

Exploring Commons Theory for Principles of a Socialist Governmentality

Review of Radical Political Economics
1–15
© 2015 Union for Radical
Political Economics
Reprints and permissions:
sagepub.com/journalsPermissions.nav
DOI: 10.1177/0486613415586986
rrpe.sagepub.com


Danijela Dolenc¹ and Mislav Žitko²

Abstract

Acknowledging that the concept of the commons is increasingly considered valuable for uniting left struggles, we develop the theory of the commons by strengthening its link with a Marxist critique of capitalism. In order to do so, we draw parallels between the work of Elinor Ostrom on principles of sustainable governance and Branko Horvat's theory of self-management developed in the context of socialist Yugoslavia. We employ Foucault's concept of governmentality to address the need for a socialist political rationale and governing principles, drawing our starting points from Ostrom and Horvat. First, we leave behind commons theorizing that relies on "exodus" strategies, instead drawing inspiration from Yugoslav self-management as an attempt of linking up the firm to wider social relations aimed at creating egalitarian, radically democratic, and materially sustainable societies. Second, we propose that the search for alternatives to capitalism and etatism goes beyond a change in ownership regime, and into principles of governance. While much of the contemporary progressive political agenda is concerned with distributional issues, we propose that devising governance principles to disable the formation of class control is the crucial innovation needed to advance a socialist governmentality. Finally, formulating the principles of socialist governmentality requires abandoning our reliance on indefinite economic growth which is seriously threatening the material base of human life.

JEL classification: B3, B5, H1

Keywords

commons theory, self-management, principles of socialist governmentality, Ostrom, Horvat

In this essay we undertake a preliminary theoretical exercise intended to strengthen commons theory and social struggles around the commons by integrating a structural critique of capitalism with the imperatives of egalitarianism, radical democracy, and material sustainability. The commons is becoming a key theoretical concept used by the left as many authors recognize its unifying potential for many ongoing struggles that challenge the current political and economic system (Dolenc *et al.* 2013). Exploring the theory of the commons urges us to think about alternatives

¹Faculty of Political Science, University of Zagreb, Zagreb, Croatia

²Faculty of Social Sciences and Humanities, University of Zagreb, Croatia

Date received: December 31, 2013

Date accepted: August 10, 2014

Corresponding Author:

Danijela Dolenc, Faculty of Political Science, University of Zagreb, Ozujska 11, Zagreb, HR-10110, Croatia.

Email: ddolenc@fpzg.hr

and escape the entrapments of a loaded vocabulary (Bollier and Helfrich 2012), which is important if we care about enabling new kinds of political alliances. At the same time, the fact that the theory of the commons is currently being diffused from the West into a region which had extensively experimented with self-management practices during the 20th century is amusing, to say the least.

Nevertheless, we take this as an opportunity to construct a theoretical interface between the commons theory of Elinor Ostrom (1990, 1998, 1999, 2010) and Branko Horvat's (1969, 1983) theory of self-management in Yugoslavia. We propose that the Yugoslav experience is especially valuable in this endeavour because it undermines the false, but widely held, binary opposition between socialism as a regime based on state-ownership and capitalism as a regime based on private property. As we show, Hardt and Negri's (2009) claim that capitalism and socialism are both regimes of property that exclude the common leads to a fallacious reading of the history of socialism in Yugoslavia.

In this experimental reading, we explore whether the theory of the commons can be appropriated by the contemporary left not just in order to claim a new political space that is neither state nor market, but also to make headway toward a socialist governmentality. For Foucault (2008), governmentality refers to techniques and procedures through which individuals and populations are governed. It encompasses both the ideational and the practical component, defining in other words both a discursive field which rationalizes power and specific forms of intervention such as institutions and legal forms that govern subjects and objects of a political rationality (Lemke 2001). In deciding to employ Foucault's concept of governmentality, we are aware of criticisms according to which Foucault fell victim to the "discreet charm of economic liberalism" (Behrent 2009). This is particularly relevant to our endeavor since Foucault seemed to accept the Hayekian notion of the market as a superior information processor (Mirowski 2013), while our attempt in this essay depends on the plausibility of the thesis that intentional, as opposed to spontaneous, collective action (*cf.* Williamson 1991) can yield efficient and equitable outcomes.

Rejecting the Hayekian notion according to which any attempt at creating collective governance mechanisms negates individual freedom, the key cue we take from Foucault is that socialism possesses a political rationale, but lacks the practical capacity to generate institutions that would embody it. According to the notion of governmentality, which Foucault developed in his lectures on bio-politics at Collège de France 1978–79, "what [socialism] really needs is to define for itself its way of doing things and its way of governing" (2008: 94). If the economy is a "social field of regulated practices," the current capitalist system is, like any other economic order, a historically open entity that can be changed politically (Lemke 2001: 193–194). Starting from that premise, we propose that formulating the principles of socialist governmentality which can generate socialist institutions is the single most important task for the contemporary left.

In order to do this, we draw on Ostrom's theory of the commons and Horvat's theory of self-management, interfacing progressive strands of commons theory that affirm values of radical democracy, material sustainability, and egalitarianism with a critical examination of capitalism as a site of exploitation and domination. Given that large strands of contemporary commons theory are agnostic about the capitalist social order, in theorizing principles of socialist governmentality we aim to secure the link between the theory of the commons and the Marxian insistence that capitalism should be analyzed as both a mode of production and a "mode of constructing and organizing social life" (Brown 1995: 13).

This is our principal reason for relating the theory of commons to the work of Branko Horvat, a Yugoslav economist who was a world-renown theoretician of self-management. Developing the work of Benjamin Ward (1958) and other analysts of the labor-managed firm, he acquired world-wide recognition for his empirical and theoretical work on self-management in Yugoslavia. He has been described as a "Marxist well trained in neoclassical economics," and a political economist true to the term, incorporating in his work the "importance of institutions for an

economically efficient, politically democratic and just socialist society” (Franičević and Uvalić 2000: xxiii; also Ward 2000).

