Russell, Bertie and Beel, David and Jones, Ian Rees and Jones, Martin (2022) Placing the Foundational Economy: An emerging discourse for post-neoliberal economic development. Environment and Planning A. ISSN 0308-518X

Downloaded from: https://e-space.mmu.ac.uk/629708/

Version: Accepted Version

Publisher: SAGE Publications

DOI: https://doi.org/10.1177/0308518X221098745

Please cite the published version
Emerging in the mid-2010s, the Foundational Economy has been heralded as ‘a compelling counter-project against neoliberalism’ and ‘an alternative pathway... [for] progressive political renewal’ (FE Collective 2018). Grounded in a review of cross-disciplinary debates, this paper introduces the concept of the FE and places it in relation to heterodox geographic theories of socio-economic development such as the ‘social economy’ and ‘diverse economies’ literature. While there are clear overlaps, the concept of the FE can be distinguished through its commitment to a) a zonal perspective; b) a focus on maximalist social innovations; and c) the reconstitution of citizenship. In radical combination, it is argued that the lens of the FE facilitates ‘a trenchant critique and denaturalization of current conditions, in tandem with creative explorations of the political economy of alternatives’ (Peck 2013b: 1563). The paper concludes by reflecting on current oversights and future research trajectories for Foundational Economy research.

I Introduction

Emerging in the mid-2010s, the proposal for the radical renewal of the ‘Foundational Economy’ (FE) has been heralded by Wolfgang Streeck as ‘a compelling counter-project against neoliberalism’ that offers, as Jamie Peck suggests, ‘an alternative pathway, guided by principles of inclusive citizenship, social innovation, ethical investment, and progressive political renewal’ (FE Collective 2018: iv, vii). The then Chief Economist of the Bank of England, Andy Haldane, went as far as saying ‘a plan for national renewal is needed, focused squarely on the foundational economy’ (2021: np). In setting out to instigate ‘experiments in inserting alternative principles and ‘elements of revolution’ into capitalist host bodies’ (ibid 159), the interdisciplinary concept of the FE draws parallels with several other critical economic debates in human geography (e.g. Amin et al. 2002; Chatterton and Pusey 2020; Cumbers 2012, 2020; Gibson-Graham, 2008, 2020).

Yet for the counter hegemonic potential that some see in the concept, a series of more mundane policy interventions based on FE thinking are also gaining traction outside of the academy. In May 2019, the Welsh Government launched a £4.5m Foundational Economy Challenge Fund, aimed at supporting ‘a series of experimental projects that will enable us, with the help of our partners, to test how we can best support the foundational economy’ (Gov.Wales). This fund was coupled with a focus on supporting SMEs that ‘have decision making rooted firmly in our communities’ and the embedding of social value in procurement. At a sub-national level, city-regional authorities such as the Greater Manchester Combined Authority have committed to provide funding for social enterprises and ‘increase the productivity of big sectors in the ‘foundational economy’” (GMCA 2019: 16). Meanwhile the Strategic Plan for the Barcelona metropolitan area has focused on ‘applying the concepts of the Foundational Economy, to use strategic planning to build a more resilient and prosperous local economy for all, regaining local sovereignty over foundational services’ (Estela 2019: 33).

In Barcelona itself, the city council led on the implementation of an Impetus Plan for the Social and Solidarity Economy (SSE) (Ajuntament de Barcelona 2016: 4). Promising ‘to contribute towards reducing social and territorial inequalities, while promoting an economy at the service of people and of social justice’, the strategy committed to ‘democratising the infrastructure of common resources... subject the market to the demands of the common good... [and] promoting a demonetised economy’ (Ajuntament de Barcelona 2020). Whilst the UN deemed it significant enough to establish an ongoing inter-agency taskforce on the SSE in 2013, and whilst significant initiatives in both the Global North and South have adopted the SSE as their framing, it remains a contested concept where ‘universal definitions can be difficult to pin down’ (Allard and Matthaei 2008: 6).
Emerging in a fuzzy space between practice and theory, the related concept of Community Wealth Building (Guinan & O’Neill 2019, 2020) has also gained traction following the 2008 founding of the Evergreen Cooperatives in Cleveland, Ohio. Drawing inspiration from the Mondragon experience of the Basque country, the concept of Community Wealth Building (CWB) was translated across the Atlantic via relationships between two progressive economic thinktanks - the Democracy Collaborative and the Centre for Local Economic Strategies (CLES). Sharing the Foundational Economy’s focus on place-based strategies of alternative economic development, aspects of a CWB approach are now being pursued in several British city (regions) such as Preston, Birmingham, and North Ayrshire, the latter setting out its ambitions to become Scotland’s first ‘Community Wealth Building Council’. Meanwhile in 2019 CLES launched a CWB Centre of Excellence which, amongst other things, is focused on the international sharing and dissemination of best practice.

What is clear is that, under the long shadow of a ‘30-year economic and social experiment... that has produced systemic failure and pervasive mismanagement’ (Leaver & Williams 2014: 215) a great deal of conceptual and practical work is taking place to ground a new agenda of progressive economic development. What is altogether less clear is how these related but nominally distinct concepts speak to one another, and the extent to which the ideas themselves are internally coherent (or at least, productively incoherent). This is further complicated as practitioners seek to put conceptual frameworks into practice within differentiated political-economic environments defined by crisis (Fraser 2015). Ideas that on paper offer a ‘counter-project against neoliberalism’ face the possibility of becoming foreclosed, watered down or appropriated.

