Boulding's Welfare Approach of Communicative Deliberation

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Abstract: British institutional economist Shaun Hargreaves Heap once wrote: "... that orthodox welfare economics runs into problems generating public policy prescriptions because it works with a picture of individuals as solely a bunch of well-behaved preferences, which they are motivated in their actions to satisfy in an instrumental fashion" (1989, p. 206). Most ecological economists will probably agree with this critique, because it is certainly true, when the welfare objective shifts from quantitative economic growth to preserving this planet as a life provisioning and enjoyable habitat for future generations. So what constitutes and enhances ecologically sustainable welfare? To answer this question a number of scholars have highlighted the need for an alternative model of behaviour – be it as a micro-foundation for a sustainability oriented welfare theory or as a normative guiding post to direct our concrete action and institutional change. This article will show that Kenneth E. Boulding developed such an alternative welfare approach, based on a communicative behavioural conception over about forty years of his academic career. Founded on a communicative action his welfare theory is based on deliberative valuation.

Key words: Boulding, deliberative welfare, sustainability, image, communicative action

Introduction:

A number of scholars have asked for and tried to develop a deliberative and participatory approach to welfare to underpin and support the transition of our economies towards sustainability. To start with, Richard Norgaard highlights the importance of *deliberative economics*: "Ecological economists have been engaged in an open deliberative process throughout their history. While many ecological economists are annoyed that so little is settled and so much constantly needs to be discussed, it is exactly this feature of ecological economics that is so important" (2007, 380). This statement was made in a special lecture named after Kenneth E. Boulding, surprisingly, Norgaard merely seeks some support for his thesis by referring to Boulding's work in general and the latter's collaboration with Ludwig von Bertlanffy on systems theory in particular (ibid. p. 376). Moreover, he does not show awareness of Boulding's life long efforts to develop such a theory of deliberation. However, Rapport (2001, p. 362) emphasises the particular importance of 'integrative power' amongst Boulding's wide spread scholarly interests. And this is one of the key ingredients to his deliberative welfare approach.

In my view, there is certainly an undercurrent of Boulding's influence which can be detected in the work ecological economists though this is not necessarily made explicit by them or utilized in a systematic way. In their attempt to find a sound philosophical micro-foundation for achieving sustainability, for instance, a group of ecological economists around Malte Faber repeatedly highlighted the necessity for an ethical consensus in these pages (Proops et al., 1996; Faber et al., 2002; Baumgärtner et al., 2006). Moreover, Van den Bergh et al. search for 'alternative models of individual behaviour' and come to the conclusion that evolutionary modelling and a notion of endogenous preferences and social context is required for sound theories to improve environmental policy (2000, p. 59). From my understanding, all these

scholars may have been influenced by, but do not refer explicitly to Boulding's valuable original contribution to their quest.

The main purpose of this article is to show that Kenneth E. Boulding developed an elaborate and alternative welfare approach, based on a communicative behavioural conception over about forty years of his academic career. A review of his deliberative welfare theory has to start with Boudling's critique of Paretian welfare economics in his early (1952) article "Welfare Economics". He repeated and reformulated this throughout the whole of his life (compare e.g. the chapter "The Welfare Economics of Grants" in his book "The Economy of Love and Fear" (1973) or his article "Power and Betterment in the Economy" (1991)). The latter text which was also one of the last Boulding wrote before he died in 1993 was in part an attempt to integrate some of his theoretical elements like "the image" (Boulding, 1997[1956]) and his "Three Faces of Power" (Boulding, 1990) into an alternative welfare approach. In this paper I want to review, contextualize and further develop this attempt. The first part is a collection of Boulding's main critical points concerning Paretian welfare economics. The aim of that collection is to derive his criteria for an alternative welfare approach. The following three parts will concentrate on what I see as Boulding's three major building blocks of his conception of welfare as an inclusive communicative social process: 1. Image, 2. Conflict resolution, and 3. Integrative power. In conclusion these three elements are combined to an alternative deliberative welfare approach. The final part will demonstrate how this approach has influenced and is already applied by several ecological economists.

Boulding's criticism of Paretian welfare economics:

Boulding's critique of Paretian welfare economics is manifold. Some of his points deal with the overall construction of the theory, whilst others are directed towards its microeconomic foundation. Both types of critique lead us away from Paretian and toward deliberative welfare economics.

