyi termed the great transformation to a commercial society based on the notions of interests, economic growth and relatively unregulated markets, the new conditions of living in the Anthropocene require new formulations and also new modes of human conduct. If the planetary habitat for future generations is to be kept even close to the conditions that humanity has known for its recorded history, we will have to “shift our minds” in a new transformation that incorporates the insights of earth systems science and numerous new research endeavours to build sustainable societies on new principles.

Given that economic reasoning has become the way in which so much of human activity is described, interpreted and increasingly governed, a fundamental re-evaluation of its basic premises, of the scarcity assumption, the efficacy of current modes of “growth” and the quest for narrowly defined efficiencies in markets, is long overdue. Hence, this volume, which tackles these key themes directly, is to be very much welcomed as a most useful and timely contribution to both the critical re-evaluation of the hegemonic thought processes and policy practices of contemporary economism as well as to new political, economic and, crucially, ecological thinking that breaks away from the increasingly counterproductive formulations in contemporary policy. As the World Social Forum slogan

has it: “other worlds are possible”. But to successfully achieve the necessary transformations to make them we will, as this volume so clearly indicates, need a “great mindshift” to facilitate building new institutions and modes of life for the billions of humans who are now crowding our rapidly changing planetary habitat.

January 2016

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Foreword by Prof. Dr. Uwe Schneidewind



The twenty-first century is an age of radical change. It presents us with challenges of a new dimension, scale and scope. The transformation challenge of the twentieth century was seen as one of primarily socio-economic dynamics with nation states being the central actors. We are now facing a situation where we are aware of planetary ecological boundaries and the global nature of the transformation ahead.

Recognizing the urgency and magnitude of this challenge, the German Advisory Council on Global Change (WBGU) argues in its 2011 flagship report that we need a “Great Transformation”. Referring to

Karl Polanyi’s work, it creates a realistic vision for the twenty-first century of a good life for 9 billion people within planetary boundaries, that is, if we manage to accomplish a great transformation.

What we need, if we want to make this vision a real option for the future, are concepts that capture the complex nature of intertwined ecological, social, economic and technological transformation processes for sustainable development. The concepts need to offer guidance and orientation to the people that are actually engaged in the transformation process. Over the past 15 years, scientists have developed approaches for “transition management” to meet these challenges. Many of these approaches, originating from a diverse set of scientific communities—as portrayed in this book—focus on greening the economy, fostering (technological) innovation, searching for new modes of governance and understanding the dynamic relationship between established “regimes” and pioneers working towards new system architectures.

However, most of the scientific frameworks for sustainability transitions and transformation research remain limited in one key aspect: not reflecting on how deeply embedded the capitalist economic logic has become in organizing societies. For a more adequate conceptualization of the “Great Transformation”, we need a

better understanding of the relationship between modern capitalist societies and the global ecological crisis. Naomi Klein, among others, has emphasized in “Climate versus Capitalism” that the sustainability debate urgently needs to include a critical focus on economic systems.

This is where Maja Göpel’s book comes in: (1) She demonstrates how a critical analysis of the economic dimension facilitates a better understanding of the transformation challenge, and (2) she clearly shows that adopting an economic mindset is not “neutral”, simply offering objective scientific concepts, but has an impact on how societal developments and individual aspirations are shaped, and whether they are unsustainable. With reference to Karl Polanyi’s political economy analysis of the “Great Transformation” of the eighteenth and nineteenth centuries, Maja Göpel argues for a “Great Mindshift” that can help us to steer the next “Great Transformation” in more sustainable directions.

This book is not only a key contribution to the current transformation debate, it is also a milestone for the Wuppertal Institute. Maja Göpel has developed a key element of a more profound theory of transformation, which is essential for the sustainability debate of our times.

February 2016

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Acknowledgement

Writing a book while having babies and switching your job into a new sector is, as I know now, a pretty unwise idea. So these acknowledgements are also something of an apology. My amazing family was often confronted with a person I had aspired not to be: absent-minded, frustrated and irritable when lack of proper sleep or the next kiddie sickness once again destroyed all routines and told my mental capacities that there indeed are limits to exploitation. My partner Christian and my mother Ulla deserve admiration for continued loving and granny-support, and my little daughters Josphina and Juna huge hugs for being so wonderful that despite all the stress, I felt like the luckiest mother around.

So where did this unwise idea come from in the first place? In itself, it was actually a fantastic offer and my big thank you goes to Armando Garcia Schmidt of the Bertelsmann Foundation. As part of the jury for the Reinhard Mohn Prize on Sustainable Development Strategies (2013) I challenged him to put more definition behind what the foundation means when speaking of the need for a paradigm shift. So I got a grant to write down what it could amount to and delved into transformation research while keeping my critical political economy hat on. I found great potential for complementary insights.

My boss, Uwe Schneidewind, lent his support to developing this into a full-on book with a scientific publisher. He enabled official working time for it, some staff assistance and also the Open Access publication. Theresa König was fantastic in her research and editing skills and Nikola Berger much more than a graphic designer.

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endorsements. The same holds for the three anonymous reviewers who were extremely generous with the quality of feedback they provided.

It is to this spirit of joint inquiry for knowledge and strategies in support of sustainable futures that I hope this book contributes.

Berlin
March 2016

Maja Göpel

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Abbreviations and Acronyms

CGBS	Common Good Balance Sheet
CSA	Community Supported Agriculture
DMC	Domestic Material Consumption
EU	European Union
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GNH	Gross National Happiness
GNI	Gross National Income
GPI	Genuine Progress Indicator
HDI	UN Human Development Index
IDDDRI	Institute for Sustainable Development and International Relations
IEA	International Energy Agency
IISD	International Institute of Sustainable Development
ILO	International Labour Organization
IMF	International Monetary Fund
INET	Institute for New Economic Thinking
IPCC	Intergovernmental Panel on Climate Change
IRP	International Resource Panel
ISEW	Index of Sustainable Economic Welfare
ISSC	International Social Science Council
MEA	Multilateral Environmental Agreements
MF	Material Footprint
MLP	Multilevel Perspective
NWI	National Welfare Index
OECD	Organisation for Economic Cooperation and Development
PE	Political Economy
PNAS	Proceedings of the National Academy of Sciences of the United States of America
QDI	Quality of Development Index
RMC	Raw Material Consumption

SDGs	Sustainable Development Goals
SES	Socio-Ecological systems
SETS	Socio-Ecological-Technical Systems
SME	Small- and medium-sized enterprises
STRN	Sustainability Transition Research Network
STS	Socio-Technical Systems
TEEB	The Economics of Ecosystems and Biodiversity
TJN	Tax Justice Network
TMC	Total Material Consumption
TMR	Total Material Requirement
TTIP	Transatlantic Trade and Investment Partnership
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
WBGU	German Advisory Council on Global Change
WCED	World Commission on Environment and Development
WEF	World Economic Forum
WHO	World Health Organization
WSSR	World Social Science Report
WTO	World Trade Organization

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