

Beyond the market-state: decentralising power in a sharing society

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At a time when governments are failing abysmally to mitigate climate change, reduce inequality or end poverty, the key to creating a more equal and sustainable world is establishing participative forms of political engagement at all levels of society – from the local to the global.

In an era of politics characterised by unconstrained corporate lobbying, a well-oiled 'revolving door' between industry and government, and an endless stream of campaign contributions from dirty oil and other lucrative industries, is the long-championed ideal of a truly democratic state now a lost cause? Should concerned citizens and activists turn their attention instead to establishing sustainable economic alternatives within their towns and communities? Or should we all be doing much more to ensure that "government of the people, by the people, for the people, shall not perish from the earth", as Abraham Lincoln once avowed?

Few questions are more pertinent at a time when levels of trust and support for the political elite have reached an [all-time low across the globe](#). This is not surprising given the extent to which policies that uphold the common good have been steadily marginalised over the past three

decades in favour of those that promote a predominantly neoliberal agenda. As Oxfam's [head of global policy and campaigns](#) recently mentioned, "policies such as public provision of services, public ownership and subsidy of industry, progressive taxation of rich individuals and corporations, strong trade unions and labour rights, full employment, universal welfare states, strong limits to intellectual property – are still pretty much frozen out of current debates." The consequences of what has become an almost global adherence to a [market-driven ideology](#) is plain to see: a failure of governments to stem the growth in inequality or significantly [reduce global poverty](#), and an inability to agree upon the basic measures needed to [curb global carbon emissions](#) and mitigate climate change.

For the most part, campaigners and progressive organisations recognise that our governments seem incapable of addressing these and many other interconnected crises. Most are also united in acknowledging the root cause of this failure: the [illegitimate power](#) of multinational corporations. It is widely recognised that the greatest influence over public policy in today's globalised world is not wielded by the electorate, but rests with a powerful elite of wealthy individuals and transnational businesses that have unwarranted access to the corridors of power. As this year's [State of Power](#) report by the Transnational Institute sums up, "corporations have succeeded in replacing rule of law with Global Corporate law, using a multitude of norms, treaties and agreements - most recently the Transatlantic Trade & Investment Partnership [TTIP] - to secure their rights to profit above human rights." In short, we are witnessing a crisis of governance and democracy at all levels of society – from local municipalities and national government, all the way up to the United Nations.

This reality is neatly encapsulated in the concept of the 'market-state', which illustrates the imbalance of power between the private sector and citizens, and the impact this has over the formulation of public policy. The phrase was first coined by the law scholar and national security expert [Philip Bobbitt in 2002](#), to reflect the evolution of a new globalised constitutional order in which governments work towards maximising economic opportunity rather than safeguarding the welfare of individuals. Nowadays, however, it is used more generally to describe the fused relationship between governments and big business and the impact this has on society, and is often used as a point of reference by proponents of the commons. As commons theorist [James Quilligan explains](#), "the private sector and banks are rapidly swallowing up governments and bending national constitutions to their favor, decreasing the role of government and limiting our political rights as citizens. Voting and popular representation are becoming less meaningful because governments are pledged to support the interests of large corporations, not the people's interests."

In light of this democratic deficit and the political disenfranchisement that inevitably follows, engaged citizens are increasingly turning to unconventional forms of social and economic organisation that are inherently more egalitarian and provide stakeholders with greater empowerment and more influence over the decisions that affect them. A whole swathe of 'new economy' initiatives have recently emerged to foster community participation and increase access to goods and services in an ecologically conscious way, while broadly aligning to the increasingly popular concept of ['de-growth'](#).

Examples of this assorted grouping of social, environmental and entrepreneurial activities include the Transition Towns and commons movements, the numerous sharing economy and peer-to-peer networks and platforms, cooperatives and community supported agriculture, open source software, co-housing initiatives, and [much more besides](#). Implicit in the pursuit of these predominantly locally-rooted alternatives is the growing awareness that we urgently need a radical transformation in the way we organise society, particularly in relation to how we [share the planet's finite resources](#). As Gar Alperovitz (a [prominent exponent](#) of co-operative enterprise) argues, the goal of these diverse new economy initiatives is “democratized ownership of the economy for the 99 percent”.