He identifies the general problem in the construction of Paretian welfare economics in its over-sophisticated apparatus of analysis, which narrows the range of questions to be addressed among the wider topics within the field of human well-being (Boulding, 1952). More specifically, Boulding critiques the essential Paretian assumption that all utility or welfare functions are continuous thereby disregarding discontinuities and step functions (Boulding, 1973, p. 95). The insistence on continuity avoids explaining conflict situations and interpersonal comparison of utility (Boulding, 1952, p. 10). In conflict situations threats might occur at particular thresholds of utility (Boulding, 1973, p. 95). At one point, for instance, a marginal increase in the price of bread might exceed what the public perceives as acceptable and lead to riots in the streets. In systematically excluding such conflicts, Paretian welfare economics also excludes negotiation or bargaining from its analysis.

However, since an economist's attempt to value social conditions and states confronts him or her with high degrees of complexity the aforementioned limitations also have their merits. The Pareto optimum allows for separating positive-sum from conflict situations. To concentrate on positive-sum situations can be an advantage: "There is a strong case to be made for the principle that enrichment, in the widest sense of enrichment of human life, comes from the rise of nonthreat organizers in society, either through exchange and the market or through integrative structures that are relaxed and tolerant, gentle and liberal. The last word may well lie with these integrative structures" (Boulding, 1991, p. 75). Nonetheless, the task of welfare economics as a social science of ethics and politics (Boulding, 1952, p. 34) is not to leave conflict situations untouched, but to develop theories dealing with the complexities conflicts of values and interests. I interpret Boulding in saying that these integrative structures have to include relaxed and tolerant, gentle and liberal ways to deal with conflicts and not to exclude them systematically.

Apart from repelling some of the basic assumptions of Paretian welfare theory, Boulding also refuses to accept one of its major conclusions. If markets are both efficiency and welfare

enhancing then they are characterized by perfect competition according to the neoclassical approach. If they fulfil this condition, however, we are faced with an efficiency dilemma, because we cannot have increasing returns to scale in production. For markets to work efficiently we need atomized agents (that is, very small firms) while at the same time for production to work efficiently we need very large production units (Boulding, 1952, p. 25).

In real world markets, actors not only try to achieve the certainty and calm of the monopolist (Boulding, 1952), but are also sometimes confronted with market pathologies, such as natural monopolies, public goods or tragedies of the commons. Boulding does not reject the virtues of the market as a social form of coordination all together. Nevertheless, from his arguments I conclude that to enhance welfare it can and should only be one form of coordination among others.

Apart from the just discussed arguments as to theory construction Boulding's most important critical arguments are aiming at two fundamental microeconomic assumptions of Paretian welfare economics. These are: a) the urge to economize and maximize and b) the given and stable preferences.

It is problematic to assume a stable urge to maximize and economize because this would imply that no negative utility is attached to the activity of trade and barter which is in fact often regarded as unethical, painful or tedious activity (Boulding, 1952, p. 29). There is some similarity here with the argument in New Institutional Economics that the use of markets involves transaction costs.

Moreover, Boulding is not convinced that the assumption of given preferences is very useful because of what he calls the "sour grapes" principle – that is if we find that we cannot get something, we decide that we do not want it (Boulding, 1973, p. 94; Boulding, 1982, p. 252). A phenomenon coined as "cognitive dissonance" in psychology (Festinger, 1957). Thus, preferences are often not stable, but adjust to what is perceived as feasible.

His second argument against the assumption of stable preferences is the existence of an array of means of persuasion such as advertising, preaching, education, the media etc. (Boulding, 1973, p. 94). This is at odds with the Paretian normative assumption that people know and should get what they want. In effect, people often have to make up their minds before they know what they want and allow others to persuade them. This creates an opportunity for manipulating wants (Boulding, 1989). Galbraith and Bowles seem to agree with Boulding on this notion of 'endogenous preferences' (Galbraith, 1967, 1993 and Bowles, 1998).

Moreover, by theoretically excluding the possibility of preference change, Paretian welfare economics is doomed to the insolvable problem of "maximum maximorum", meaning if a Pareto optimum is reached nobody in society can be convinced to move towards a tempting higher social maximum (Boulding, 1952, p. 27). Game theory arrives exactly at this unsatisfactory outcome through its famous Prisoners' Dilemma.

In addition, the assumption of the independence of prices and preferences, though it may be necessary to uphold the consistency and elegance of the theory, is not realistic because it abandons a quite frequent reaction of economic actors towards uncertainty. "If price is thought to be "high" relative to some norm it may be perfectly rational to revise one's preferences towards money and away from commodity, in the expectation that prices will fall (Boulding, 1972, p. 29). This is known as 'liquidity preference' in Keynesian economics.

