Eastern Journal of European Studies
DOI: 10.47743/ejes-2026-0117 • JUNE 2026 • VOLUME 17, ISSUE 1

Book review: Fred Block (2025). *The Habitation Society. Creating Sustainable Prosperity*. Agenda Publishing, Columbia University Press, p 192

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Introduction

A 2023 study of 36 high-income countries found that the so-called absolute decoupling hypothesis was met in only 11 cases, when their economies grew while their environmental burdens decreased or at least stagnated (Vogel & Hickel, 2023). Unfortunately, the mainstream is not paying close enough attention, so they neglected the important result of the study – which should have been revealing even for those whose reflex of scientific responsibility only extends to reading the abstracts of the articles. According to the study, even if the 11 high-income countries were to continue the currently observed and historically unprecedented level of emission reduction rate, it would still take an average of another 223 years before they would be able to reduce their emissions by 95%, which would be required to keep the temperature increase below the 1.5 °C threshold.

223 years is too long; the 2015 Paris Agreement also set 2050 as the target date for the transition to zero-emission economies, calculating with a much shorter time horizon. Instead of pushing quantitative economic growth, therefore, the preference for qualitative growth, i.e., the culture of enough or the culture of satisfaction, should gain ground very quickly, otherwise humanity will be forced to face a dark period.

In an effort to avoid such a dark period, the work by Fred Block, a professor of sociology at the University of California, published by Columbia University Press in 2025, offers a new way of thinking about more qualitative growth. His book *The Habitation Society* closely aligns with the author's oeuvre to date, whose scholarly work examines the role of the state in shaping the economy and the operating mechanisms of modern capitalism at the intersection of political and economic sociology. He has achieved significant results in summarizing the theories of Karl Polanyi and in developing the concept of the "hidden developmental state" that drives the American innovation system. In his research – including in the work under

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HOW TO CITE: Kovacs, O. (2026). Book review: Fred Block (2025). The Habitation Society. Creating Sustainable Prosperity. *Eastern Journal of European Studies, 17*(01), 351-358. https://doi.org/10.47743/ejes-2026-0117

review *The Habitation Society* – he critically analyses market fundamentalism, while searching for alternatives that offer a more just economic model by democratizing financial systems and strengthening social security.

Block's book, beyond being an important milestone in contemporary political economy and progressive social theory, resonates precisely with the "enough" culture explained above. That real growth does not mean accumulation, but rather ensuring the well-being of the local community, environmental sustainability, and the conditions for individual development. The author not only provides a critique of neoliberalism, but also outlines a coherent, institutionally developed alternative to the accumulation society. Through seven main chapters, he outlines how it would be appropriate to transition from the accumulation society to the habitation society. Block also encourages us to see that for sustainable change and transformation, the spirit of participatory democracy must be given new status and relevance.

In the following, we will briefly present the book's line of thought and try to interpret it within the framework of the literature on qualitative growth (*degrowth*).

1. From accumulation to habitation

The central thesis of Block's book is the need for a fundamental shift: modern societies must move away from a logic that prioritizes capital accumulation above all else towards a system that he describes as a habitation society. According to the author's diagnosis, the current global crises – ecological collapse, extreme wealth inequality and the erosion of democracy – are not unfortunate accidental derailments, but direct consequences of the compulsive growth logic of capital accumulation.

The book begins its first chapter with Antonio Gramsci's famous concept of "morbid symptoms". According to Block's argument, the neoliberal world order with its old industrial economy is already dying (p. 15), but the new one has not yet been born, and it is in this vacuum that destructive political movements and signs of social disintegration appear. The greatest danger is that such pathological changes have appeared in the body of the socio-economic system that both the patient and the newborn may die in the aforementioned childbirth. Block points out that the belief in the omnipotence of the market – which entailed reducing the corporate tax burden and the burdens on the particularly wealthy, while the role of the state in helping citizens to protect themselves from market fluctuations was increasingly limited – has systematically undermined the reproductive capabilities of society, because it has led to such a degree of inequality that it has opened the way for populist, nationalist social disorder. The dominance of free-market ideas was not disrupted, as Block points out, even by the financial crisis of 2008/2009, when the state, following some serious misstep, fundamentally rethought its own role.

Block's concept of habitation is much broader than simple housing. It refers to a deeper embeddedness in Polanyi's sense (Polanyi, 1944 | 2001): it means the totality of all the physical, social and ecological infrastructures necessary to sustain human life. The essence of a habitation society is that the goal of economic activity is not to maximize profit, but to ensure the well-being of the residential community, environmental sustainability and the conditions for individual development. One of the most important messages of the book is that we must recognize the right to habitation as a fundamental political and human right. It is not just a welfare benefit, but a new basis for the social contract. According to Block, habitation includes safe housing, a clean environment, quality healthcare and education, and the opportunity to participate in community decision-making. In this framework, the economy becomes a tool in the service of habitation, not a machine for its own sake.