The Yugoslav experiment with self-management after the break with the Soviet Union in 1948 is relevant for discussions on the future of socialism given that it was the only existing economy with this experience (Flaherty 1992). In the early 1950s Yugoslavia embarked on a project “of a third way, between the anti-democratic consequences of the command economy and the limited transformation of society wrought by the capitalist economy of social democracy” (Wachtel 2000: 6). In this context, Horvat’s key theoretical objectives were, first, to create “a political reason for worker participation as the organizing scheme of society,” and second, to design institutions that would achieve a “more just distribution of the proceeds of capital accumulation” (Wachtel 2000: 6), which together correspond to Foucault’s concept of a socialist governmentality.

Articulating the relations between a structural critique of capitalism on the one hand, and progressive politics built around issues of inequality, democracy, and environmental sustainability on the other, has proven difficult. During the cultural turn epitomized in the formation of Western Marxism and post-Marxism in the 1960s, inherent contradictions of capitalism ceased to be the focal point of discourses on the left, which was seduced by the idea that the antagonism between capital and labor can be offset by implementing redistributive policies or by relying on the discourse of rights (Brown 1995). Though feminist, antiracist, anti-imperial, and other “new left” movements grew out of a critique of capitalism, over time they shifted into the domain of cultural recognition and away from the critique of capitalism (Fraser 2009).¹ From then on, much of the social democratic project of the late 20th century was founded on the optimism according to which social and political autonomy can be expanded without addressing the underlying logic of capitalism (Brown 1995).

The reason we emphasize this lies in the fact that strands of contemporary commons theory remain vulnerable to the same critique of proposing alternative production and consumption schemes as reconcilable with the capitalist social order. Furthermore, this is why we link commons theory with the theory of self-management. The behavior of any collective production unit “derives to a large extent from the nature of the property and social relations in which the firm is embedded” (Flaherty 2003: 2). While many commons movements rely on the autonomist logic of creating spaces of freedom, Yugoslav experience teaches us that neither economic efficiency nor social equity can be based on self-management at the level of the firm (*ibid.*). Therefore, we leave aside those strands of commons movements that Mouffe (2013) criticizes as “exodus” strategies, and introduce the analysis of self-management in Yugoslavia as an attempt of theorizing ways of linking up the firm to wider social relations aimed at creating egalitarian, radically democratic, and materially sustainable societies.

Exploring this interface from the other angle, from commons theory we draw the lesson that it is fallacious to equate socialism and capitalism with two different forms of property, as shown in Table 1. This reduction has led to contemporary discussions (both within left theory and elsewhere) operating within a set of the following binary opposites.

The first obvious departure from this simplified dichotomy between East and West is the fact that in Yugoslavia it was social property and not state property that was the central institution of the economic system of self-management. This fact opens up the possibility of relating Horvat’s theory of self-management with currently revived theories of the commons which also rely on a domain beyond the state and the market. Another reduction we want to draw attention to is that, in the Cold War context, socialism became equated with distributive economic justice while

¹We are aware that our critique of the “cultural turn” for relaxing the critique of capitalism extends also to Foucault’s work. However, we are very specific in our borrowing from Foucault, restricting ourselves to the concept of “socialist governmentality” and nowhere implying that we have borrowed along with it Foucault’s methodology, ontology, or his overall conception of the political.

Table I. Property Forms in Eastern and Western Europe.

Eastern Europe	Western Europe
Socialism	Capitalism
Economic equality	Political liberty
State	Market
State property	Private property

liberalism became synonymous with individual liberties, reducing the former to economic and the latter to political practice (Brown 1995). As a result, today radical egalitarianism is “the orphan of a defunct socialism,” purged of its “Utopian yearnings for a world of equal freedom and dignity, and narrowed to the pursuit of a more equal distribution of goods” (Bowles and Gintis 2000: 27). As if that was not enough, the subsequent collapse of real-socialist regimes in the early 1990s “pulled the rug of relevancy out from under all disciplines that had depended on their rhetorical thrust on proving or disproving Marxist paradigms” (Linebaugh 2008: 14). In Yugoslavia the socialist experiment was further tainted by the violent breakup of the state and the ensuing nation-building projects (Kasapović 1996). In the theoretically untenable, but politically powerful, distinction between totalitarianism and democracy, in public discourse and academic debates Marxian theory inevitably fell on the side of the former. Ironically, at a time when its insights about the nature of the newly established social relations were needed the most – as the peripheral capitalist formations in Eastern Europe began to take shape – Marxian theory was nowhere in sight. Today, more than twenty years after the fated 1990s, “transition fatigue” and the now-widespread dysphoria with mainstream party politics which is incapable of political mobilization along social class lines (Dolenec 2012a) opened the way both for a reaffirmation of Marxian analysis and for an emergence of progressive movements. This may be just the right time for taking a fresh look at the Yugoslav legacy in attempting to formulate key principles of a socialist governmentality for the 21st century.

Our point of entry into this potentially vast debate is a comparison of three elements found in the works of two scholars who on first inspection have little in common: Elinor Ostrom (1990, 1999, 2010) and Branko Horvat (1969, 1983). While Ostrom was the cornerstone of the Bloomington School at the University of Indiana, whose research program is usually associated with new institutionalism that grew out of rational choice theory (Aligica and Boettke 2010), Horvat was a world-renown Marxist economic theorist of self-management (Franičević and Uvalić 2000). Therefore, in terms of theoretical background, the two thinkers are a world apart.²

However, a contemporary reading of their works reveals that they were theoretically preoccupied with several issues that we argue help us think through the problem of devising a socialist governmentality. We are not the first ones to make the link between theories of self-management and Ostrom’s work on the commons (see Lebowitz 2003; Flaherty 2003³), but to our knowledge, the work of Ostrom and Horvat has not to date been directly compared in search of principles of socialist governmentality. The first question we address refers to their respective understanding of what the often used term of moving “beyond states and markets” would actually entail. The second discusses ownership and its relation to governance, as well as how self-management at

²One thing that they did have in common was a Nobel Prize nomination in economics. Branko Horvat’s book *Political Economy of Socialism* (1983) was the basis for his nomination, though he did not win it. Elinor Ostrom on the other hand won the Nobel Prize in economics in 2009 for *Governing the Commons*, being the first woman political scientist to be given this award.

