

Ostrom and Horvat: Identifying Principles of a Socialist Governmentality

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In this essay we undertake a preliminary theoretical exercise intended to strengthen the 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.

Exploring the theory of the commons seems worthwhile since it urges us to think about alternatives and escape the entrapments of a loaded vocabulary² - 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. For us this justifies an interface between the commons theory of Elinor Ostrom and Branko Horvat's theory of self-management in Yugoslavia. As we show, the Yugoslav experience is especially valuable because it undermines the false binary between socialism as a regime based on state-ownership and capitalism as a regime based on private property. Hardt and Negri's³ 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

¹ *How to quote*: Dolenc, D. and Žitko, M. (2013). 'Ostrom and Horvat: Identifying Principles of a Socialist Governmentality', *Group 22 Working Paper Series*, available at: www.grupa22.hr

² D. Bollier and S. Helfrich (eds.), *The Wealth of the Commons: A World Beyond Market and State*, The Commons Strategies Group, Amherst, 2012

³ M. Hardt and A. Negri, *Commonwealth*, Harvard University Press, Cambridge MA, 2009

neither state nor market, but also to make headway toward a socialist governmentality⁴. The key question is whether the theory of the commons can advance a socialist program that will be able to affirm the values of radical democracy, material sustainability and egalitarianism while critically examining capitalism as a site of exploitation and domination. We propose to develop the theory of the commons in this direction by securing its link with the Marxian insistence that capitalism should be analysed as both a mode of production and a 'mode of constructing and organising social life'⁵

Articulating the relations between a structural critique of capitalism and progressive politics built around issues of inequality, democracy and environmental sustainability has proven to be a difficult task. During the cultural turn 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 labour can be offset by implementing redistributive policies or by relying on the discourse of rights⁶. Instead, the articulation of the Left around identity struggles fragmented radical politics⁷ and evacuated Left critique of its economic fundamentals. Additionally, in the Cold War context, socialism became equated with distributive economic justice while liberalism became synonymous with individual liberties, reducing the former to economic and the latter to political practice⁸.

After that it was no wonder that a further reduction was made, conflating the two supposedly antithetical modes of production with two different forms of property, rendering a binary division between socialism, where state-ownership reigns supreme, and capitalism as the domain of private property and contract. As a result, contemporary discussions (both within Left theory and elsewhere) have tended to operate within a set of binary opposites as illustrated:

⁴ In this we are working within Michel Foucault's programme of identifying alternatives to the liberal governmentality (*The Birth of Biopolitics*, 2004, and elsewhere).

⁵ W. Brown, *States of Injury: Power and Freedom in Late Modernity*. Princeton University Press, Princeton, 1995,13

⁶ W. Brown, *ibid.*

⁷ T. Judt, *Ill Fares the Land*, Penguin Books, London, 2009

⁸ W. Brown, *ibid.*, p. 14

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| State property | Private property |

When trying to re-establish the link between a structural critique of capitalism and the various political imperatives beyond 'traditional' Marxian problems of relations of production, it is important to remind ourselves that the labour theory of value was never meant to be a theory of everything. The principles that ought to ground socialist politics, and, indeed, the question of governmentality appropriate to socialism, cannot be deduced from classical socialist texts – instead 'it must be invented'⁹. Unfortunately, the lack of political freedoms and indignities associated with really existing socialist regimes in Eastern Europe has bequeathed us with a troublesome legacy that is today often reduced to the discursive opposition between communism and freedom¹⁰. 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'¹¹. In Yugoslavia the socialist experiment was further tainted by the violent breakup of the state and the ensuing nation-building projects¹². In the theoretically untenable, but politically powerful distinction between totalitarianism and democracy, 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 lines¹³ opened the way both for a reaffirmation of Marxian analysis and for a emergence of

⁹ M. Foucault, *The Birth of Biopolitics*, Palgrave MacMillan, London, 2008, 94

¹⁰ W. Brown, *ibid.*

¹¹ P. Linebaugh, *The Magna Carta Manifesto*, University of California Press, Berkeley and Los Angeles, 2008, 14

¹² M. Kasapović, 'Demokratska tranzicija i političke institucije u Hrvatskoj' [Democratic transition and political institutions in Croatia], *Politička misao*, 1996, vol. 33, no. 2/3, 84-99

¹³ D. Dolenc, 'The Absent Socioeconomic Cleavage in Croatia: a Failure of Representative Democracy?' *Croatian Political Science Review*, 2012, vol. 49, no.5, 69-88

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 Elinor Ostrom¹⁴ and Branko Horvat¹⁵. The first one refers to their respective understanding of moving ‘beyond states and markets’. The second one discusses ownership and its relation to production and use of resources, briefly touching on the problem of scale. The socialist imagination seems to stop in its tracks when faced with the task of devising ways in which empirical configurations of direct democratic principles in the workplace or our immediate community can be scaled up to the level of the nation-state, let alone the world. Finally, we conclude with a comparative insight into how both theories treat the underlying fundamentals of economic growth and material sustainability.