This paper unpacks the intersections between these mutually sympathetic discourses, with the central aim of clarifying the place of the Foundational Economy within critical inter-disciplinary debates around post-neoliberal forms of economic development. It makes the case for the Foundational Economy as an interventionist and experimental agenda, suggesting there is a scope for its further development alongside literature critical of growth-led approaches to development.

The paper is structured in four distinct sections. The first introduces and frames the concept of the Foundational Economy, highlighting a set of core principles that resonate across those using the concept. The second section focuses on the intersections between the FE and a series of complementary critical discourses on economic development, recognising both the conceptual overlaps and what distinguishes these discourses. This is not intended to be exhaustive, and we do not claim to offer a comprehensive account of these complementary discourses. Rather, it offers a useful heuristic that focuses on two distinctive debates in heterodox economic geography: zonal perspective and maximalist social innovation. The third section draws attention to the FE in practice, highlighting some challenges and identifying several practical initiatives. We conclude by offering some of the current oversights in FE thinking, pointing towards several directions for future empirical research and subsequent theoretical development of the FE.

II Framing the foundational economy

The concept of the FE found its origins in a 2013 working paper entitled the Manifesto for the Foundational Economy. A collaboration between several institutions, the concept nonetheless had a strong association with academics based at the University of Manchester. Responding to the fetishisation of high-tech and knowledge-based sectors within British industrial policies, the manifesto identified the FE as that ‘part of the economy that creates and distributes goods and services consumed by all (regardless of income and status) because they support everyday life’ (Bentham et
Incorporating the activities of private companies, state agencies and the ‘para-state’, the manifesto considered the FE to provisionally include health services, education, utilities, transport and distribution, banking, and food production, processing and retailing. The manifesto estimated that some 40% of the UK’s workforce is employed across these sectors, with nearly 30% of all household expenditure being spent on foundational services and goods (ibid: 9, 12).

The years following the 2013 manifesto saw the formation of the Foundational Economy Collective, with a series of conferences and an accumulation of publications helping to further internationalise those developing the concept particularly in Spain (e.g., de la Cuesta M and Estela 2020), Italy (e.g., Barbera et al 2016) and Wales (e.g., Barbera and Jones 2020) along with Austria, Belgium, Germany and the Netherlands. The 2018 book the Foundational Economy: The infrastructure of everyday life, published in German and Italian in 2019, serves as the principal statement of this broader collective and can be considered the key text for those introducing themselves to the concept.

The book refined the FE into three distinct domains of the material, the providential, and the overlooked. The material FE ‘consists classically of the pipes and cables, networks and branches which continuously connects households to daily essentials’ (FE Collective 2018: 20), and thus includes everything from phone masts to farms, reservoirs, supermarkets, public transport and fibre broadband connections. The providential FE refers to the predominantly public-sector provision of welfare and services such as healthcare, education, childcare and different forms of income support. The overlooked FE refers to the ‘lifestyle and comfort support systems, which are occasionally purchased out of discretionary income’ (ibid: 30) and thus incorporates activities such as the manufacturing and distribution of clothing, furniture, central heating, house maintenance, funerals, leisure and tourism. Whilst the material and providential have a near-universal framing as the ‘essential goods and services that are necessary for wellbeing and human flourishing’ (Barbera and Jones 2020: 10), the overlooked FE is somewhat spatially and historically contingent. Illustrative of the overlooked economy would be those firms involved in the manufacture of furniture or boilers. Neither a sofa nor central heating is essential (nor indeed present) in all cultures, yet would be considered basic items of human wellbeing in many others. It is perhaps this contingent quality that has led some (e.g., Heslop et al 2019) to omit it from their definition of the FE.

With a distinctly Western gaze, the FE is conceived as having had two distinct historical phases. The first phase, which has been termed FE 1.0, encompassed the period between the mid-nineteenth century and the collapse of the Keynesian industrial political-economies through the 1970s. Pioneered by the ‘gas and water’ socialism in cities such as Birmingham, Hamburg or Vienna, this period was initially dominated by municipal-led initiatives to develop the material FE in areas such as public housing, transport, and utilities. The providential FE also found its origins in municipal initiatives such as the Tredgar Workmen’s Medical Aid Society and Peckham’s Pioneer Health Service. Whilst the New Deal-era and post-war expansion of the welfare state extended the providential FE and established large, vertically integrated, state monopolies in material sectors such as energy and telecommunications, it also had the effect of ‘severing the FE from its local roots’ (Heslop et al 2019: 7). Whilst this framing incorporates many different approaches to the development of the FE, what coheres FE 1.0 as a phase was a public commitment (largely hard-won by organised labour) to the creation and social provision of goods and services considered essential to daily life.

From a foundational perspective, the past forty years have been characterised by the ‘wrecking of the foundational’ through its fundamental mismanagement, resulting in privatised gains (in the forms of shareholder value and rising asset prices) and socialised costs (through declining real wages, worsening working conditions, decreasing quality of goods and services, increased inequality of access, and a raft of negative social and ecological externalities) (see Leaver and Williams 2014; FE
Collective 2018). Against this background, the Foundational Economy 2.0 is thus a hopeful and propositional framing orientated towards the renewal of the foundational. By breaking apart the singular conception of ‘the economy’ that treats everything as equivalent and as a matter of individual consumption, the foundational focuses on those necessarily social goods and services that must be ‘(re)built through a new political practice in provision, policy-making and measurement’ (Calafati et al 2019: 19). This also ‘relocates the foundational project within the environmental limits we have to respect on our now damaged planet’ (Calafati et al 2021: 3).