According to Boulding, the existence of habits and routines enforcing path-dependent sub-optimal rather steady states of welfare contradicts "selfishness" – that is, independence of individual welfare functions – another prominent assumption of Paretian welfare economics. He points out: "..., that selfishness is merely the zero point on an scale of benevolence and malevolence", and that: "Selfishness in this sense is likely only between people who are quite ignorant of each other and have no relationships. The moment people enter into relationships they tend to develop either benevolence or malevolence to some degree" (Boulding, 1973, pp.

94-95). Thus, it does not make sense to assume independence of individual welfare functions. A phenomenon already observed by Veblen and labelled 'conspicuous consumption'.

In a nutshell, there is no room to mould or improve preferences in Paretian welfare conomics. To the contrary, it follows from Boulding's criticism that preferences of economic actors are not stable and mutually influenced. Their welfare or utility levels can be discontinuous. Moreover, their welfare perceptions are interdependent and can be conflicting. Hence, in my interpretation an improved welfare theory building on Boulding's critique will have to start from communicating actors and integrate persuasion, negotiation and bargaining.

The Image:

In developing his theory of the aforementioned integrative structures as a foundation for his alternative welfare theory, Boulding starts with the concept of the image. A concise definition of the image was formulated by Samuels: "The fundamental role of the image is to define the world. The image is the basic, final, fundamental, controlling element in all perception and thought. It largely governs our definition of reality, substantively and normatively, in part as to what is actual and what is possible" (Samuels, 1997, p. 311). The image carried in our heads (Boulding, 1984, p. 1) largely governs our behaviour and is meant to replace the model of maximizing given and stable preferences within equally given constraints: "The behavior is response to an image, not a response to a stimulus, and without the concept of an image the behavior cannot possibly be understood" (Boulding, 1997[1956], p. 43). The concept of the image incorporates value judgements. I interpret it as an alternative model to preference orders or welfare functions in traditional welfare theory: "The image of value is concerned with the *rating* of the various parts of our image of the world, according to some scale of betterness or worseness. We, all of us, possess one or more of these scales. It is what the economists call a welfare function" (Boulding, 1997, p. 11).

It is open whether the image remains stable or changes depending on the experiences of the individual and the influence of outside messages on it: "The image is part of – and changes within – an ongoing process in which experience and image and selective perception coevolve" (Samuels, 1997, p. 312).

How does our image containing our value judgements preferences and welfare perception change and how do others influence that process? Boulding insists that human beings communicate with each other face to face or via symbols (Boulding, 1997, p. 88) and that communication constitutes and changes our images. This can include an ethical learning process (Boulding, 1982, pp. 254-255). Samuels equally highlights this linguistic characteristic: "Images are linguistic phenomena for mankind. Language is the material of images. Having an image reducing it to words, talking about it – all this involves the use of language" (Samuels, 1997, p. 317). Image and language alike are at the same time intra- and inter-individual and their change takes place via correspondence of these levels: "The basic bond of any society, culture, subculture or organization is a "public image" that is, an image the essential characteristics of which are shared by the individuals participating in the group. ... Indeed, every public image begins in the mind of some single individual and only becomes public as it is transmitted and shared" (Boulding, 1997, p. 64). It is not only true for the images of individuals, however, but also for shared images, "... that there is not a single public image, but there are many public images, as many indeed as there are cultures and subcultures within the great frame of the human race" (Boulding, 1997, p. 132). In fact, according to Boulding a subculture is nothing else than a group of people sharing a certain public image.

What has this micro-theory of behaviour guided by individual and public images to contribute to the development of an alternative welfare approach? What we regard as good or bad for us is essentially a value laden public welfare image. We use it to evaluate economic processes and their outcomes.

Moreover, the image is useful on an individual level to deal with uncertainty. Reflexion upon our image leads to changing unwanted habits and routines: "In the course of the repetition of habitual activities changes occur in the value structure, that is, in the value image of what we are doing. As we contemplate in good, rational manner the alternatives which are presumably open to us today the likelihood that we will select something else than the habitual pattern depends, of course, upon our satisfaction with this pattern. If we were miserable yesterday we are much more likely to assess the nonhabitual alternative favorably than if we were happy. At some point the misery in the contemplation of the habitual behavior overcomes the uncertainty involved in contemplating any other kind of behavior and we make a reorganization" (Boulding, 1997, p. 87). Thus, the image allows for learning in reviewing our perception of the world and behavioural patterns. In Beilock's formal individualist utilitarian adaptation of Boulding's image this review of perception is represented by shifting indifference curves (2000, pp. 270).