³Papers given at “The Work of Karl Marx and the Challenges of the 21st Century” conference in Havana, 5-8 May, 2003.

the level of the firm is related to the problem of scale. Finally, we conclude with a comparative insight into how both thinkers treated the underlying fundamentals of economic growth and material sustainability. However, before taking a closer look at how Ostrom and Horvat enable us to re-think socialist governmentality, in the next section we underscore the key challenge in relation to which their theoretical efforts represent a step forward.

I. The Challenge of Instrumental Rationality

Ruthlessly simplifying, we take the combined contribution of Ostrom and Horvat as a rejoinder to the two challenges coming out of the liberal camp: Hayek's knowledge problem and the prisoner's dilemma, developed as models of social interaction under the assumption of instrumental rationality. As is well known, throughout his career Hayek stressed the imperfect form in which humans acquire knowledge. In contrast to the static general equilibrium theory that formed the basis of the socialist calculation debate, he stressed the problem of knowledge aggregation and coordination as an obstacle to creating institutions for managing economic and social processes (Caldwell 1997). The market was for him the indispensable mechanism for dealing with the knowledge problem since only market competition could aggregate partial, local, and tacit knowledge to produce efficient outcomes. This led him to "reject all notions of distributive justice that might guide the construction of welfare state to ameliorate the potentially disruptive effects of the market economy" (Burczak 2006: 2). For Hayek, socialists were committing a terrible mistake in attempting to create institutional arrangements to circumvent the market and private property since it was only through spontaneous evolution of norms that imperfect knowledge could be put to social use. In summary – and contrary to Foucault – Hayek considered autonomous socialist governmental reason as built around a fiction that sooner or later required coercion and authoritarian negation of individual freedom.

If the knowledge problem presents the first major challenge to the formation of a socialist governmentality, the prisoner's dilemma model embodies the second, equally important in its consequences. The dominant strategy in this game reaffirms the assumption according to which an instrumentally rational individual is always better off free-riding on the efforts of others (Amadae 2003). As a non-cooperative non-zero-sum game, the prisoner's dilemma demonstrates that a rational pursuit of individual goals produces collectively sub-optimal results (Hargreaves-Heap and Varoufakis 2004). Indeed, it was the prisoner's dilemma game that grounded Hardin's (1968) tragedy of the commons metaphor against which Elinor Ostrom argued in *Governing the Commons* (1990) and elsewhere. As part of the theoretical toolkit of rational choice liberalism, over time it contributed towards casting a profound doubt on the merits of collective action by advancing assumptions according to which to be rational is in the strict sense incompatible with any kind of collective action.

Here it is worth recalling Mancur Olson's polemic against the Marxian theory of class, for it captures features of rational choice liberalism's approach to the problem of collective action that reappear in subsequent dilemmas, including the tragedy of the commons. For Olson (1965), Marx's theory of collective class action rests on the notion that self-interested individuals act in accordance with their material interests. If members of the working class are conscious of their social interests and if they can act rationally, they will join the collective effort to create an alternative to the existing capitalist order. While some critics stressed that Marx had put too much emphasis on the rationality of class movement, Olson's critique comes from another direction. He attributes the absence of a class revolution to the predominance of rational behavior, given that "as in any large, latent group, each individual in the class will find it to his advantage if all the costs and sacrifices necessary to achieve the common goal are borne by others" (Olson 1965: 105-106). In other words, workers are caught in a paradox reminiscent of the prisoner's dilemma, where their best strategy is to deflect. The same argument has been advanced regarding other contemporary left struggles such as domestic labor or global warming (Hargreaves-Heap and Varoufakis 2004).

Without going into problems of theoretical compatibility between Hayek and the Austrian school of economics on the one hand, and rational choice liberalism on the other,⁴ here it is sufficient to recognize the importance of the knowledge problem and the prisoner's dilemma for negating the possibility of rational institutional design and subverting rational collective action. **Once the left was reduced to an interest group primarily concerned with distributional issues and deprived of theoretical foundations for articulating social change, institutional arrangements based on private property and capitalist markets had no serious alternative.** As part of the overall ideological shift to what we today term neoliberalism, these theoretical assumptions made a deep imprint on the way social interaction is understood in contemporary societies, where no possibility exists for overstepping the narrow corridors of instrumental rationality and "everyone is reduced to the status of an entrepreneur of the self" (Mirowski 2005: 93). Acknowledging that rational choice liberalism was very successful in challenging the self-perception of the left in terms of its theoretical and empirical coherence (Amadae 2003), it is against this background that we explore Ostrom's and Horvat's work in search of principles of socialist governmentality.

2. Beyond States and Markets

The promise of simultaneously moving beyond the state and the market has been appealing for many on the left as they incorporate the notion of the commons into their political strategy. We welcome this shift, both as a sign of the readiness to challenge the old dichotomies, and as an indicator of efforts to expand the base for progressive politics. Here it is important to contrast ways in which this move is conceptualized by Ostrom and Horvat. At the basic level, both Ostrom and Horvat criticize the superiority of both the market as an allocation mechanism and that of the state as an authority imposing solutions from above. However, this criticism comes in different incarnations. **While Horvat is motivated by abolishing exploitation of labor by capital, Ostrom is motivated by avoiding unsustainable exploitation of resources, *i.e.* Hardin's (1968) tragedy of the commons. This distinction has important implications.**

Our discussion of socialist governmentality starts with Elinor Ostrom for two reasons. First, her conceptualization of collective action is an immanent critique of the tragedy of the commons. She is highly critical of the use of this game theory model in formulating public policy and instead starts from a wider set of assumptions about individual and collective behavior that are supported by extensive empirical research. Second, the route she devised to avoid the tragedy of the commons involves a creation of a domain beyond the market and the state. It is based on the notion of self-governance which, we argue, resonates with Horvat's attempt to inaugurate self-management as a way of avoiding the pitfalls of both capitalism and etatism.