The coronavirus pandemic has brought the necessity of the foundational agenda into sharp relief. Access to those material and providential goods that are most essential to us, and awareness of the fragility of the systems that provide them, has become of general concern to whole populations (Froud et al. 2020b). As a research agenda, the FE perspective looks to bring into focus those radical social innovations developing ecologically and socially resilient alternatives, the political-economic frameworks that constrain them, and the conditions that enable them. Where the agenda is (by its own recognition) at its weakest is at its intersection with heterodox ecological economic thought, not least degrowth literature. As a practice agenda, the FE is envisaged as functioning much like a modern-day Beveridge Plan, providing a ‘vision of a better post crisis future backed by a concrete plan’ (FE Collective 2020: 5) that advances a ‘practicable alternative economics commensurate with the enormity of the task of community stabilisation and reconstruction’ (Guinan 2017: 59). Where exactly this sits on a broader continuum of radical and transformative change remains an open question; one that will only be answered by the direction of future research and conceptual enrichment.

III Intersections

The concept of the FE is demonstrably of growing relevance in both theory and practice. As the concept evolves, many of its core tenets intersect with other geographical and inter-disciplinary debates around post-neoliberal forms of economic development. This section highlights some of these core elements, reflecting on the intersections and current oversights that need to be addressed in future empirical and theoretical research.

I A zonal view of the economy

Taking inspiration from Braudel’s (1981) *The Structures of Everyday Life* and Polanyi’s (1944) *The Great Transformation*, the FE is understood as ‘that ‘zone’ close to wellbeing and the needs of everyday life that constitutes the economic infrastructure of social citizenship’ (Barbera and Jones 2020: 8). In Leaver and Williams account:

‘Polanyi saw the creation of the market in the 19th century as a violent political assault on the social, while the French historian Braudel argued that there was ‘more than one economy’ in early-modern Europe. Braudel developed a schema of different economic zones that held long-distance trade and finance to be distinct from internal market exchange, which excluded much of everyday life (then considered outside the market).’ (2014: 220)

Rather than the orthodox tendency to view ‘the’ economy as a monolith, economic relations ‘are considered to be heterogenous across place and time’ (Barbera and Jones 2020: 8). This heterodox

---

1 We refer to the ‘propositional’ nature of the FE agenda to emphasise that the FE isn’t simply an object of study. It is also a call for action and intervention (or an ‘alternative pathway’ in Jamie Peck’s words) premised on a set of critical perspectives.
view draws parallels with Gibson-Graham’s influential critique of capitalocentric visions of the economy that tend to ‘devalue or marginalize possibilities of noncapitalist development’ (1996: 41). In what they termed the ‘diverse economies’ perspective, and in commonality with the FE perspective, Gibson-Graham instead look to offer ‘a discourse of economic difference as a contribution to a politics of economic innovation’ (2008: 615).

Highlighting an oversight in existing theories of the FE, Gibson-Graham’s work was heavily informed by Marxist-feminist theory that emphasised the hidden labour of unwaged social reproduction (e.g. Dalla Costa and James 1975; Mitchell et al. 2004). Falling outside of the capitalocentric gaze due to its unwaged character, Gibson-Graham suggested that ‘non-market transactions and unpaid household work (both by definition non-capitalist) constitute 30-50% of economic activity in both rich and poor countries’ (2008: 615). Given the FE’s concern with those parts of the economy that support everyday life (education, healthcare, eldercare, childcare, food, and so on) there is an intersection with debates on the work of social reproduction. Yet the FE literature currently has a blind spot when it comes to unwaged work, which remains overwhelmingly performed by women. Current framings of the providential FE mostly limit their understanding to public services provided by the welfare state (such as unemployment benefits) or para-state (such as elderly care homes or sports facilities), and indeed to work that is (mostly poorly) waged. Whilst there has been some initial engagement with debates around Universal Basic Income and Universal Basic Services as a prospective response to this challenge (FE Collective 2018: 118-128), future research on the FE will need to address this shortcoming.

As Gibson-Graham suggest, the resulting ‘diverse economies’ framing understands the economy to be constituted out of an immense patchwork of activities - ‘a proliferative space of difference’ (2008: 615). The research agenda is thus located in an expansive field of economic activity, which incorporates everything from alternative currencies, cooperatives and squatting movements to slave labour, theft and poaching. In practice, this means that many innovative economic practices (community land banks being a good example) are of equal interest to those working with an FE or a community economies framing.

Yet as Madra and Özelçuk observe, ‘as a research project, diverse economies is not about providing a more complete picture of the economy but rather about constituting a field of economic difference with a curiosity and readiness to be surprised’ (2015: 129). The emphasis lies on ‘reading for difference’ and maintaining a deconstructed account of the economy, recognising the need to make visible those practices rendered ‘non-credible’ and ‘non-existent’ by dominant modes of thought’ (ibid 623). Whilst reading for difference is essential, the FE perspective seeks to go further in its concern with developing a reconstructed account of economic relations. This maintains the focus on diverse socially and ecologically just economic practices that could meet (or are already meeting) foundational needs, but it also means advancing ‘alternative frames of value that are rooted in continual and evolving political engagement and democratic dialogue’ (Barbera and Jones 2020: 11).