On the collective level welfare is not a summation of individual preference functions, but is defined and attained by a "... process of the mutual modification of images both relational and evaluational in the course of mutual communication, discussion, and discourse. The course of the discussion is punctuated by decisions which are essentially temporary in nature in the sense that they do not close the discussion, although they do, of course, have the effect of modifying it. In one sense, in a successful political process all decisions are interim. We live in a perpetual state of unresolved conflict. A decision is partial resolution of conflict. It should never be a complete resolution" (Boulding, 1997, p. 103). From my point of view, the explanatory advantage of such an image and communication based theory of welfare is not only that it includes changing preferences and interdependence of individuals, but also, that it allows for welfare enhancing effects through social learning. I see quite a degree of similarity of these ideas with Habermas's theory of communicative action (1995) which I will elaborate more in latter parts of this article.

From Grants Economics to Conflict Resolution

Boulding, not only dealt with the impact of language and image on welfare evaluation but also with the related topics of conflict resolution and power. Whilst I my view the image lays the communicative micro-foundation of his welfare theory, his concept of conflict resolution adds the appropriate form of coordination. In a short paper entitled "The Communication of Legitimacy" Boulding states on the one hand the potential of communication or certain rituals like hand shakes to put parties divided by a hierarchical power relationship on an equal footing – the profound social truth, as he calls it, "... that communication can only take place among equals, ..." (Boulding, 1974, p. 240). On the other hand he sees a Veblenian form of communication, where speech is used to symbolize a certain position or status in society. This power oriented use of language might be labelled "conspicuous conversation".

However, even conversation which is not status seeking can lead to conflicts. In his book "A Preface to Grants Economics" (1981), Boulding shows that even simple exchange is embedded in discourse. The role of communication is particular apparent in gift relationships where the return is mainly an expression of gratitude. The basic idea is one of simple exchange: A sends B something and B sends something in return. However, material flows are accompanied or even "paid for" by communications, information, threats, promises, affirmations, persuasions, and so on (Boulding, 1981, p. 19). In his notation X and Y are two goods and/or speech exchanged by two individuals. Moreover, a is what is send whereas b is what is received. Boulding argues that: "In communication, of course, the possibility that what leaves one party will not be what the other party receives – that is, that Xa will not be the same as Xb, and that Yb will not be the same as Ya – is very strong" (Boulding, 1981, p. 21). Thus, misunderstandings may lead to conflicts.

In addition, since the images of different subcultures of a society are not the same, conflicts between them are bound to arise. Because "... conflicts may be bitter and destructive, or they

may be fruitful and constructive" (Boulding, 1962, p. 306), Boulding looks for ways of resolution and institutions that would produce rather the latter kind of conflicts. He presents five basic ways of conflict resolution: avoidance, conquest, award, reconciliation and compromise. The first "avoidance" is almost exactly parallel to Hirschman's "exit" option (1970). Avoidance stands for one party leaving the conflict mainly voluntary and thus eradicating it. Equally to Hirschman's exit, for Boulding markets are mechanisms of conflict resolution by way of avoidance (Boulding, 1962, p. 308). Conquest is just a coercive method to ensure exit – an enforced form of avoidance. One party of the conflict is forcibly removed completely (Boulding, 1962, p. 309).

If the parties can neither conquer nor avoid each other, some form of procedural resolution of conflict i.e. some form of "voice" (Hirschman, 1970) is likely. One widely used form of procedural conflict conclusion is to use the courts. This is called "award" by Boulding and defined as a settlement, where "both parties have agreed to accept the verdict of an outside person or agency" (Boulding, 1962, p. 310).

For Boulding, the ideal procedural way to close a conflict is "reconciliation": "..., in which the value systems of the images of the parties so change that they now have common preferences in their joint field: they both want the same state of affairs or position in the joint field, and so conflict is eliminated" (Boulding, 1962, p. 310). This convergent modification of the images of the two or more parties is the result of conversation, argument, discussion, or debate. To reach reconciliation or consensus some conditions during discourse have to be met according to Boulding:

1. The value images of the two parties have to be not completely rigid (Boulding, 1962, p. 311).

2. A success of the reconciliation process is more likely, if the conflict occupies more the shell than the core of the value image of any party involved.