Ostrom's (1990) main point was that both regulation by the state and through private property rights are institutional solutions imposed on communities in a top-down process. Instead, she studied examples of collective action whereby communities organized themselves into sustainable self-managed cooperatives. She focused primarily on common-pool resources such as fisheries and communal forests, but since the 1990s her work has been extended far beyond principles for governing natural resources. Not only that; recently we are witnessing the development of an international commons movement. In May 2013 hundreds of people from 30 countries gathered in Berlin for the Economics of the Commons Conference,⁵ discussing ideas and alliances for developing the commons into a core paradigm for the economy and society, and giving new political relevance to Ostrom's theory. Her focus on the domain beyond states and markets is important because it can be used to criticize processes of privatization and commodification of ever new areas of social life, as well as the failings of representative democracy. Demands for

⁴But see Boettke and Lòpez 2002; Boettke and Leeson 2003; Ikeda 2003.

⁵More information available at: <http://commonsandeeconomics.org/>.

self-organization and collective ownership couched in the language of the commons have been an important force in contemporary social movements across the world that are struggling against the privatization of utilities, infrastructure, and services in the public sector.

At the same time, Ostrom's critique of the states and markets dichotomy is incomplete. Ostrom was concerned with theorizing principles of sustainable governance, and not with challenging the underlying logic of capitalism. As a result, the potential for social change within her conception of the commons is limited. Borrowing Fraser's (2003) typology of affirmative and transformative struggles, we may say that Ostrom's conception of the commons inspires mostly affirmative action, which remedies some unwanted consequences of capitalist modes of production, but leaves the underlying structure intact. For instance, many commons initiatives focus on urban gardens, communal childcare, or developing workplace democracy. While they are worthwhile as sites of individual emancipation and as valuable experience of grassroots organizing, on their own they often represent a-political, fragmented actions that cannot address the underlying logic of the problems at hand (Dolenec 2012b). In other words, they reveal the same weaknesses as those we identify with respect to "new left" movements since the 1960s: a dislocation from a structural critique of capitalism.

In addition, these "complementary commons" initiatives often represent middle-class life projects, since only people with sufficient income and spare time can engage in them. In other words, we may introduce hundreds of worker-owned factories, but if they operate within a capitalist logic of production then we have not brought about a transformative social change towards radical egalitarian democracy. As research has repeatedly shown, "capitalist markets pressure democratically-managed firms to conform to capitalist behavior" (Gunn 2000: 455), and the way for this to change is to link the firm to wider social institutions based on principles of democracy, equality, and sustainability. In this we follow Mouffe's (2013) critique of contemporary left theory epitomized in Hardt and Negri's work on multitudes, which conceptualizes radical politics in terms of desertion. Following traditional Marxist conceptions, they see the state as a monolithic apparatus of domination that cannot be transformed, but should be evacuated of power in order to wither away and make room for a reconciled society.

In contrast to that, we contend that the theory of the commons should be advanced, as Mattei (2012) and De Angelis (2012) have argued, by rejecting the conception of the commons as a Third Way. Ostrom's work should be built on in the direction that affirms the values of radical democracy, material sustainability, and egalitarianism without forgetting to critically examine capitalism as a site of exploitation and domination. In this way we may harness the commons' "revolutionary potential and legitimate claims for a radical egalitarian redistribution of resources" (Mattei 2012: 42).

In contrast to Ostrom's concept of the commons as a third domain, Horvat represents an attempt at theorizing a radically transformed society which follows after capitalism is dismantled. Having seen the contradiction of the implementation of worker's self-management first hand in Yugoslavia, Horvat was aware that the search for an alternative to capitalism and etatism required more than a simple change of ownership regime. The starting point of his analysis was a critical survey of two economic systems: capitalism and etatism. For Horvat, etatism was synonymous with the Soviet model, *i.e.* a monolithic structure based on state ownership of the means of production in which the state controls public ownership by means of appointing the management (1983: 183).

In Horvat's analysis, capitalism and etatism share hierarchy as a fundamental organizational principle, both on the societal level and on the level of productive units. As a result, within them the formation of a class society is inevitable (Horvat 1983). In real-existing socialism, commodity fetishism (as a distinctive feature of capitalism) was simply replaced with "bureaucratic rank fetishism," while the infallibility of the market was replaced with the infallibility of the bureaucrat, both having a logic of their own, an autonomy of sorts, and a superiority to all social

subjects (Horvat 1969: 26). While our critique of Ostrom showed that the commons should not be advanced as complementary to existing capitalist relations, Horvat's analysis reminds us that the political project based on the commons should not forget that the state is also a vehicle of domination.

In other words, for Horvat capitalism and etatism are both inefficient and politically unacceptable; hence he develops the theory of the self-managed socialist enterprise, which would operate within a "federation of self-governing communes" (Horvat 1969: 44), as Marx had outlined in the history of the 1871 Paris Commune. The self-managed socialist enterprise is the central institution based in principles of participatory democracy and social ownership. For Horvat, social ownership, as an alternative to capitalism and etatism, implies that "[t]here exists no particular class of owners of the means of production, either individual or collective" (*ibid.*: 236). This entails two fundamental rights and an obligation: the right to use, change, and sell commodities and to reap the benefits from the use of productive assets; and the obligation not to diminish the value of productive assets (*ibid.*: 237). The rights and obligation deriving from social ownership act as a vehicle for the establishment of social relations that will not be exploitative, and will not allow concentration of power by capital or the state. Social ownership is, in Horvat's view, a foundation on which the right of every member of society to work and compete for any position in line with her skills and capabilities, and the right of every member to participate in management on equal terms, can be realized (*ibid.*: 237). In other words, the theory of self-management envisioned a "society-wide system of production and distribution, including but not reduced to structure of the firm" (Flaherty 2003: 3).

3. Ownership, Governmentality, and Scale

Due to the emphasis on private property as a crucial capitalist institution, some left thinkers have uncritically focused their attention on the political claim for common ownership rights as the key institutional innovation important for the socialist project. For instance, for Linebaugh the commons are a theory that "vests all property in the community and organizes labor for the common benefit of all" (2008: 6). Similarly, at the 2009 London conference organized in response to Badiou's communist hypothesis (2008) it was stressed that "in a truly emancipated society, all things should be owned in common."

