

Re-dynamising Local Economies in the Age of Trumpism

Michel Bauwens
P2P Foundation
Thailand

Vasilis Niaros
P2P Foundation
Greece

The Rise of Trumpism

Mark Blyth (2016) has given a good analysis of the rise of Trumpism in the context of the crisis of neoliberalism which has negatively affected a layer of the western middle classes and ‘white working classes’. However, like most analysts, he identifies the problem without believing there is a solution at hand. In this article, we argue that there is a political and policy response, which would be able to reconquer the disaffected populations in the Western countries, to a progressive agenda. This answer lies in adopting the commons as a new paradigm to conceive of policy solutions. To explain our approach, we add the analysis of both Kojin Karatani and Karl Polanyi to the insights of Mark Blyth.

Kojin Karatani (2014), in his book ‘The Structure of World History’, has argued that any political and economic system is not just one modality, but an integration of modalities. In the case of capitalism, though ‘capital’ dominates, two other modalities are just as essential for the survival and organization of the system as a whole: the state and the nation. When capital becomes too dominant in the ‘capital-state-nation’ system, the nation, the locus of what remains of community and reciprocity dynamics, revolts and mobilizes, and, if successful, it forces the state to discipline capital. The reason that the present system is so strong, therefore, is that these three act in concert, and whenever one is endangered, the two other sub-systems mobilize to its rescue.

Adding as a second layer of insights, Karl Polanyi’s analysis in ‘The Great Transformation’, aids us in understanding why this ‘three in one systemic balance’ is now dysfunctional. According to Polanyi (1944), the history of capitalism moves back and forth between free market periods, which are phases of economic liberalization, and regulatory periods, roughly changing every thirty years. This is the swing between periods with embedded markets and periods with dis-embedded markets. In some periods, the market forces are dominant (e.g. the ‘Smithian’ capitalism of the 19th century) and, thus, actively subvert the order of society and dislocate it, putting many people in danger in terms of material (and ‘psychic’) security. Eventually, society reacts through mobilizations and utilizing the power that is conquered in the state apparatus, and forces the market back into a more ‘social’ order.

It could be argued, at first sight, that we are currently in the midst of a Polanyian backlash. Blyth’s article (2016), shows how both the right-wing and the left-wing populists broadly identify the same problem, offering of course different solutions. What they have in common is the desire to strengthen the power of the nation-state in order to reform the system.

But what if the nation-state has become a broken instrument to restore the balance in the system? Indeed, Polanyi's pendulum is now broken (Bauwens & Kostakis, 2018). Capital has become transnational in its operations and control mechanisms, but regulations are still decided at a state level. Therefore, globalized and financial neoliberalism has fundamentally weakened the capacity of the nation-state to discipline its activities. Faced with a powerful transnational capitalism, the various nation-state systems have proven pretty powerless to effect any change. This is one of the explanations for the deep distrust that people are feeling towards the current political system, which simply fails to deliver towards any social demand.

Trumpism and Brexit could be seen as reactions against the effects of neoliberalism and its destruction of the middle class. In the United States and the United Kingdom, working class voters rejected the corporate globalization that has created poverty and insecurity (Norberg-Hodge & Read, 2016), and led to an increasing alienation of workers (Archibald, 2009). In the meantime, consumers gain access to cheaper products, the wages of workers fall due to competition with foreign labor, and the investor class benefits significantly while the wage class loses ground (Heinberg, 2016).

Towards New Value Regimes

The crisis of the capitalist trinity has reached a systemic level that cannot be solved by simply re-arranging the three modalities in the existing logic. A more fundamental re-alignment of these modalities is necessary. This is what we have called a transition in regimes of value. Historically, Karatani's book (2014) has identified the value transitions from the civilizations based of the early nomadic bands, where 'pooling' i.e. the commons, was the dominant modality, to the more complex tribal federations, where reciprocity-systems became dominant, to the state-based imperial systems, and finally, the transition towards capitalism. We argue that the current conjuncture, particularly in the context of the spread of global digital networks such as the internet, is creating a new alignment of forces that can already be seen in the prefigurative communities of commons-based peer production. In another study (Bauwens & Niaros, 2017), we have attempted to characterize the logic of this value regime by examining the revolution in accounting practices, through open and contributory accounting systems. At the core of this new value practice lies a re-arrangement of the modes of allocation:

- Value creation is based on the mutualization of productive knowledge through knowledge commons, which creates open and global productive communities;
- New 'generative' or 'ethical' market coalitions are emerging to create livelihoods; and
- New governance institutions are emerging to maintain the cooperative infrastructure.

If we expand this development from the micro-scale, to the level of society and the macro-economy, this new alignment means that instead of 'capital-state-nation', we have 'commons - (generative) market - (partner) state'. This means that instead of returning to the nation-state, with the aim of re-disciplining capital, we need to imperatively focus on the creation of institutions that operate at the global level.

This article focuses on the economic and industrial benefits of this new model. To face the historic danger of a shift of western workers to the radical right, we argue for an alternative plan that can create massive programs of productive work for disintegrating communities, with jobs that are compatible with the need for a social-ecological transition.

Re-Localizing work and Re-Dynamising Local Economies

Today, there is an exponential increase in the number of civic and cooperative initiatives in the western world (De Moor, 2013), that operate outside of the state and corporate world, and focus on the creation of commons, i.e. a shared resource, co-governed by its user community according to the rules and norms of that community. Through these citizen-driven initiatives, local and global projects are attempting to move from extractive models that are destroying the environment and undermining society, to generative models that create added value to the shared resource base that citizens are co-constructing.

The key question in connection to Trumpism is whether these models carry within themselves the seeds of an industrial policy that could offer solutions to these sectors of the population that are attracted to nationalist protectionism. To answer this question, we describe what the new model of commons-based peer production (Benkler, 2006) offers at the level of the organization of global production.