The focus of the FE therefore is not only on the recognition and promotion of diverse economic practices, but on finding their place in the wider reconstitution of a ‘zone’ of activity that guarantees the reproduction of everyday life. This resonates with concerns raised by Schmid and Smith (2020: 4, 14) regarding the ‘tension between antagonism and imagination’ in diverse economies research, both ‘looking upwards, to omnipotent overarching systems’ but also ‘more horizontally, at everyday reproduction and practice’.

The focus of Foundational research is thus not simply on a zone of activity in and for itself, but practices for transforming foundational provision and their role in fomenting wider systemic effects. There are commonalities here with the systems approach put forward in The Spatial Contract (Schafran et al 2020) and Chatterton and Pusey’s recent framing of post-capitalism as ‘a set of activities and ideas
that have multiple and interconnecting characteristics simultaneously in, against and beyond the present condition’ (2020: 28). Rather than drawing a crude line between capitalist/non-capitalist zones of activity, the focus is on practices with the potential to simultaneously improve wellbeing within the current conjuncture, confront and push-back against socially and ecologically destructive processes, and contribute to processes that move us beyond an exploitative and extractive growth-based economy. Chatterton and Pusey suggest platform cooperatives are particularly indicative of such practices, but this lens can be useful in evaluating existing initiatives (from experiments in UBI to community wealth building strategies) and as a normative basis for the development of transformative approaches to the FE.

In offering a propositional and zonal framing, the Foundational Economy perspective also contributes to what Peck called the ‘still-to-be-realized potential of Polanyian approaches’ (2013a:1537), particularly in the commitment to ‘enrich[ing] the political imaginary through the exploration of alternative socioeconomic arrangements’ and pursuing ‘a different way of thinking about the relationships between the general and the particular’ (Peck 2013b: 1546). Whilst the full spectrum of intersections between the FE perspective and Polanyi’s thought is yet to be explored, the former’s propositional framing certainly responds to the ‘Polanyian injunction’ that ‘explorations of this unevenly developed, heterogenous economy should be conducted systematically, with a view to theoretical recalibration and reconstruction [rather than] unprincipled celebration of surface-level economic-geographical difference for its own sake’ (ibid 1558).

This Polanyian influence can also be traced through the work of Foundational scholars (such as Sayer 2019) whom draw on debates on the moral economy. Broadly speaking, a moral economy builds upon Polanyi’s (1944) distinction between ‘formalist’ and ‘substantivist’ economic approaches. Formalist approaches can be associated with orthodox economic theory, where all transactions are understood as equivalences separated only by degree, performed by a universally rational benefit-maximising economic subject. ‘The economy’ is perceived as a coherent and singular zone of activity entirely disembedded from other social relations - a ‘flattened’ reading of human relationships - where economic resources (including fictitious commodities such as money, land and labour) are considered an end in themselves2. In contrast, substantivist perspectives adopt an anthropological starting point focused on the diverse means through which people fulfil needs and wants.

Theories of the moral economy build on this distinction, emphasising that human activity is guided by an assemblage of different rationales. As E.P. Thompson (1971:78-9) noted in his account of 18th century food riots, people did not riot solely because of an animalistic response to their hunger, but because of perceived injustices that underpin their hunger. With a ‘popular consensus as to what were illegitimate practices’ in the preparation of grain, it was the transgression of these ‘moral assumptions, quite as much as actual deprivation’ that was the object of unrest. In the context of the contemporary account of the FE, it is remarkable that whilst neoliberal reforms have dismantled the provision of the foundational (as rising cases of homelessness, food or fuel poverty would attest to), this has not (in the Global North) produced civil unrest on the scale one might expect. This can be attributed, at least in part, to the effect these processes of neoliberalisation have had on the ‘popular consensus’ about what can or can’t be done in the name of ‘the economy’. Recalling Thatcher’s dictum that ‘economics are the method: the object is to change the soul’, it is both the actual and moral economy of the

---

foundational that has been eroded. The focus of the FE is thus not only about material provision, but how innovative approaches to such provision can act to reassemble a new common-sense of ‘minimum socially defined standards [that] coexist as governing principles – and therefore moral choices’ (FE Collective 2018: 91).

There are distinct parallels here with recent work on ‘entrepreneurial municipalism’ (Thompson et al. 2020a), which draws explicitly on Polanyi and the Foundational Economy Collective’s own work. Posited as diametrically opposite to an ‘urban entrepreneurialism’ that tends to let the global market dictate trajectories’, entrepreneurial municipalism is conceptualised as ‘the local state taking a more proactive – or entrepreneurial – role in shaping land and labour markets in ways which harness local assets and maximise the benefits of stabilisers and accelerators for local economic growth’. Here economic growth is not conceptualised in the orthodox sense of increased GDP/GVA, but as the proliferation and expansion of ‘socially embedded institutional structures’ that provide for people’s needs or livelihoods, ‘in which success is measured not by a return on investment but evaluated according to alternative metrics, such as social value or democratic assent’ (Thompson et al. 2020a: 1178-9). Reflecting recent work from members of the FE collective on re-evaluating productivity (Engelen et al. 2017; Froud et al. 2020a), it can be suggested that emerging studies on entrepreneurial municipalism can be aligned with the corpus of work exploring theories and strategies for the expansion of the FE.