Mattei (2012), on the other hand, emphasizes that is important not to reduce the commons to a language of ownership; instead, they should be thought of as representing a relation. This is much closer to Ostrom's interpretation of the commons. Hess and Ostrom (2007) specifically state that commons as resources should be distinguished from particular forms of property rights. Ostrom was centrally concerned with principles of governance, not ownership regimes. In her work she strove to identify key principles for successful collective action, *i.e.* for governing sustainably and equitably, which shifts the focus away from ownership and property regimes to emphasize governance principles, such as **relying on local needs and ensuring that those affected by a given rule participate in making it.** For collective action to bring about sustainable and equitable governance regimes it needs to be deeply democratic, reliant on self-organization, and based in the principle of subsidiarity. In distilling hundreds of case studies of sustainable management of commons into basic components, Ostrom's (1990) theory can be read as an attempt to identify the main foundational principles of successful collective action. We see this as a constructive way forward in theorizing a socialist governmentality, in the sense of devising specific principles that would ground the socialist state and economy.

Irrespective of whether the context is one of organizing the production process in a factory or designing mechanisms for citizen participation in the local community, the basic principle in how we should design binding rules that govern collective action should be democratic deliberation. In addition to her primary focus on self-governing systems, Ostrom (2010) analyzed ways in

which such communities form nested tiers and overlapping entities in a polycentric system of governance, echoing Horvat's idea of an association of associations. However, in contrast to Horvat's attempt at constructing a detailed theoretical model of a future socialist society, Ostrom's theory attempted to identify the main foundational principles of successful collective action. Beyond that, she relied on an understanding of human societies as complex adaptive systems, composed of a large number of elements which "produce emergent properties that are not easy to predict by analyzing the separate parts of a system" (Ostrom 1999: 521).

Horvat (1969) also claimed that normative solutions to the question of ownership are insufficient. Class societies did not emerge from individual private ownership over means of production but from class control over the means of production (*ibid.*). Abolishing private ownership does not do away with a class society because it still leaves open the question of exploitation of labor, which can come from other types of hierarchy. In the Soviet model the source of class control and hierarchy was the state, and self-management was an attempt to abolish bureaucratic class control over means of production. In an attempt to advance a socialist governmentality the crucial innovation consisted in devising democratic governance principles which would disable the formation of class control and hierarchy. In contrast to that, much of the progressive political agenda in recent years has been concerned not with democratizing power but with distributing goods (Brown 1995). The focus on distribution helps maintain the liberal assumption of a limited government, weakening the socialist objective of ever extending the domains of self-government (Hindess 1996).

In advocating a focus on governance, and not ownership regimes, we are therefore trying to shift attention back from distributional issues to questions of democratizing power. Some critical conceptions of the commons are in line with this focus on governmentality rather than property regimes (*e.g.* Mattei 2012). For De Angelis (2012), the commons are a vehicle for claiming ownership over conditions needed for life – social and biological – and its reproduction. Along the same lines, Helfrich and Bollier (2012) conceptualize the commons as a demand for effective social control over resources. In other words, it is in direct confrontation with the state that public goods are transformed into commons (Harvey 2012). For instance, public space is usually a space under political control of the state and not accessible to all; it becomes a common space through political contestation such as in occupations of Syntagma, Gezi, or Tahrir.

In considering problems of hierarchy, Horvat encounters the problem of expert discourse status, which he saw as a rather permanent impediment to the principle of inclusive democratic participation. In order to overcome this, Horvat (1983) distinguishes between two forms of hierarchy. Controlling hierarchy is the end product of class struggle in capitalism or etatism (and hence can be removed), while coordinating hierarchy is the product of the division of labor and cannot be removed. This distinction corresponds to a division of a self-governing economic unit into two different domains, one in which each member of the productive community can participate as it is concerned with value judgments, and the other in which decisions are made based on expert knowledge. However, talk of hierarchy is usually anathema to the left (Harvey 2011), and here we find Horvat struggling with the same problem. Both he and Ostrom devoted attention to devising principles of self-government of small communities, inescapably raising the question of scaling up direct democratic principles to address global problems. Ostrom advanced the concept of polycentricism, particularly in the context of climate change. Polycentric systems are characterized by multiple governing authorities at differing scales, rather than a monocentric unit where each unit exercises considerable independence to make norms and rules within a specific domain, uses local knowledge, and adapts over time. Though their terminology is substantially different, Ostrom's ideas about overcoming problems of scale are not dissimilar to Horvat's idea of an association of associations, while both echo Marx's "federation of self-governing communes."

Going back to ownership regimes, Harvey (2011) reminds us that at its current dynamic, individualized capital accumulation perpetually threatens to destroy the two basic common property

resources that undergird all forms of production: the laborer and the land.⁶ Having in mind the special status of land and labor in the shaping of a socialist governmentality, it might be worthwhile exploring the proposition according to which neither land nor labor could fall subject to any property regime. Instead, like in the theory of self-management, rights to resources would derive from work and participation, not ownership. Here the Yugoslav theory of self-management links up with the contemporary commons movements which emphasize use-value as opposed to exchange value, sharing, and producing in common.⁷ To ensure this, all those who participate in a common have an equal voice in making decisions on the provisions and rules governing its management. Apart from fulfilling the imperative of individual emancipation, pursuing such a strategy has important implications for the viability of a materially sustainable development of human societies, to which we turn next.

4. Imperative of Material Sustainability

The imperative of material sustainability takes the development of socialist governmentality into the fairly uncharted territory of re-thinking economic growth. This involves much more than current criticism of gross domestic product and discussions involving the introduction of alternative measures of human prosperity (see Stiglitz, Sen, Fitoussi 2009; Kubiszewski *et al.* 2013; OECD Better Life Initiative,⁸ *etc.*). Historically, socialism can be understood as a modernist paradigm. Its political promise was to a large extent tied to the process of industrialization, especially in peripheral countries which sought to remove the shackles of agrarian capitalism and its concomitant patriarchal order. However, the global environmental crisis, most visible in the devastating effects of climate change, has made the question of limits to growth impossible to ignore, shifting attention among left thinkers to the analysis of the exploitative relationship to labor and nature.