3. Instead of threatening the person of the other party, concern for the rival would ease reconciliation.

4. A culture where consensus is highly valued would obviously back up such a solution (Boulding, 1962, p. 312).

5. This culture or experience may be reflected more in some personalities than in others (Boulding, 1962, p. 313).

6. An independent third party (a conciliator or mediator) facilitates a consensus solution (Boulding, 1962, p. 316).

If reconciliation is impossible, "compromise" would be the second best solution of a conflict. According to Boulding, compromise becomes the target, if the value systems of the parties are too distant from each other to reach consensus. However, each party is still willing to settle for something less than their ideal position. In that case mediation and conciliation may ease the process of bargaining and lead to compromise. Note, that although Boulding is distinguishing analytically between reconciliation and compromise, he nonetheless sees them amalgamated in practice: "Frequently, however, both reconciliation and compromise go on together; indeed, some reconciliation may be necessary before compromise is possible" (Boulding, 1962, p. 310).

While Hirschman sees voice as an option of last resort, for instance when dealing with a monopoly as a customer, but also stresses the importance of loyalty, Boulding quite similarly points out that a thorough commitment of the prima facie weakest party in terms of resources can give him or her nonetheless the strongest bargaining position (Boulding, 1962, p. 315). I will come back to this idea of 'integrative power' as a countervailing one in the next section.

The role of the mediator, as Boulding sees it, is to clear up misunderstandings in an intense emotional field. However, it may not be enough for the neutral third party to facilitate communication between the opponents. The mediator should also introduce solutions that neither party has previously contemplated (Boulding, 1962, p. 318). Boulding stresses the

prospect of institutionalizing mediation for the sake of the future of our societies. To preserve peace it is necessary to allow for the sometimes tedious but required rituals and procedures step by step during a process of conflict resolution. It takes its time to get to a consensus or a fair compromise.

Compared to Hirschman who demonstrates the potential of voice to invent and initiate creative solutions for welfare problems, Boulding adds the productivity of language as a means for conflict resolution. He moves further in distinguishing different forms of coordination based on voice. Thereby he develops a discursive and procedural deliberative welfare theory. Moreover, Boulding's conditions for successful reconciliation or compromise contain a more detailed prescription of the attitudinal elements necessary to bring about the productivity of language for economic and social welfare. Last but not least Boulding emphasizes facilitating role of the mediator for such a process.

In my interpretation, Habermas's theory of communicative action has a lot in common with Boulding's deliberative theory of welfare. For Habermas communicative action is not only oriented to success, efficiency, or personal goals as in Paretian welfare theory, but also to reaching an understanding among the participants of a discourse and is coordinated 'through cooperative achievements of understanding among participants. In communicative action, participants are not oriented primarily to their own success, but to the realization of an agreement which is the condition under which all participants in the interaction may pursue their own plans' (Habermas, 1984, p. 541; Biesecker, 1997, p. 220). Communicative action is based on language and operates in the process of discussion. This procedural exchange of arguments during which participants learn to understand each other's motivations, underlying norms, and opinions is called discourse by Habermas. In discourse, participants are required to learn from each other and to change their own attitudes toward the world in general or toward certain problems occurring within it.

So far, Habermas's concept of communicative action or discourse is similar to the procedural conflict resolution of reconciliation described by Boulding. However, Habermas adds a certain procedural communicative rationality that helps to differentiate three basic types of arguments (speech acts) which can be criticized or defended, grounded in their specific rationality. Habermas argues that communicative rationality occurs inevitably during discourse, which is evident if we thoroughly consider the inter-subjective meaning of illocutions. If we try to persuade during discourse, we suppose that the other person can be convinced by our arguments and will accordingly change his or her mind. When we do this, however, we implicitly concede that exactly the same might happen to us but in the opposite direction. That is to say, we would admit the superiority of other's arguments and change our minds. This communicative rationality of speech acts is not only instrumental, like the utilitarian rationality of economic man, but threefold. As Adelheid Biesecker put it (quoting and translating Habermas): 'They [speech acts, S.K.] are not simply grounded in knowledge of the object world (as in empirical thinking), but also in the norms of the society in which the discourse is taking place (Habermas's social world) and the values of the partners in the discourse (Habermas's subject world). Communicative rationality, therefore, has three dimensions: An action [or a statement, S.K.] is rational if it is objectively true, socially right and subjectively sincere' (Habermas, 1995, p. 149, translated in Biesecker, 1997, p. 220).