Finally, distinctions can also be made between the Foundational Economy and long-established debates on the concept of the social economy. A recent review of social economy literature indicates a highly fragmented field incorporating (at least) three distinctive definitions: ‘an ‘empirical’ definition of specific organisational forms and activities; an ‘essentialist’ self-contained category complementing the more familiar public/private sectors; and a ‘holistic’, relational approach underpinning a normative project of socialising the whole economy’ (Thompson et al. 2020b: 4). This is further complicated by the introduction of the related concepts of the solidarity economy and the resulting ‘social solidarity economy’ and ‘social and solidarity economy’ framings - which are conceived again as different perspectives (see Utting 2015).

This complexity arises, at least in part, from the divergences between anglophone, francophone, and Latin American traditions. The former broadly treats the social economy as a synonym for the third sector, composed of non-profit and non-public sector organisations (which the original FE Manifesto named as the para-state) whilst paying ‘little attention to the role of market agents (co-operative firms, mutuelles) which have managed to introduce modes of organisation based on solidarity and reciprocity’ (Moulaert and Ailennei 2005: 2043). Although offering a zonal framing, this anglophone account of the social economy lies in marked contrast to the FE’s cross-sectoral approach. Furthermore, the social economy discourse has in practice facilitated a well-documented ‘return to the vagaries of ‘good acts’ and ‘good people’ in combating social exclusion and meeting welfare needs, whilst legitimating cuts in state expenditure or state welfare’ (Amin et al. 2002: x). In contrast, the francophone and Latin American framings of the social economy put less emphasis on a zonal perspective, instead drawing strong parallels with the ‘diverse economies’ focus on heterogeneous practices of solidarity, leading to some of the same commonalities and distinctions with the FE as highlighted above.

II Social innovation

If the zonal framing is central to understanding the proposition of the Foundational Economy, then its granular focus is on the practices and processes that constitute it. The historical perspective traces the ebb and flow of how new material arrangements and social practices constituted the FE 1.0, the
embedded moral economy and subjectivities associated with these practices, and their subsequent deconstruction through processes of roll back and roll out neoliberalism (Peck and Tickell 2002). Yet as a propositional research and practice agenda, the FE is focused less on what has been than on what is to come. Rather than longing for the forms of social provision associated with the Keynesian welfare state, the foundational perspective turns our attention towards (possibilities of) socially innovative practices that cut across conventional distinctions such as the public/private and state/non-state, focusing on ‘local and regional experiments that make the foundational visible... these would be disruptive, mobilising experiments of the kind envisaged by Roberto Unger as radical social innovation, not ‘what works’ experiments, which allow established power to negotiate the world more intelligently’ (FE Collective 2018: 6. See also Unger 2019).

Conceptualisations of the FE 2.0 share a recognition that ‘the paramount limitation of social democracy... [with its focus on] the preservation of a high level of social entitlements, paradoxically funded by the regressive and indirect taxation of consumption... has been that it abandoned any effort to reshape production and power: the institutional arrangements of the market and of democracy’ (Unger 2015: 237-8). For this reason, Unger is critical of minimalist conceptions of social innovation that retain the tripartite structure of state-economy-civil society, and whose ‘properly piecemeal changes’ concern themselves with mobilising civil society to ‘fill in the gaps’ that the state-economy either overlooks or marginalises. Such a critique of the minimalist conception of social innovation resonates strongly with concerns regarding the anglophone social economy discourse (e.g. Amin et al. 2002), where social innovation becomes relegated to the efforts of an underfunded and ill-equipped third sector doing ‘the job of putting a human face on an unreconstructed world’ (Unger 2015: 236).

Against this, Foundational theorists emphasise ‘the potential for a maximalist approach that has citizen activism at the heart of foundational thinking and practice’ (Barbera and Jones 2020: 5). The maximalist approach retains a focus on new socio-material practices that can meet the needs of present and future generations, yet the ‘horizon of transformative ambition expands to include the economic and political institutions, as well as the beliefs informing and sustaining them’ (Unger 2015: 237). This perspective emphasises ‘the need to be unsentimental about the scope for these alternatives’ (FE Collective 2018: 140) when couched within ‘the analytical cocooning of alternative or community economies... that may be executed with the best of intentions, to preserve and indeed promote noncapitalist economies, but [that] does little to advance understandings of how such economies can be reproduced in late-neoliberal times’ (Peck 2013b: 1563).

That the zonal perspective of the FE adopts neither a binary (e.g. state/non-state, capitalist/non-capitalist) nor tripartite (state-market-civil society) analytical focus is an important starting point for conceptualising what maximalist approaches to social innovation mean in practice. Indeed, the maximalist approach resembles what Erik Olin Wright termed the ‘strategic vision of eroding capitalism’ which:

> 'imagines introducing the most vigorous varieties of emancipatory species of noncapitalist economic activity into the ecosystem of capitalism, nurturing their development by protecting their niches and figuring out ways of expanding their habitats... As a strategic idea, eroding capitalism combines using the state in ways that

---

3 Although it falls beyond the scope of this paper, we recognise one reviewer’s suggestion that this critique of minimalist social innovation could be brought to bear here.

4 ‘Maximalist’ social innovation is a term first used by Unger (2015) and is utilised within social innovation literature.
sustain spaces for building emancipatory alternatives with a wide range of initiatives from below to fill those spaces’ (Wright 2019: 61, 64).