Based on the conjunction of the digital commons (e.g. open knowledge, software and design) with desktop manufacturing and automation technologies (e.g. from 3D printing and CNC machines to low-tech tools and crafts), new sustainable models of production could emerge. Such an example is the 'Design Global, Manufacture Local' (DGML) model, which describes the processes where design is developed, shared and improved as a global digital commons, whereas the actual customized manufacturing takes place locally (Kostakis et al., 2015; Kostakis et al., in press).

Through DGML it is, at least technically, possible to re-imagine production away from neoliberal globalization. While the latter is based on huge expenditures of fossil fuels in global supply chains and proprietary knowledge, through DGML, actual physical production can be done locally, thus producing huge savings in thermo-dynamic expenditures.

The ecological benefits of this model could be summarized as follows:

- Overcomes planned obsolescence (open design communities do not design for planned obsolescence);
- Reduces transportation costs through re-localized production (and thus the consumption of declining material and energy resources); and
- Creates the possibilities for a much more rapid and efficient adoption of an open source circular economy, which is much harder to achieve under scenarios of proprietary intellectual property.

Brian Holmes has described what these ideas would culturally mean for the disaffected populations that have been voting for Trumpist parties (Bauwens, 2016):

The advantage of these relatively inexpensive machine tools is that they allow small groups of workers to autonomously carry out sophisticated projects, fulfilling the cultural demand for dignity of labor without oppressive management by suits. If people learn to use them in a local capitalist factory producing quality goods for decent wages, then during periods of unemployment or early retirement they could also use them in a commons-based economy, to help rebuild a resilient community. In this way the value of one's own labor would be reinforced along a pathway that leads outside of current managerial capitalism.

How many jobs could be created this way? Nobody can give an honest answer to this. However, the experience of the French rural Community Land Trust project called Terre des Liens¹ (TdL), which provides low-rent land to ecological farmers, hints to what would be possible. Indeed, they calculated that their model of 100% organic food would need 12% of workers in the rural areas,

as compared to 2% today, which is a six-fold increase in employment only in agriculture. Just as interestingly, it has proposed using a ‘circular finance’ model, where public authorities re-invest part of their gains. The case of TdL can demonstrate huge savings to the Water Authorities in terms of providing back clean water that quantifiably and dramatically diminishes the cost of water purification.

The task of circular finance would therefore be to find out systematically where such virtuous loops could be created, so that a transition to generative models would fund itself through the savings it produces. This model of financing is of particular interest in a period dominated by austerity policy, as civic and labor forces can argue that such job creation is in fact not spending extra budget but actually eliminating expenditures, which can be re-invested elsewhere. A massive mutualization of physical infrastructures is the way to achieve this.

What would be the vehicles for such a transition? One of the structural elements is the use of the existing networks of ‘open source third places’, i.e. associative and cooperatively-run makerspaces, where the prototypes for such new manufacturing and production could be piloted. The most ambitious program to date is the Fab City² coalition, in which 16 cities have pledged to relocate 50% of their food and industrial production within the city and its bioregion. Across the world, informal or formal ‘citizen empowerment networks’, like the Cook County Commission on Social Innovation³, have proposed local policies and experiments. We can envisage city-coalitions, with public-commons partnerships around the basic provisioning systems, creating ‘sustainability empowerment platforms’ where the contributory actors can propose policies that can be supported by public authorities.

In the current context of social and political instability, with the right-wing populism that drives on the despair of blue-collar workers (Ramos, 2014), this alternative model could be the basis of progressive political programs that would re-create local blue-collar jobs, without resorting to measures related to national protectionism.

However, major impediments are the (post-)Keynesian and market-state duopoly convictions of the progressive forces themselves. As Michal Kalecki (1943) has pointed out, long-term Keynesian policies cannot work in the classic capitalist framework, which means that any proposal for deficit spending cannot be sufficient on its own. The political requirement therefore is a political breakthrough of progressive political forces, to an understanding of the key role of the commons, in any transformation or betterment of the current systemic crisis. In other words, we believe that progressive forces should align, no longer just behind the Polanyian ‘double movement’ strategy of re-embedding the market back under state regulation, but as actors of the reconfiguration towards a commons-based economy and society.

Conclusions

The aforementioned analysis leads us to the following conclusions.

To begin with, progressive coalitions at the city and nation-state level should first of all develop policies that increase the capacity for the autonomy of citizens and the new economic forces aligned around the commons. These pro-commons policies should be focused not only on local autonomy but on the creation of transnational and translocal capacities, interlinking the efforts of citizens and ethical and generative entrepreneurs to the global networks that are currently in development. Such progressive coalitions should focus on post-capitalist construction first and foremost.

Additionally, a revived left should offer large numbers of people productive roles in an economy that can actually build the alternative energy technologies, urban food-production systems and housing infrastructures that are needed to face the ravages of environmental decay and climate change. Rather than doing this according to an ideological prescription, the yet-to-be-created new mainstream left should create economic opportunities that will allow people to fulfill their desires for autonomy and a sense of self-worth.

Last, the only way to achieve systemic change at the planetary level is to build counter-power, i.e. alternative global governance. The transnational capitalist class must feel that its power is curtailed, not just by nation-states which may organize themselves internationally, but by transnational forces representing the global commoners and their livelihood organizations.

Notes

1. <http://www.accesstoland.eu/-Terre-de-liens->
2. <http://fab.city/>
3. <http://www.cookcountymission.com/>

Correspondence

Michel Bauwens
P2P Foundation
<https://p2pfoundation.net>
Email: michel@p2pfoundation.net

Vasilis Niaros
P2P Foundation
Email: bill.niaros@p2pfoundation.net

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