The participants of a discourse use their shared experiences (made in their life-world) as background and reservoir to test the validity of arguments along the three just mentioned dimensions of rationality. In a certain discourse situation, the discussants recur to their shared experiences, which contain all opinions and world views taken for granted to begin a cooperative process of interpretation. During this process, some elements of their experiences will remain untouched or stable, while others will become a matter of doubt and may change. Because discourse, as a form of social coordination, is linked to the social and subjective worlds, or public and private images in Boulding's terminology, it has the capacity to

integrate other values than those occurring during a neoclassical or Austrian market process, which is merely based on instrumental rationality and where values have to be reflected monetarily in supply or demand to influence the outcome. This establishes the special productivity of the discursive process. This communicative rationality is also key to Boulding's concept of 'integrative power' which will be explored in the next part.

Some of Boulding's and Habermas's prescriptions are fulfilled or at least further elaborated in their practical application by professional mediators in the US and Europe, as the vast literature on the topic suggests (Susskind & Field, 1996; Blackburn & Bruce, 1995; Renn et al., 1995, and Sandole & van de Merve, 1993).

Integrative Power:

As demonstrated in the last part, Boulding is very much interested in a consensus-oriented development of society. He writes in his book "Three Faces of Power" that economic development is fundamentally a learning process and learning is on the whole non-conflictual, though it has some conflictual elements in the elimination of error and a possible threat to personal identity which this may involve (Boulding, 1992, p. 196). Conflict is in most cases unproductive for him or at least it needs to be made fruitful through conflict resolution. The aforementioned book applies the concept of power to a wide range of topics. However, I will focus on Bouldings's language-based integrative power because this is the theoretical element which builds on image and conflict resolution to construct a deliberative welfare approach.

Inspired by Galbraith's book "The Anatomy of Power", Boulding distinguishes basically three forms of power: 1. Political-military, threat, respectively destructive power, 2. Economic, exchange, respectively productive power, and 3. Social, love, respectively integrative power. As to human behaviour he defines the three power forms as follows: "I distinguish between personal destructive power, which also involves the power of threat; personal productive power, which also involves the power to exchange; and personal

integrative power, which is the power to be accepted, respected, legitimated, loved, and to form part of a larger network" (Boulding, 1990, p. 79). Integrative power is founded on the idea of the image and the use of speech: "Integrative power depends very much on the power of language and communication, especially on the powers of persuasion" (Boulding, 1990, p. 221). "Integrative power often rests on the ability to create images of the future and to persuade other people that these are valid" (Boulding, 1990, p. 122). Additionally he points out that integrative power "... is the most dominant and significant form of power" (Boulding, 1990, p. 10, and cf. Boulding, 1990, p. 110) compared to the other two forms.

Though integrative power rests on the use of language, speech as its source does not as Habermas (1982) would argue create and inherently include a consensus-oriented form of rationality, but it is linked to and enhanced by a variety of emotional relations, which Boulding mentions in his book (1990) and which can be ordered on a scale that reflects their intensity: reciprocity, respect, the wish and willingness to learn, sympathy and love: "Perhaps the most important single source of integrative power could be described as the capacity to love in a generalized sense, which means a capacity not only to be aware both of the broader and the narrower environment around a person but also to find these environments attractive and interesting, and to put a substantial value on them, especially in terms of benevolence. This means, as we saw earlier, that the person perceives an increase in his or her own welfare when he or she perceives an increase in the welfare in some sense in the surrounding world" (Boulding, 1990, p. 115). Thus, integrative power is not only a means to understand an opposing interest or point of view, but works toward embracing it. If this sort of integration and understanding is mutual it would lead to consensus. A situation quite similar to what Habermas portrays as ideal speech act in his discourse ethics (1982). In my interpretation integrative power as an ideal is conceptually meant as a distant goal to strive for, but not to describe a situation we can ordinarily and realistically expect to be in. Nonetheless, this idea introduced as *communicative rationality* in the last part is an indispensable core element of

Boulding's deliberative welfare theory and lost in Beilock's modified version of Boulding's framework based on interdependent utilities. It is not that "Boulding was blinded by ethical considerations …" (2000, pp. 265) as Beilock writes, but that he started from another ethical foundation than mere utilitarianism. Metaphorically speaking, Beilock trims down Boulding's framework and thereby cuts off its roots.