From local alternatives to global reforms

The manifold benefits of new economy initiatives should not be underestimated, especially as they go beyond financial measures of economic prosperity to include personal wellbeing, social cohesion and environmental protection. For example, the [burgeoning co-operative movement](#) boasts over a billion members globally and is characterised by strong ethical principles that go far beyond hackneyed notions of corporate social responsibility, while often encouraging the participation of both employees and consumers in decision-making processes. Transition Towns and other resilience initiatives are also gaining in popularity, with their core emphasis on regenerating communities and local economies, providing [social support networks](#), and reducing dependence on fossil fuels and carbon intensive processes. At the same time, tech-based forms of collaborative consumption are making headlines for ‘disrupting’ existing economic models and instituting new ways of accessing goods and services. Research by peer-to-peer theorists such as [Michel Bauwens](#) and [Jeremy Rifkin](#) suggest that the digital sharing of information and knowledge has the potential to revolutionise the way we produce, distribute and consume everyday goods and services as well as renewable energy.

However, there are good reasons to be sceptical about the aggregate impact of individual or community actions in relation to the scale of change that is needed, unless they are part of a broader program of advocacy for structural reform. For example, there is currently a great deal of interest in alternative methods of food production, especially in the [city centres of industrialised countries](#). But the localisation of food production is widely regarded by farmers’ movements across the world as only one part of the solution to the complex problems associated with today’s unsustainable global food system. As [La Via Campesina](#) highlight in their advocacy work, establishing just models of food production means adhering to the principle of ‘food sovereignty’ and reforming a [host of international policies](#) that include the intellectual property rights framework and free trade agreements.

There are similar issues around individual efforts to reduce energy consumption while governments fail to invest in a [global green new deal](#) and fossil fuel companies continue to exploit reserves at [a rate that is incommensurate](#) with agreed emissions targets. In some cases, popular local alternatives could even be counterproductive to achieving the most sustainable and equitable outcomes for society as a whole. For example, proponents of [the sharing economy](#) widely support forms of car sharing, whose benefits are indisputable when compared to individual ownership. But the benefits of car sharing dwindle significantly when compared to the massive reductions in carbon emissions that can be achieved if more effective public transport

systems are built and used by citizens, which requires policy-level change on a scale that is [not actively supported](#) by sharing economy advocates.

Of course, the above examples (and the many others that could be listed) do not present mutually exclusive choices – both local alternatives and more transformative reforms to policies and institutions must ultimately be part of any [great transition](#). However, the danger is that if we fail to make systemic reforms at the policy level then new economy initiatives such as car sharing or urban gardening, forms of commoning and peer-to-peer production, or even Transition Towns could conceivably continue to function (and even grow in popularity) without posing any real challenge to the carbon intensive, consumption-driven economic policies that result in global warming or perpetuate inequality. It is also possible for community-driven initiatives to be co-opted by governments that support localisation while also advancing neoliberal policies, such as when the UK's Conservative Party introduced the [Big Society project](#) alongside debilitating austerity measures.

If we are serious about addressing the root cause of the environmental crisis, [preventing extreme poverty](#) or reclaiming our democratic systems, we must acknowledge that locally-based economic alternatives will not deliver the dramatic changes in society (and across the world as a whole) that are now so desperately needed – at least not on their own. This is especially the case given the scale of the structural reforms needed to reverse ongoing crises like climate change, which poses a tremendous challenge at a time when politicians are failing to reach even the most [fundamental agreements](#) needed to limit global carbon emissions.

In order to have any lasting impact on climate change or implement a [just and sustainable model](#) of economic development, it is also essential that this reconfiguration of institutions and policies takes place at the global level. Without an [international approach to reforming governance](#), the structural realities of a globalised economy are likely to render much of what can be achieved through localisation initiatives largely ineffectual. Many analysts who take an internationalist perspective also argue that in an interdependent world, individual governments [would avoid taking unilateral action](#) on global issues in order to prevent political isolation, capital flight or other financial penalties. It is also feasible that a planned contraction in resource consumption by one country would be offset by increases elsewhere, which would nullify the benefits of such an approach. Any significant transition away from the status quo is therefore a collective action problem that can only be resolved through international cooperation and the formation of global strategies and binding agreements.

Clearly, without a significant change in our current political and economic paradigm, it will remain impossible to address these challenges. As the Trapeze Collective outline in their [constructive critique](#) of the Transition Towns movement, “the analysis of how we got into this mess, and the best way to move on, does bring us back to politics. It involves taking on power and those who hold wealth and influence.” In other words, it will remain impossible to work towards any comprehensive vision of structural reform unless we recognise the historical and political causes of environmental and social crises, challenge entrenched vested interests, and join the global struggle to put an end to the absurd concentration of wealth and economic power that currently rests with the richest 1% of the world's population.