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 idea of commons into their political strategy. We welcome this shift, both as a sign of the readiness to challenge the mystifications of 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 conceptualised in 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 and advocate principles of self-management instead. However, this criticism comes in different incarnations. While Horvat is motivated by abolishing exploitation of labour by capital, Ostrom is motivated by avoiding unsustainable exploitation of resources, i.e. Hardin’s tragedy of the commons¹⁶. This distinction has important implications.

¹⁴ E. Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action*, Cambridge University Press: Cambridge, 1990

E. Ostrom, ‘Coping with Tragedies of the Commons’, *Annual Review of Political Science*, 1999, vol. 2, 493-535.

E. Ostrom, ‘Polycentric Systems for Coping with Collective Action and Global Environmental Change’, *Global Environmental Change*, 2010, vol. 20, 550–557.

¹⁵ B. Horvat, *Ogled o jugoslavenskom društvu [Essay on the Yugoslav Society]* Mladost: Zagreb, 1969. B. Horvat, *The Political Economy of Socialism*, M. E. Sharpe: Armonk, 1983

¹⁶ G. Hardin, ‘The Tragedy of the Commons’, *Science*, 1968, vol. 162

Ostrom's¹⁷ 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. Ostrom did not suggest that we need to bring down capitalism or for the state to wither away; she advocated commons governance principles as complementary to them. As for the role of the state, in her conception it should enable the flourishing of various forms of self-organisation and self-management in communities.

Today many initiatives in the commons movement look towards reducing the reach of markets into various social domains, but they are not proposing to transform the underlying logic of capitalism¹⁸. 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. For instance, some initiatives focus on urban gardens, communal childcare, participating in local government, or developing workplace democracy through participatory governance. While they are worthwhile as sites of individual emancipation and as valuable experience of grassroots organising - on their own they often represent a-political, fragmented actions that cannot address the underlying structural logic of problems at hand¹⁹. We advance those strands in the commons movement that reject this conception of the commons as a kind of 'third way'²⁰, refusing to blunt 'their revolutionary potential and legitimate claims for a radical egalitarian redistribution of resources'²¹.

In contrast to Ostrom who conceptualizes the commons as a kind of third domain, Horvat represents an attempt at theorizing a radically transformed society which follows after capitalism is dismantled. The starting point of his analysis is a critical survey of two economic systems, capitalism and etatism. While they may appear as opposed, upon closer examination they are revealed as sharing hierarchy as a fundamental organizational principle at the societal level and also on the level of productive units. As a result, within them the formation of a class society is

¹⁷ E. Ostrom, *Governing the Commons*

¹⁸ D. Dolenc, '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 2012, Zagreb

¹⁹ D. Dolenc, *ibid.*

²⁰ U. Mattei, 'First Thoughts for a Phenomenology of the Commons' in D. Bollier and S. Helfrich (eds.) *The Wealth of the Commons: A World Beyond Market and State*, The Commons Strategies Group: Amherst, 2012; also M. De Angelis, 'Crisis, Capitalism and Cooperation: Does Capital Need a Commons Fix?', in D. Bollier and S. Helfrich, (eds.) *The Wealth of the Commons: A World Beyond Market and State*, The Commons Strategies Group: Amherst, 2012

²¹ U. Mattei, *ibid.*

inevitable²². 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 subjects²³. 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'²⁴, as Marx had outlined in the history of the 1871 Paris Commune. In his theory, the self-managed socialist enterprise is the central institution based in the principles of participatory democracy and social ownership.

While the analysis 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 in the commons should not forget that the state is also a vehicle of domination. While it is important to oppose the privatization of public services and widespread enclosures, our focus should not be on preserving state control over modes of social reproduction, but on expanding social power over as many domains of social life as possible.

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. According to Linebaugh, the commons are a theory that 'vests all property in the community and organizes labour for the common benefit of all'²⁵. At the 2009 London conference organized in response to Badiou's 'communist hypothesis'²⁶ it was stressed that 'in a truly emancipated society, all things should be owned in common'.

²² B. Horvat, *Political Economy of Socialism*

²³ B. Horvat, *Essay on Yugoslav Society*, 26

²⁴ B. Horvat, *ibid.*, 44

²⁵ P. Linebaugh, *The Magna Carta Manifesto*

²⁶ A. Badiou, 'The Communist Hypothesis', *New Left Review*, 2008, vol. 49

Mattei²⁷, on the other hand, emphasises 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 Ostrom²⁸ 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 strived 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 emphasise 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-organisation and based in the principle of subsidiarity. Irrespective of whether the context is one of organising 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 analysed 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 analysing the separate parts of a system'²⁹.