Capitalism is inherently reliant on economic growth (O'Connor 1994, 1998; Kallis 2011), and with capital accumulation occurring at a compound rate of growth, current threats to land and labor escalate in scale and intensity over time (Harvey 2011). In order to capture this dynamic more fully, and building on Marx's first contradiction of capitalism, James O'Connor (1994, 1998) formulated a second contradiction. The first contradiction stems from the drive for profit, due to which capitalism endlessly expands markets, inevitably leading to overproduction and economic downturns. Adding onto that, O'Connor (1998) argues that capitalism contains a second contradiction that stems not from the demand side but from the supply side. By the supply side he means the ecosystems and the material base of production, the well-being of the labor force, and state-supplied infrastructure. All of these are under capitalism necessarily treated as externalized costs and hence underproduced.

This second contradiction of capitalism leads to crisis since capitalist firms fail to "maintain over time the material and social conditions of their own production, for example, by neglecting work conditions ... degrading soils ... or turning their backs on decaying urban infrastructures" (1998: 242). In other words, capitalists externalize costs in order to accumulate, but in not caring for the environment and workers' health, they ultimately destroy the foundation upon which production and accumulation are based. In recent times capitalism's survival has depended on expanding to distant geographic locations and peoples, but, as O'Connor (1998) reminds us, these are not limitless. Today we know that relying on indefinite growth is leading to a collapse of the material base of human life (Löwy 2005). A re-orientation towards material sustainability requires that, given finite material resources, human societies give up the idea of indefinite growth (Jackson 2009).

⁶Which are, together with money, fictitious commodities, *i.e.* not produced to be sold on a market (Polany ([1944]2001). Treating land, labor, and money as if they were commodities has far reaching consequences. ⁷See *e.g.* D. Bollier and S. Helfrich, *The Wealth of the Commons*.

⁸OECD Better Life Initiative <http://www.oecd.org/statistics/betterlifeinitiativemeasuringwell-beingand-progress.htm>

Formulating principles of socialist governmentality requires a redefinition of the notion of efficiency away from the existing developmental paradigm of indefinite growth which is leading to the collapse of the material base of human life. Achieving environmental sustainability and overcoming the tragedy of the commons represent central features of Ostrom's (1990) theory. As already mentioned, her theory of the commons emerged in response to Hardin's (1968) tragedy of the commons, which added overexploitation and degradation of natural resources to the Malthusian dystopia of overpopulation. Ostrom's crucial contribution is in theorizing principles of collective action which are successful in managing natural resources sustainably, that is extracting principles of governance from those communities that have learned to live within their environment's natural limits.

Second, a key implication of Ostrom's work is that humans are "better than rational" (1998), denying the deeply pessimistic premise of the rational actor theory according to which all choices in life boil down to a rational calculus of costs and benefits (Dolenec 2012a). In contrast to the rational choice perspective which starts from the premise that collective action will not happen or is doomed to fail in some sort of tragedy of the commons, the implication of Ostrom's work is that people are naturally social actors. We live in a web of social relations infused with norms and values; we are intrinsically cooperative and as a result collective action is possible and may lead to sustainable and equitable governance practices. This crucially involves a re-orientation of social goals away from "barriers to the free pursuit of liberty" towards "ensuring that the conditions upon which competition to resources depend are not structured so as to produce winners and losers, but an indefinite field of fair play" (Schmidt and Mitchell 2014). Without such a concept of humankind we have no business trying to theorize emancipatory social change.

Horvat on the other hand has found little room for theorizing economic growth and appears to be satisfied with neoclassical growth theory. For him, growth is a "necessary precondition" of development, while the "fashionable worry that development will lead to ecological disaster is grotesquely untrue: air, water, and so on can be either polluted or purified – it all depends on policy" (Horvat 1983: 335). Alas, environmental crisis cannot be regarded as a result of misguided policies or poor choices. There is, as Marx argued, an inherent tendency to expand the production process at the level of capitalist firms which is supported by state's economic programs and policies at the macroeconomic level. In other words, the growth imperative is grounded in the structure of capitalist accumulation. At best, Horvat expresses an unflinching technological optimism of a time when it was not obvious that a vision of progress based on continuous expansion of material output is fundamentally untenable (Jackson 2009: 2). At worst, Horvat misunderstood Marx's model of accumulation and crisis, and did not take seriously the limits to growth analysis (1972) presented in the Club of Rome a decade before his *Political Economy of Socialism*.

Other Marxian scholars have filled the gap in the meantime, stressing that "the free capitalization of common pool resources is, in fact, a crucial dimension of Marx's analysis of exploitation, alienation, and accumulation" (Burkett 2006: 134). However, socialist debates continue to, more often than not, underappreciate the importance and impact of the current environmental crisis. There has been almost no attempt to scrutinize the legacy of industrialism and its functional place in the history of really existing socialist formations. Self-government as an economic and political form cannot be taken seriously if it is not able to incorporate material sustainability. Given that one can differentiate between environmental crisis of capitalist reproduction and capitalistically induced crisis in the conditions of human development (Burkett 2006), one of the principles of socialist governmentality should be set as to counter the second form of environmental crisis by devising a notion of efficiency where costs inflicted on stakeholders in the wider community are not treated as externalities.

5. Conclusion

Our first objective in this essay was to create an interface between contemporary commons theory and the theory of self-management as it grew out of the Yugoslav experience. Arguing that the two ostensibly distant strands of economic theorizing share important preoccupations, we wanted to parse out the productive strands of commons theory from the ones we consider less pertinent for the socialist project, emphasizing the necessity of revitalizing Marxist theory in understanding contemporary challenges that European political economies are facing. Though social movements are only beginning to frame their activities as struggles for the commons, we argue that this is a politically viable strategy that needs to be advanced further. The second part of the essay offered an experimental juxtaposition of Ostrom's theory of the commons and Horvat's theory of self-management in Yugoslavia as a way of advancing the theory of the commons. Our aim was to explore how they can help us make headway in advancing a socialist governmentality capable of addressing crucial concerns of 21st century societies. Clearly, in this essay we have (only just) opened several interrelated questions important for this endeavor.

