

January 1992
New Book Release

THE QUEST FOR UTILIZATION VALUE
Economy as the good ordering of interests

Innovative organization forms such as public-private and value-added partnerships, community development corporations, non-government and voluntary agencies are being created *to achieve order among the chaos of mixed interests* which characterize modern economies. Surfacing in fields as different as urban development, job creation, nature preservation, health care, scientific research, environmental conservation, these ventures are reconfiguring the roles of private and public sectors.

From studying the successes and failures in the domain of public-private partnerships conclusions are reached on basic *features, capacities and instruments* of the initiatives which are emerging outside the strict boundaries of market and state. They constitute a basic drive which is gradually pervading modern economies: *the drive for utilization value*.

Utilization value is to be sharply distinguished from the drive for self-interest maximization in a competitive market context. It focuses on the best use of available interests in order to optimize the specific *added values* of households.

The rudimentary concepts which underlie these activities, herein named the 'civic' economy for lack of an established term, are thoroughly investigated. The focus is on the conceptual underpinnings and the mechanics which have the potential to address the increasing complexity on which the future welfare of modern economies depends.

In this book economy is viewed as *the good ordering of interests*, not as *the allocation of scarce resources* as it is traditionally in mainstream economic thought. From this different stance emerge implications for theory and practice.

The ordering of interests is complex because of the *unplannable interdependences* which are characteristic of externalities, whether environmental, urban or social. Adequate ordering devices are then needed since neither the market nor the state alone can *intelligently combine the diversity of differently natured interests* and hence cannot *synthesize complexity*. *Coherent superpositions* of interests which optimize the potential of individual and community do not occur by chance; they require the simultaneous application of various *modi operandi*, each with a different rationality.

It is the choice of the *appropriate* rationalities which matters; these are to be adopted according to different *contexts, objectives and faculties*. The rationality

of the market which is appropriate for the 'candy-bar' type of allocation is more often than not too homogeneous for the complexities of mixed interests. Hence, economy has to *broaden its span* of rationality and *modi operandi* accordingly.

In this scenario, the dichotomy of 'self' versus 'general' is no longer the appropriate paradigm. Instead, we must look at a continuum, with mixed interests at the heart between self and general interests. Mixed interests trigger our attention because the complexity of their ordering challenges the applicability of the standard ordering devices: *market and state*.

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Economy as the good ordering of interests

by Paul H.L. Kloppenborg

PROGRESSIO Civic Economy Series 2, 1992

edited by Marcello A.G. Palazzi

What the first readers say

"A glance at it was enough to convince me of its importance".

Prof. Henk J.L. van Luijk, The Netherlands School of Business, Nijenrode;
European Business Ethics Network, The Netherlands

"This book should make a major contribution to the much needed renewal of economic thought".

Ronnie Lessem, MA, MBA, PhD, The City University Business School, London

"A very interesting work of a pioneering kind".

Prof. Sir Alan Peacock, Director, David Hume Institute, Edinburgh

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