There are clear parallels here with the FE Collective’s proposition of instigating ‘experiments in inserting alternative principles and practice of ‘elements of revolution’ into capitalist host bodies that would normally reject them’, with an understanding that it is this ‘everyday practice [that] can begin to make hope practical’ (2018: 159, 118). The goal being a ‘public heterarchy’ offering new spaces in which to act (Barbera 2021: 559). The strategic challenge of a maximalist approach is to ask how social innovations can ‘take the step beyond being small prefigurative lifeboats of ‘otherness’, and instead orientate themselves as part of a self-expansive dynamic capable of coalescing into the kind of broader project of transformation’ (Russell and Milburn 2021: 138).

As we explore in the following section, a partial answer to this problem lies in the building of a new moral economy (Sayer 2000) – the production of a new subjectivity or common-sense – and its intersection with a material foundation. Suffice to say this helps makes sense of the claim that the ‘foundational renewal problem is about centralised, top-down policymaking as much as it is about the wrong policies’ (Foundational Economy Collective 2018: 126) and that efforts to develop a new paradigm come with the ‘need to reinvent democratic politics and empower the regional and local’ (Bentham et al. 2013: 20). Underpinning these statements is the recognition that the Foundational problem is not simply about the provision of basic needs within the world as we currently know it, but about practices of systemic transformation capable of re-embedding economic activity within socio-ecological limits. It is through this perspective that Foundational interventions ought to be assessed, and their ‘maximalist’ potential evaluated (Gough 2020).

Whilst it is beyond the scope of this paper to provide such an assessment of the many proposals or practices associated with the FE, two broad tendencies have been developed in some depth: social licensing and place-based approaches. Proposals for social licensing (Leaver and Williams 2014) rest on the principle that all foundational activities in the material and providential domains, including those performed by private companies and the para-state such as retail banking and some social care providers, should ‘be treated as in the public domain regardless of ownership’ (FE Collective 2018: 106). This is not to suggest that they must all become enterprises owned by the state, but rather that many of these enterprises have been given public privileges (such as supermarkets having regulated catchment areas, or water utilities given spatial monopolies) without any corresponding social duties.

The proposition of social licensing is that government ‘negotiates with large financialised companies operating in the foundational economy to specify explicit social obligations – like living wages, fair treatment of suppliers and support for community activities’ (Calafati et al 2019: 21). As these providers are largely anchored (a supermarket or care provider requires proximity to its client base), capital cannot simply ‘take flight’ in response to these conditions. An intriguing example of what this might look like at a national scale is the French government’s €7bn bail out of the Air France-KLM group in early 2020. The financing was made conditional on the airline ceasing operation of domestic flights, and limiting to hub transfers, those journeys that can be done by rail in less than 2.5 hours. Whilst significant questions may be asked as to whether such a condition is sufficient in addressing aviation emissions, and the non-binding nature of these conditions ought to raise eyebrows, it is indicative of the scope for experimentation in approaches to social licensing.

Whilst social licensing can be thought of in place-based terms (such as the conditionalities put on a particular supermarket franchise and mediated through a local authority), place-based approaches tend to refer to socially innovative approaches to the ownership and governance of resources, networks and services. These might include a diversity of models such as public-common partnerships
(Russell and Milburn 2018, 2021), ‘new foundational infrastructures’ such as Long-Term Care Centres (Autonomy/LABORA 2019: 33), and innovative forms of ‘entrepreneurial municipalism’ (Thompson et al. 2020a). These proposals all share the hypothesis that ‘radical change is only likely to come through a new politics of foundational alliance involving hybrid organisations with regional/local government, intermediary organisations and businesses working together’ and that ‘such alliances are easiest to put together on a local basis’ (FE Collective 2018: 155).

This emphasis on constructing power through the local is certainly not new in geographical and urban debates. A vast literature is concerned with the Right to the City (see the special issue of City, Brenner et al. 2009), visions of progressive localism (e.g., Featherstone et al. 2012) and calls for the local ‘to become the active subject of its economic experience’ (Gibson-Graham 2003: 50). Although these debates cannot be rehearsed here, all such propositions must contend with what Purcell calls ‘the local trap, in which the local scale is assumed to be inherently more democratic than other scales’ (2005: 1921) and the fallacy that ‘local scale decision-making is inherently more likely to yield outcomes that are socially just or ecologically sustainable than decision-making at other scales’ (Purcell and Brown 2005: 280). The correlate implication is that whilst ‘a foundational approach focuses on intermediary institutions as a means of supporting social and economic relations at the city level’ (Barbera and Jones 2020: 2), the process of ‘re-localisation may be necessary but it is not in itself a sufficient principle’ (Barbera et al. 2018: 377) for a maximalist approach to social innovation.

Theorists associated with new municipalist movements (or more precisely, debates within these movements) have begun to confront this problem through the concept of the ‘politics of proximity’ (see Subirats 2016). Rather than identifying the local as an essentially virtuous category, a political project of proximity is instead focused on ‘the activation of municipalist political processes that have the capacity to produce new political subjectivities’. Local scales (such as the municipality) are not considered to offer inherently progressive qualities, but instead offer latent potential for constructing ‘strategic entry points for the development of a truly prefigurative and transformative social movement’ (Russell 2019: 1001-1007), where proximity is not a given but something that is built. In this guise, the local focus should not be read as an abdication of critical scalar thinking, but instead be approached as a strategic wager. Nonetheless, it is critical that the Foundational agenda explores what it means to follow through on such a wager, rather than falling into the alluring trap of celebrating local difference.