Beilock's emphasis on threat-based and malevolent exchanges, however, is important because it reminds us that integrative power is not just consensus-oriented or inclusive on an ideal and practical level. Again practically and explanatory, it can be employed to countervail the other two forms – brute force or the use of superior economic means in a conflict. Boulding writes about several ways, in which integrative power can be directed against others: 1. In a network or group built up by integrative power, some may achieve a more powerful position or status than others; 2. "Language can be a powerful weapon of destruction in putting people down, in complaining, in nagging, in recriminating" (Boulding, 1990, p. 81); 3. It can be used to stigmatize and exclude people: "The power of social exclusion is a very important aspect of the overall integrative system" (Boulding, 1990, p. 85); 4. The ability to persuade people can be used to manipulate them: "Unfortunately, what is convincing is not always true, and what is true is not always convincing" (Boulding, 1990, p. 119).

Again, I see a lot of conceptual similarities between Boulding and Habermas. The latter's communicative power (1990) whilst being an overall consensus-oriented concept, has also countervailing qualities.

In his book "Between Facts and Norms" (1992) Habermas shows awareness of the fact that the three forms of power can clash and are intertwined in concrete discourses in the public sphere. I am unable here do justice to Habermas's extensive treatment and explanation of the complex philosophical and sociological relation between communicative action in the public sphere and the constitutional, legal and parliamentary political system of western democracies which are the topics dealt with in his book. My purpose is merely to highlight the way in

which he conceptualizes the transformation of communicative action into communicative power. In his view, the public sphere and deliberative politics within it, is problem solving debate and conflict of interests at the same time. Even actors, who have little strategic power (to bribe, buy or have easy access to media or impose threat) can turn communicative action into communicative power, that is a countervailing power against opponent strategically powerful actors (cf. Habermas, 1999, p. 381). In discussing Arendt's power theory (1970) Habermas writes: 'But discursively produced and intersubjectively shared beliefs have, at the same time, a *motivating* force. Even if this remains limited to the weakly motivating force of good reasons, from this perspective, the public use of communicative freedom also appears as a generator of power potentials' (Habermas, 1999, p. 147). Moreover, after his discussion of Elster's arguing and bargaining distinction (1998) he concludes: 'The results of deliberative politics can be understood as communicatively generated power that competes, on the one hand, with the social power of actors with credible threats and, on the other hand, with the administrative power of officeholders' (Habermas, 1999, p. 341).

Is this merely a set of ideas or do communicative rationality and power work in practice to achieve higher deliberative welfare levels in terms of achieving transition towards sustainability? In the next part I will show how ecological economists have taken these ideas on board and applied them.

Applications in ecological economics

Whilst Boulding's deliberative process oriented conception of economic welfare is not often explicitly mentioned or referred to, it has nonetheless been directed to the goals of sustainability, applied to case studies and further conceptualised by a number of ecological economists (Hajer 1995; Hajer and Versteeg 2005; Howard and Wilson 2006; Meppem 2000; O'Hara 1996, 1997, 1999, 2001; Söderbaum 1993, 1994, 2000; Söderholm 2001; Stagl and Gowdy 2006; Stagl 2007). Out of this vast and growing literature I want to discuss here just

one contribution that has particularly focussed on some of the difficulties arising from an application of the deliberative welfare approach.

Kern and Smith (2007) describe how such an approach was used to achieve a transition of energy policy towards sustainability in the Netherlands (NMP4). What they call "transitions discourse" or "transitions management" drawing conceptually on Hajer (1995) has a strong resemblance with Boulding's deliberative welfare economics. It is open-ended, emphasises learning and tries to create win-win solutions – the latter in this case through innovation (Smith and Kern 2007: 7, 9 and 14). In endorsing a transitions approach, the Dutch government tried to integrate a plurality of images of how "[e]nvironmental problems come to be understood in diverse ways across cultures, social groups and over time" (ibid. 1). Though such discourses bear the potential of directing policy to a path of stronger sustainability, the example also shows the path dependency limiting the transformative capacity of such processes and the importance of discursive power in the sense of building coalitions and rhetoric used in them. Smith and Kern conclude: "The new arrangements do not provide the kind of reflexive fora and processes for discussing socio-cultural change and debate about industrial restructuring – though there is potential. ... The transitions discourse is failing to reinvigorate and radicalise ecological modernisation. As before, structural components diminish in the storyline. Overriding imperatives around economic performance and international competitiveness, embodied within the more powerful policy-making institutions of government, continue to trim ecological modernisation into a series of incremental reforms" (2007: 18).

Conclusion:

What is the relation between Boulding's three theoretical elements: image, conflict resolution, and integrative power; and how do they combine to an alternative deliberative welfare approach?