A new society based on sharing and redistribution

In many ways, the [principle of sharing](#) is likely to be pivotal to the transition away from the market-state as it underpins any process of [decentralising and devolving](#) political and economic power to the lowest level of decision making, in accordance with the concept of subsidiarity. Only in more equal and participative ‘sharing societies’ will citizens be able to play an active role in democratising governance institutions and shaping the direction of political life. In stark contrast to the market-state, a sharing society in any true sense will need to [localise economic activity](#) wherever possible and establish any number of more inclusive and effective forms of political engagement, such as online ‘[direct democracy](#)’ platforms, [people’s assemblies](#), [participatory budgeting](#) initiatives, and even [communal councils](#).

From any rational perspective, the overarching goal of social and economic policy in the period ahead must decidedly shift towards securing basic human needs for all without transgressing environmental limits. Another major challenge in building fairer societies [based on the principle of sharing](#) is therefore the creation (and safeguarding) of robust social protection systems in countries across the world. Such systems are important examples of solidarity that enable citizens to collectively pool a nation’s financial resources so that they can be redistributed for the benefit of all. Even though the aging welfare state model [is in need of reform and renewal](#), nationwide mechanisms of mutual provisioning remain the most effective way of meeting longstanding human rights obligations across entire countries.

As the scholar and activist [Francine Mestrum](#) argues, universal systems of social protection enable people to take responsibility for those they do not know by ensuring that everyone’s basics rights are secured – a process that strengthens our ‘collective solidarity’ and embodies a profound awareness of our common humanity. Nonetheless, social protections are continually being undermined by the harsh austerity measures that have been implemented in numerous countries since the 2008 financial crisis, and their proper functioning is unlikely to be restored without increasing public outcry and a substantive reorientation of government policies. Moreover, 4 out of 5 people in developing countries are still denied the social protection guarantees that citizens take for granted in rich countries, which is why it is essential that these sophisticated systems of sharing are also dramatically [scaled up and strengthened at the global level](#).

Yet the notion of a sharing society embodies far more than participatory democracy and the provision of universal social protection and essential public services. In accordance with the principle of sharing, private businesses would also need to substantially change the way they operate by at least ensuring that decision-making power and income is fairly distributed among employees. The current trend towards peer-to-peer modes of distributed manufacturing as well as cooperative, [not-for-profit and socially-oriented](#) business models are important steps in this direction. Additionally, corporations would need to go far beyond ‘[greenwashing](#)’ their activities and adopt genuinely ecological practices that can facilitate the transition to [sustainable production and consumption](#) patterns, and thereby help bring humanity closer to achieving the goal of ‘[one planet living](#)’.

A sharing society would also [include a vibrant commons sector](#) that could function independently of markets or direct government involvement. This is broadly in line with what P2P theorist Michel Bauwens refers to as [the partner state](#) – a reformed governmental apparatus that builds on the welfare state model and actively supports the development of the commons. Democratic and accountable state systems are also a prerequisite to [managing the global commons](#) which, in the first instance, will require representative governments to negotiate new [commons-based legal frameworks](#) to ensure that planetary resources are managed in the interests of current and future generations. Of course, entirely new structures of accountability are urgently needed if governments are to reflect the needs of their citizens in international negotiations, or if they are ever to agree a [workable global agenda](#) for safeguarding the Earth's biosphere.

There can be little doubt that reforming governance at all levels of societal organisation is the key to establishing effective sharing societies. However, even though many of the governance reforms highlighted above are recognised as essential and unavoidable by a growing number of environmentalists and social activists, they remain virtually unattainable in the current political climate. As long as entrenched vested interests maintain their stranglehold over democratic processes, 'government of the people, by the people, for the people' will present an unprecedented challenge to [engaged citizens in all countries](#).

Resilient and socially inclusive communities can clearly play an immediate role in the great transition that still lies ahead, but it will remain impossible to establish economic systems that are structurally just and truly sustainable until political power is radically decentralised - especially at the national and global level - and wealth is distributed more equally throughout society. By recognising the global roots of our local struggles, those working towards local alternatives to economic globalisation therefore have a central role to play in [democratising our governance systems](#) from the top down as well as the bottom up.

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- See more at: <http://www.sharing.org/information-centre/articles/beyond-market-state-decentralising-power-sharing-society#sthash.Q7TCrVRF.dpuf>