III The Foundational Economy in action

A persistent challenge for those working with the concept of the FE, especially when engaging with policy makers and civil servants, is the potential for it to be used as little more than shorthand for a particular (mundane) sector of the economy. For example, Greater Manchester’s 2019 Local Industrial Strategy frames the FE in orthodox policy terms, emphasising the need to drive wage growth through an ‘increase [in] the productivity of big sectors in the ‘foundational economy’ such as ‘retail, social care, hospitality and tourism’ (GMCA 2019: 16, 26). Ignoring that productivity and wage growth have been radically decoupled since the late-1970s, such a reductionist reading of the FE avoids the critical and normative content that positions it as ‘a compelling counter-project against neoliberalism’ (Streeck in FE Collective 2018: iv).

Clearly articulating a critique of growth-led strategies for the transformation of foundational sectors, not just in distributional terms (e.g. discourses of inclusive growth) but as a critique of growth per se, will be a necessary step in clarifying the contribution of FE scholarship to theories of socio-economic

---

5 For a descriptive account of this decoupling in OECD countries over the past few decades, see Schwellnus et al. (2017)
development. It could also prove to be the cornerstone in addressing the comparative weakness of FE scholarship in engaging with questions of ecological crisis and transition. One starting point here would be the increasingly mature literature on economic degrowth, a term that signifies a ‘radical political and economic reorganization leading to drastically reduced resource and energy throughput’ (Kallis et al. 2018: 291) with a simultaneous improvement in wellbeing. Recognising that ‘green growth’ is doubtful from both a theoretical and empirical perspective demands that we ‘find ways to decouple prosperity and development from growth’ (Hickel & Kallis 2019: 483), instead focusing on how a wellbeing economy can be developed within ecological limits (which at a conceptual level is what Kate Raworth (2018) refers to as ‘the safe and just space for humanity’). As a recent paper on the FE has argued, ‘the ability to shape such desired changes hinges on comprehending the systematic non-sustainability of capitalism’, helping us to frame how an ‘empowering of the foundational economy... offers pathways to undermining capitalism from within’ (Bärnthaller et al 2021: 1-2. Emphasis added). Debates concerning the viability (and desirability) of policy interventions associated with a Green New Deal should similarly be evaluated not on whether they can decarbonise economies (which itself would be subject to degrowth critique, and has nothing to say on issues such as biodiversity loss or ocean acidification), but the extent to which they can act as ‘reforms which, when implemented, not only radically reduce carbon emissions, but may also stretch the limits of the very system’ (Mastini et al. 2021: 8). The strength of the FE’s contribution can precisely be to focus on what this means in practice.

With this in mind, existing examples of foundational interventions should be approached with the intent of exploring what can be done across the material, providential and overlooked domains. Examples of these approaches include alternative platform-based taxi services (for example LeCab in Paris and Modo in Vancouver) and social care (for example Equal Care in the UK https://www.equalcare.coop/). The strengths and limitations of such approaches and the variability in coverage has been illustrated by Arcidiacono and Pais (2020) while the potential of data cooperatives to enable communities and citizens to control local economic relations by sharing and owning data through peer-to-peer (p2p) repositories has been highlighted by Calzada (2021). There are also strong links between the Foundational Economy and arguments for Universal Basic Services (Coote 2020) as well as the provision of housing through new forms of public ownership (Plank 2020). With respect to food systems, the example of partnerships between charities and school meal provisioning such as The Food for Life programme in the UK as well as local grass root initiatives such as the Oldham’s Education Catering Team point to the potential for a foundational economy of public food provisioning that has positive health and well-being outcomes as well as addressing current economic and ecological concerns (Morgan 2020).

There are strong zonal and placed based elements in all of these examples but perhaps the clearest illustration of the spatial aspects of the Foundational Economy is to be found in alternative food supply chains or alternative food networks (AFNs). These can take diverse forms including direct sales on-farm, food box schemes, local markets and Farmers’ markets as well as forms of collective production and consumption. Community-supported agriculture (CSA) is seen by some to offer a form of prefigurative agriculture that transforms producer-consumer relations and prioritises community-based food production and distribution. First developed in Japan in the 1970s (as ‘Teikei’) examples of CSA can be found across North-America and parts of Europe. In the Italian case, Solidarity Purchasing Groups (SPGs), seem to be one of the most important forms of local action that are connected to wider political and ecological concerns (Barbera et al. 2018). SPGs mostly arise as informal groups formed by consumers and producers that organize food supply purchasing in a collective way. One example of the way such movements can grow to operate at different spatial and political levels is provided by Mostaccio (2020) who illustrates their potential to be catalysts for a wider political solidarity through the case of the ‘Orange rebellion’ in the small rural village of Rosarno in the Gioia Tauro Plain. First emerging as a response to the exploitation of immigrant workers in Orange cultivation, ‘SOS Rosarno’ (https://www.sosrosarno.org/) has grown to create an alliance
between small producers and aiming to conserve local territory, protect the quality of life of the local population and defending the rights of immigrant farmhands.

IV Conclusion

This paper has reviewed cross-disciplinary debates on the Foundational Economy, offering an overview of the concept before identifying the defining features of its theorisation. As a practice-orientated concept committed to the implementation of post-neoliberal strategies of economic development, the FE shares a number of perspectives common to heterodox theories: an understanding of economic development that foregrounds wellbeing and social good rather than growth (as measured through conventional measures such as GVA); a deconstructed view of the economy that recognises (and values) the diversity of ways human needs are (or could be) met; an attendant focus on social innovations; and a recognition that wellbeing necessitates not only the provision of goods and services, but a focus on how people develop collective agency through participation in their delivery. These concerns should be of interest to not only human geographers, but all social scientists broadly interested in the dynamics of post-Covid socio-economic recovery.