First, in discussing the commons as a space beyond both markets and states, we criticized those strands of the commons movement which treat the commons as complementary to the existing political and economic system, developing them as a kind of "Third Way." This we see as the already tried dead-end of left politics from the late 1960s, which was dislocated from a structural critique of the underlying logic of capitalism. Second, Horvat's discussion of the Yugoslav experience reminded us that progressive politics must not stop at defending existing public institutions and services from advancing commodification, but that it must incorporate a critique of the state as a vehicle of domination. Next, we suggested that the current focus on the political claim for common ownership rights as a crucial institutional innovation important for the socialist project is overemphasized. Both Ostrom and Horvat primarily devoted their attention to problems of governmentality. The specific Yugoslav experience has taught us that the normative abolishing of private property in an economy does not resolve the problem of class control. Hence, in addition to inventing a new form of ownership, the crucial contribution of the theory of self-management was in devising democratic governance principles which would disable the formation of class control and hierarchy.

Both Ostrom and Horvat were engaged in theorizing governance, but while Horvat attempted to construct a detailed model of a future society, today it seems we can make better headway by adopting Ostrom's approach based on identifying the main foundational principles of a socialist governmentality. Also, both Horvat and Ostrom devoted attention to the problem of scaling-up decision making in order to address problems which require wider regional or global coordination. Here we juxtaposed Ostrom's idea of polycentrism to Horvat's concept of an association of associations. While for Ostrom the primary concern in devising complex governance systems was to ensure sustainability, Horvat's objective was to disable the creation of hierarchies that would lead to another form of class control. Both of their objectives are in our minds political imperatives of today. Finally, we have suggested that contemporary left thinking must revise its unquestioned reliance on economic growth, where Ostrom's principles of sustainable governance offer a good starting point. If the contemporary left is concerned with advancing a society where "humans might govern themselves by governing together" (Brown 1995: 5), its theoretical relevance today depends on a head-on confrontation with all the dilemmas we identified in the conversation between Ostrom and Horvat.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

References

- Aligica, P. D., and P. Boettke. 2010. The social philosophies of Ostroms' institutionalism. George Mason University Working Paper. Available at: <http://mercatus.org/sites/default/files/publication/Social%20Philosophies%20of%20Ostroms'%20Institutionalism.pdf>. Last accessed May, 20, 2014.
- Amadae, S. M. 2003. *Rationalizing capitalist democracy: The cold war origins of rational choice liberalism*. Chicago: University of Chicago Press.
- Badiou, B. 2008. The communist hypothesis. *New Left Review* 49: 29-42.
- Barry, A., T. Osborne, and N. Rose. 1996. *Foucault and political reason: Liberalism, neo-liberalism and rationalities of government*. Chicago: University of Chicago Press.
- Behrent, M. 2009. Liberalism without humanism: Foucault and the free market creed. *Modern Intellectual History* 6: 539-568.
- Boettke, P., and P. Leeson. 2003. The Austrian school of economics: 1950-2000. In *Blackwell companion to the history of economic thought*. Oxford: Basil Blackwell Publishers.
- Boettke, P. J., and E. J. López. 2002. Austrian economics and public choice. *The Review of Austrian Economics* 15 (2): 111-119.
- Bollier, D., and S. Helfrich. 2012. *The wealth of the commons: A world beyond market and state*. Amherst: The Commons Strategies Group.
- Bowles, S., and H. Gintis. 2000. Egalitarianism on its own. In *Equality, participation, transition. Essays in honour of Branko Horvat*, ed. V. Franičević and M. Uvalić. London: Palgrave Macmillan.
- Brown, W. 1995. *States of injury: Power and freedom in late modernity*. Princeton: Princeton University Press.
- Burczak, T. A. 2006. *Socialism after Hayek*. Ann Arbor: University of Michigan Press.
- Caldwell, B. 1997. Hayek and socialism. *Journal of Economic Literature* 35: 1,856-1,890.
- De Angelis, M. 2012. Crisis, capitalism and cooperation: Does capital need a commons fix? In *The wealth of the commons: A world beyond market and state*, ed. D. Bollier and S. Helfrich, 184-192. Amherst: The Commons Strategies Group.
- Dolenec, D. 2012a. The absent socioeconomic cleavage in Croatia: A failure of representative democracy? *Croatian Political Science Review* 49 (5): 69-88.
- Dolenec, D. 2012b. The commons as a radical democratic project. Paper presented at the MAMA conference Economy of Crisis Capitalism and Economy of the Commons, 22-24 November, Zagreb.
- Dolenec, D., D. Majstorović, G. Medarov, D. Sekulić, V. Simović, and T. Tomašević. 2013. The struggle for the commons in the Balkans. Group 22 Working Paper, available at: http://www.grupa22.hr/wp-content/uploads/2014/01/G22-WP-Struggle-for-the-Commons_Balkan-Forum-2013.pdf. Last accessed May 20, 2014.
- Flaherty, D. 1992. Self-management and the future of socialism: Lessons from Yugoslavia. *Science and Society* 56 (1): 92-108.
- Flaherty, D. 2003. Self-management and requirements for social property: Lessons from Yugoslavia. Paper presented at the 'The Work of Karl Marx and the Challenges of the 21st Century' conference held in Havana, 5-8 May. Available at: <http://biblioteca.clacso.edu.ar/ar/libros/cuba/if/marx/documentos/22/Self-Management%20and%20requirements%20for%20social%20....pdf>. Last accessed May 20, 2014.
- Foucault, M. 2008. *The birth of biopolitics*. London: Palgrave MacMillan.
- Franičević, V., and M. Uvalić. 2000. Introduction: Branko Horvat – Beyond the mainstream. In *Equality, participation, transition. Essays in honour of Branko Horvat*, ed. V. Franičević and M. Uvalić. London: Palgrave Macmillan.
- Fraser, N. 2003. Social justice in the age of identity politics: Redistribution, recognition and participation. In *Redistribution or recognition: A political-philosophical exchange*, ed. N. Fraser and A. Honneth. London: Verso.
- Fraser, N. 2009. Feminism, capitalism and the cunning of history. *New Left Review* 56: 97-117.
- Gunn, C. 2000. Markets against economic democracy. *Review of Radical Political Economics* 32: 448-460.
- Hardt, M., and A. Negri. 2009. *Commonwealth*. Cambridge, MA: Harvard University Press.