Horvat³⁰ 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 production³¹. Abolishing private ownership does not do away with a class society because it still leaves open the question of exploitation of labour, which can come from other types of hierarchy. In the Soviet model the source of class control

²⁷ U. Mattei, *First Thoughts*

²⁸ C. Hess, and E. Ostrom, *Understanding Knowledge as a Commons*, The MIT Press: Cambridge and London, 2007

²⁹ E. Ostrom, *Coping with Tragedies*

³⁰ B. Horvat, *Essay on Yugoslav Society*

³¹ B. Horvat, *ibid.*, 38

and hierarchy was the state, and self-management was an attempt of abolishing 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 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 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 labour 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.

As Harvey³² reminds us, talk of hierarchy is usually anathema to the Left, and here we find Horvat struggling with the same problem. Both him 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 polycentricity, 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, Harvey³³ 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 labourer and the land³⁴. Having in mind the special status of land and labour in the shaping of a socialist governmentality, it might be worth while exploring the proposition according to which neither land nor labour could fall subject to any

³² D. Harvey, 'The Future of the Commons', *Radical History Review*, 2011, vol. 109

³³ D. Harvey, *ibid.*

³⁴ Which are, together with money, fictitious commodities, i.e. not produced to be sold on a market (Polany ([1944]2001)). Treating land, labour and money as if they were commodities has far reaching consequences.

property regime. Instead, like in the theory of self-management, rights to resources would derive from work and participation, not ownership. Here Yugoslav theory of self-management links up with the contemporary commons movements which emphasise use-value as opposed to exchange value, sharing and producing in common³⁵. 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.

Imperative of material sustainability

Capitalism is inherently reliant on economic growth³⁶, and with capital accumulation occurring at a compound rate of growth, current threats to land and labour escalate in scale and intensity over time³⁷. Building on Marx's first contradiction of capitalism, O'Connor³⁸ formulates a second contradiction. Responding to the first contradiction, contemporary nation states and international organisations are immersed in dealing with constraints to growth on the demand side, while ignoring problems on the supply side – i.e. limited natural resources. Today we know that the current developmental model which relies on indefinite growth is leading to a collapse of the material base of human life³⁹. A reorientation towards material sustainability requires that, given finite material resources, human societies give up the idea of indefinite growth⁴⁰.

Both Horvat and Ostrom discuss modes of production with respect to their efficiency, which opens the question of - efficiency to what end? Horvat's framework, as has been generally the case in Left theory, is grounded in the assumption of indefinite economic growth. For him, growth is 'a necessary precondition' for development⁴¹, while the 'fashionable worry that development will lead to ecological disaster is grotesquely untrue: air, water, and so on can be

³⁵ See e.g. D. Bollier and S. Helfrich, *The Wealth of the Commons*

³⁶ J. O'Connor, 'Is Sustainable Capitalism Possible?', in M. O'Connor, (ed.) *Is Capitalism Sustainable? Political Economy and the Politics of Ecology*, The Guildford Press: New York and London, 1994; also G. Kallis, 'In defense of degrowth', *Ecological Economics*, 2011, vol. 70, 873-880

³⁷ D. Harvey, *ibid.*

³⁸ J. O'Connor, *Is Sustainable Capitalism Possible*

³⁹ M. Löwy, 'What Is Ecosocialism?', *Capitalism, Nature, Socialism*, 2005, vol.16, no. 2

⁴⁰ T. Jackson, *Prosperity Without Growth: Economics for a Finite Planet*, Earthscan: London, 2009

⁴¹ B. Horvat, *Political Economy of Socialism*, 355

either polluted or purified – it all depends on policy⁴². Looking in retrospect, 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 wants is ‘fundamentally untenable’⁴³. Today we must reconceptualise the good life so that our aspirations are reconciled with the constraints of a finite planet.

This means that Left theory must undertake a deep revision of its economic paradigm⁴⁴, where it can be advanced by incorporating Ostrom’s work. Her theory of the commons emerged in response to Hardin’s tragedy of the commons⁴⁵, which added overexploitation and degradation of natural resources to the Malthusian dystopia of overpopulation. Ostrom’s crucial contribution is in theorising 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.

Conclusion

Our first objective in this essay was to contextualise the struggles for the commons within the recent history of Left thinking and emphasise the necessity of revitalising Marxist theory in understanding contemporary political economies of Southeast Europe. 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, here we have (only just) opened several interrelated questions important for this endeavour.

Firstly, in discussing the commons as a space beyond both markets and states, we criticised those strands of the commons movement which treat the commons as complementary to the

⁴² B. Horvat, *ibid.*, 355

⁴³ T. Jackson, *Prosperity Without Growth*, 2

⁴⁴ M. Löwy, *What is Ecosocialism*

⁴⁵ G. Hardin, *The Tragedy of the Commons*

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. Secondly, Horvat’s discussion of 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 overemphasised. 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 theorising 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 in 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 polycentricity to Horvat’s concept of an association of associations. While for Ostrom the primary concern in devising complex governance system 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’⁴⁶, its theoretical relevance today depends on confronting head-on all the dilemmas that pop up in the conversation between Ostrom and Horvat.

⁴⁶ W. Brown, *States of Injury*, 5