Through exploring the Foundational Economy’s core themes – the development of a zonal perspective, a focus on maximalist social innovation, and the reconstitution of citizenship – the concept has been brought into dialogue with several critical debates within economic geography. Taking these core themes together, we suggest the Foundational approach can be distinguished from other discourses (such as that of the social economy or the diverse economies literature) by a commitment to a wider transformation in post-neoliberal economic development. Through exploiting (often unexpected) opportunities in the structures of the state at the sub-national level, it is possible to begin developing and extending new approaches to the provision of those goods and services that are essential to a decent life. Radically constrained by the wider political (and moral) economy of our current conjuncture, these social innovations must function as more than weak redistributive measures, nor should they be celebrated solely for being ‘alternatives’ in themselves. Rather these social innovations must be maximalist by design – not simply by ethos – such that their ‘horizon of transformative ambition expands to include the economic and political institutions, as well as the beliefs informing and sustaining them’ (Unger 2015: 237). Aligned with a radical democratic politics of the common (Dardot and Larval 2019), these foundational social innovations should be understood as entry points to a wider hegemonic strategy, providing the socio-material foundations through which the common sense of a new moral economy can be constructed.

Whilst this paper has begun to expand upon this proposition, there is much that critical geographers can offer to the further development of the interdisciplinary Foundational Economy perspective. Lefebvre’s (1966, 1968) work, and much of the wider literature that has emerged on the Right to the City (e.g. Gray 2018; Merrifield 2011; Milburn and Russell 2021), will continue to be instructive in addressing the ‘local trap’ (Purcell 2006), exploring how place-based initiatives can avoid parochialism and instead serve as new assemblages of social power orientated towards systemic change. Critical debates on scale and power can also be brought to bear here (e.g. Brenner 2001; Gibson-Graham 2003; Mackinnon 2011; Massey 2005), with an emphasis that ‘it is crucial to engage with struggles over the terms of debate around localism and to contribute to strategies of collective resistance’ (Featherstone et al. 2012: 177).

The call for a ‘new politics of foundational alliance involving hybrid organisations with regional/local government, intermediary organisations and businesses working together’ (FE Collective 2018:155) also invites engagement with contemporary thinking about prefiguring the state (e.g. Cooper 2017; Jessop 2020) and state theory more broadly, including (given the scalar focus) where this intersects with historical and contemporary research on forms of radical municipalist practice (e.g. Angel 2021; Russell 2019; Thompson 2020). In a similar vein, research focused on hybrid models of economic democracy, in particular those associated with the wave of municipalisation and (re)municipalisation
Hall et al. 2013) over the past decade or so, already offer important insights into how some of these hybrid social innovations in the foundational economy may function in practice (e.g. Cumbers 2012, 2020). Critical debates on the commons can be approached to the same end (e.g. Bunce 2016; Chatterton 2016; Chatterton and Pusey 2020; Cumbers 2015; Dardot and Larval 2019; Federici and Caffentzis 2013; Stavrides 2016).

Engagement with this wealth of perspectives will undoubtedly strengthen the concept of the Foundational Economy, guiding future research in the field whilst helping to address and expand upon some of its current oversights. Firstly, Foundational research currently retains an overwhelmingly Western-centric gaze, both in terms of its historical periodisation and its contemporary research focus. The principal oversight here are the many and diverse economic forms through which foundational needs (from finance to food) are being met, along with accompanying political analysis (e.g. Clare et al 2018; Zibechi 2010) that may strengthen the Foundational both in theory and practice. Secondly, and as eluded to above, Foundational thinking also suffers from a relative blindness to unwaged work and the role it plays in foundational provision, leading to an unintended marginalisation of non-market transactions, household work, and so on. Whilst concepts such as universal basic income and universal basic services have been touched upon by some Foundational thinkers (FE Collective 2018: 118-128), there needs to be further work on the place of unremunerated work in the strengthening of the FE. Thirdly, there needs to be an explicit and central focus on how Foundational renewal is concomitant with addressing our multifaceted ecological crises, developing a holistic understanding of economic development and wellbeing that may bear a closer resemblance to the ideas of ‘buen vivir’ (Gudynas 2016) than conventional Western understandings of development. Fourthly, Foundational thinking needs to engage with the knowledge economy in its broadest sense, most obviously (but not limited to) questions of the production and ownership of data and its role in the governance and reproduction of space (see Cardullo et al. 2019).

Foundational research should also heed the recent call to ‘focus on the geographies of limitation [as] a prerequisite for political practice. Knowing constraints and resistance, and ideally also the means to over-come them, is crucial for the strategic creation and enlargement of postcapitalist spaces’ (Schmid and Smith 2020: 15). This calls for a focus on path-creation (MacKinnon et al. 2019) and comparative understandings of the multiscalar forces that both constrain and enable the emergence of alternative foundational economic practices, with a view to understanding and supporting their proliferation. As Jamie Peck summarises, ‘the search for more humane and sustainable ways of living could be facilitated by the trenchant critique and denaturalization of current conditions, in tandem with creative explorations of the political economy of alternatives.’ (2013b: 1563). As both a research and practice agenda, the proposition of the Foundational Economy promises to do just that.

Reference List