- Hardin, G. 1968. The tragedy of the commons. *Science* 162.
- Harvey, D. 2011. The future of the commons. *Radical History Review* 109: 101-107.
- Harvey, D. 2012. *Rebel cities: From the right to the city to the urban revolution*. London: Verso.
- Hess, C., and E. Ostrom. 2007. *Understanding knowledge as a commons*. Cambridge and London: The MIT Press.
- Hindess, B. 1996. *Discourses of power: From Hobbes to Foucault*. Oxford: Blackwell.
- Horvat, B. 1969. *Ogled o Jugoslavenskom društvu [Essay on the Yugoslav society]*. Zagreb: Mladost.
- Horvat, B. 1983. *The political economy of socialism*. Armonk, NY: M. E. Sharpe.
- Ikeda, S. 2003. How compatible are public choice and Austrian political economy? *The Review of Austrian Economics* 16 (1): 63-75.
- Jackson, T. 2009. *Prosperity without growth: Economics for a finite planet*. London: Earthscan.
- Judt, T. 2009. *Ill fares the land*. London: Penguin Books.
- Kallis, G. 2011. In defense of degrowth. *Ecological Economics* 70: 873-880.
- Kasapović, M. 1996. Demokratska tranzicija i političke institucije u Hrvatskoj [Democratic transition and political institutions in Croatia]. *Politička Misao* 33 (2/3): 84-99.
- Kubiszewski, I., R. Costanza, C. Franco, P. Lawn, J. Talberth, T. Jackson, and C. Aylmer. 2013. Beyond GDP: Measuring and achieving global genuine progress. *Ecological Economics* 93: 57-68.
- Lange, O. 1938. On the theory of economic socialism. In *On the economic theory of socialism*, ed. B. Lipincott, 55-143. Minneapolis: University of Minnesota Press.
- Lebowitz, M. A. 2003. People and property in the building of communism. Paper presented at 'The Work of Karl Marx and the Challenges of the 21st Century' conference held in Havana, 5-8 May. Available at: http://www.nodo50.org/cubasigloXXI/congreso/lebowiz_05abr03.pdf. Last accessed May 20, 2014.
- Lemke, T. 2001. The birth of biopolitics: Michel Foucault's lecture at the Collège de France on neo-liberal governmentality. *Economy and Society* 30 (2): 190-207.
- Linebaugh, P. 2008. *The Magna Carta manifesto*. Berkeley and Los Angeles: University of California Press.
- Löwy, M. 2005. What is ecosocialism? *Capitalism, Nature, Socialism* 16 (2): 15-24.
- Mattei, U. 2012. First thoughts for a phenomenology of the commons. In *The wealth of the commons: A world beyond market and state*, ed. D. Bollier and S. Helfrich, 37-45. Amherst: The Commons Strategies Group.
- Meadows, D. H., D. L. Meadows, J. Randers, and W. W. Behrens, III. 1972. *Limits to growth*. New York: New American Library.
- Mirowski, P. 2005. A revisionist's view of the history of economic thought: Interview with Philip Mirowski. *Challenge* 48 (5): 79-94.
- Mirowski, P. 2013. *Never let a serious crisis go to waste: How neoliberalism survived the financial meltdown*. London: Verso.
- Mouffe, C. 2008. Critique as counter-hegemonic intervention. *European Institute for Progressive Cultural Policies*, available at <http://eipcp.net/transversal/0808/mouffe/en>. Last accessed May 16, 2014.
- Mouffe, C. 2013. *Agonistics: Thinking the world politically*. London: Verso.
- O'Connor, J. 1994. Is sustainable capitalism possible. In *Is capitalism sustainable? Political economy and the politics of ecology*, ed. M. O'Connor, 152-175. New York and London: The Guildford Press.
- O'Connor, J. 1998. *Natural causes: Essays in ecological Marxism*. New York: The Guildford Press.
- Olson, M. 1965. *The logic of collective action: Public goods and the theory of groups*. Cambridge: Harvard University Press.
- Ostrom, E. 1990. *Governing the commons: The evolution of institutions for collective action*. Cambridge: Cambridge University Press.
- Ostrom, E. 1998. A behavioural approach to the rational choice theory of action. Presidential address, American Political Science Association. *American Political Science Review* 92 (1): 1-22.
- Ostrom, E. 1999. Coping with tragedies of the commons. *Annual Review of Political Science* 2: 493-535.
- Ostrom, E. 2010. Polycentric systems for coping with collective action and global environmental change. *Global Environmental Change* 20: 550-557.
- Schmidt, J. J., and K. R. Mitchell. 2014. Property and the right to water: Toward a non-liberal commons. *Review of Radical Political Economics* 46: 54-69.

- Stiglitz, J., A. Sen, and J. P. Fitoussi. 2009. *Report by the Commission on the Measurement of Economic Performance and Social Progress*. Available at http://www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf. Last accessed May 16, 2014.
- Hargreaves-Heap, S., and Y. Varoufakis. 2004. *Game theory: A critical introduction*. London: Routledge.
- Wachtel, H. M. 2000. Ideas and ideals: Horvat's contributions to twentieth-century economic and social theory. In *Equality, participation, transition. Essays in honour of Branko Horvat*, ed. V. Franičević and M. Uvalić. London: Palgrave Macmillan.
- Ward, B. 2000. Foreword. In *Equality, participation, transition. Essays in honour of Branko Horvat*, ed. V. Franičević and M. Uvalić. London: Palgrave Macmillan.
- Williamson, O. E. 1991. Economic institutions: Spontaneous and intentional governance. *Journal of Law, Economics, & Organization* 7: 159-187.

Author Biographies

Danijela Dolenec is Assistant Professor at the Faculty of Political Science at the University of Zagreb, where she teaches comparative politics and social science methodology; she is a co-founder of Group 22, a green-left think tank. Her research focuses on post-communist democratization and the political economy of European countries.

Mislav Žitko is a research assistant at the Faculty of Social Science and Humanities, University of Zagreb. He is also a co-founder of the Center for Labor Studies in Zagreb. His research interests include philosophy of social sciences, heterodox political economy, and history of economic thought.