A figure which integrates the elements of Boulding's conception and illustrates the mediated way of creating and changing public images would look like this:

Boulding's Welfare Concept
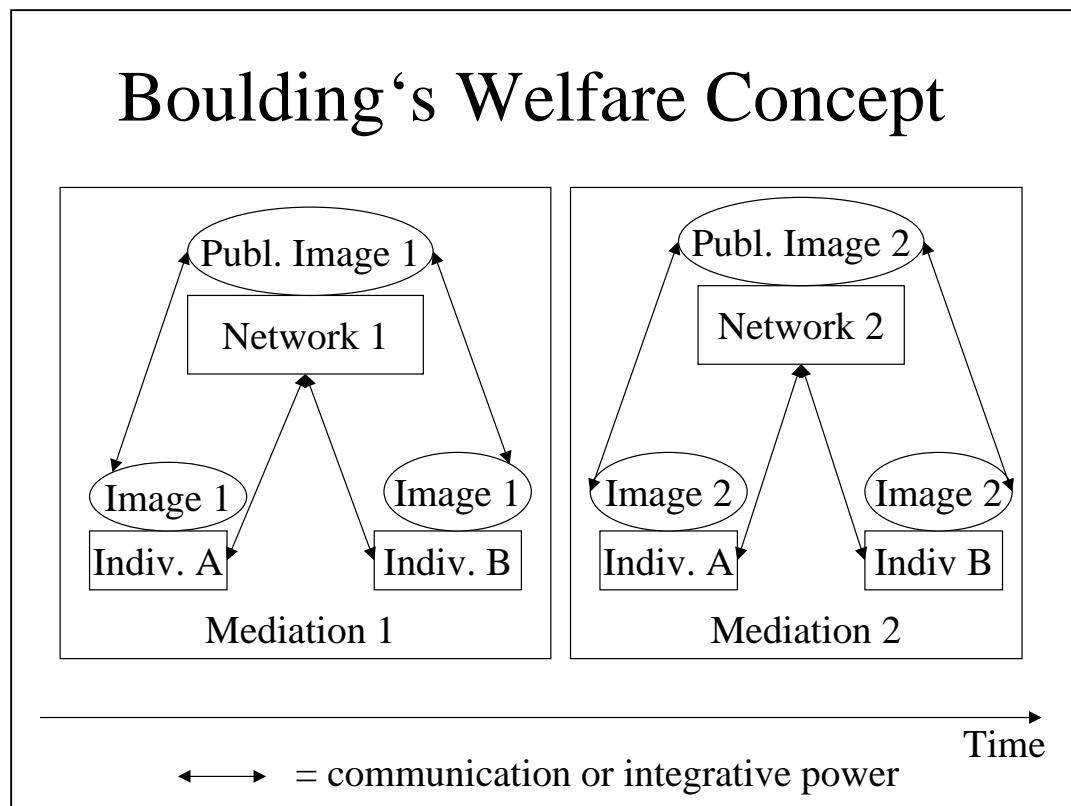
The diagram shows two periods of mediation (square 1 and 2). This symbolizes the shift of public debate over time. Forming individual or public images is a dynamic process. An issue (the plan to build a power dam for instance) may rest or be given up for a while and become virulent again due to changing circumstances (growing demand for electricity), or an event may trigger or revive public debate and concern (a polluting accident in an industrial plant for instance). This will initiate a new round of public negotiation involving conflicts of interest and search for solutions. The individuals involved (A and B) have one set of images (1) during the first period of mediation and discussion. However, through influencing and persuading each other (the arrows pointing in both ways) their individual and public images may change (2) when entering the second round of mediation or public discourse. The

networks (1 and 2) for both periods are coalitions forming images of sub-groups, the composition of these is likely to change over time, too.

If we agree that welfare is more than growth in material goods, the image can help us to understand how our perception of welfare is created. If we want to move towards the goal of sustainability it is important to have an image of welfare, of how we want to live and what constitutes value. These images may differ from individual to individual and amongst different interest groups and ideologies. They are, however, also connected via integrative power which is based on emotional bonds and communication. Via integrative power, networks and inter-subjective public images of welfare are formed and changed. Because it is very likely that individual images and public images of subcultures are in conflict with each other, some form of conflict resolution (mediation) is necessary to facilitate and legitimate this process and organize it in a peaceful way. A necessary condition of such an interactive process is, however, that the participants have an open attitude and some appreciation for each other. Boulding's deliberative approach is much more helpful to analyse the quest for sustainable solutions than standard microeconomic conceptions of human behaviour.

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