Block accentuates that this shift is not a utopian dream, but a pledge of survival. He explains this in the book's subchapters 2 and 3. The accumulation society has run out of fuel: the promise of infinite growth on a finite planet is unsustainable, and the concentration of capital creates political tensions that stretch democratic frameworks. An economic model has emerged (a system of local economies dominated by services that create, maintain and consume habitation) that is no longer industrial, and yet all our institutions and much of economic thinking still follow the logic of the industrial era (p. 34). It is no coincidence that, according to the surveys cited by Block, the majority of people in the United States do not feel that they have a real say in local affairs, in the organization and development of their places of residence. This is also due to the fact that the previous practice of measuring economic efficiency somehow no longer fits in with the service-dominated world of the habitation economy. The current system tries to treat services, knowledge and care as commodities, but these by their nature do not behave like tangible factory products. Block cites as an example that in the case of services, destandardization is much more intense (but is also becoming more intense than in traditional products) – the end result of which is that the ball may bounce on the side of producers/service providers (they have more information about the errors of the service/product provided and can spend more on advertising than being forced to correct possible errors and deficiencies due to consumer pressure). This may be especially true in the case of larger market players, which underlines the growth of concentrations (p. 55). Ultimately, the pressure to maximize profits undermines the quality and availability of services necessary for habitation. The solution, according to Block, is therefore a radical redesign of the economy along the priority of habitation.

2. Democratizing corporations and finance

The real power and novelty of Block's work are in chapters 4-6. He makes specific institutional proposals for what needs to be done. While many left-wing critics stop at a diagnosis, Block offers a detailed plan for the realignment of economic power. Two key elements of this are the democratization of corporate governance and that of the financial system.

As for the democratization of corporations, the book's great innovation is its radical critique and rethinking of the corporate form (chapters 4-5). In chapter 4, he really shows that while corporations are more powerful than ever, their social utility and legitimacy are steadily declining (and their innovation is declining) because their activities often hinder sustainable habitation. He argues that corporations should be accountable not only to shareholders but also to a wider range of stakeholders (employees, communities) and that they need radical internal democratization. As a corollary, a more democratized and inclusive habitation is definitely needed.

Block points out the irony of corporate dominance: although modern corporations are built on social resources, their decision-making mechanisms are autocratic and focused solely on shareholder value. Moreover, the innovation activity of large dinosaur companies (p. 83) is not sufficiently stimulated, while the financial system is usually in their favour and they are therefore not really selected out of the market. This feeds back to the presentation of the qualitative improvement of habitation. Block considers at least two things to be forward-looking in terms of the democratization of corporations: (i) the 2.0 version of the traditional stakeholder model; and (ii) the concept of the so-called social license. Regarding the first, Block goes further than the traditional stakeholder model. He proposes legal frameworks in which representatives of employees, local communities and environmental concerns have veto rights and decision-making powers on corporate boards. As for the concept of social license, it would bind the operations of companies to a kind of social permit, which could be revoked if the company's activities systematically violate the principles of habitation.

It is also clear from the book that Block is not joining the large group of technophobes; he believes that technological development is essential for a habitation society. The novelty here lies in the orientation of innovation policy: instead of profit-driven automation, he advocates state and community support for technologies that support a "*caring economy*" and reduce the ecological footprint (e.g., spending on teachers, nurses, and environmental projects is a guarantee of future prosperity and economic stability, without which habitation can only be unsustainable). This kind of state concept focusing on social investments can break with the image of the neoliberal minimal state and the traditional bureaucratic welfare state, offering a dynamic, participatory model.

The other novelty is the desire to democratize finance (Chapter 6). According to the Author, the financial sector is currently the main engine of capital accumulation and at the same time the main obstacle to the habitation shift. The reviewer welcomes the inclusion of the role of the unbridled and unleashed financial universe in the analysis (Kovács, 2023), which is often neglected by the profession. Block illustrates the financial system as a parasite of the real economy, which, due to inherent structural reasons, is simply incapable of adequately financing long-term, socially useful projects (such as the green transition or affordable housing). Although the Author does not address it directly, he suggests that the expansion of the financial universe gives rise to and maintains bad structures – such as zombie companies (Banerjee & Hofmann, 2021; Kovács, 2022; Mazouni, 2026). In other words, instead of the economy creating real value (which Block sees as the basis of “habitation”), the system is keeping unviable structures alive with fictitious capital and unsustainable debt structures, just to avoid a short-term market crash. Block proposes the creation of a “social investment system” that would replace the profit-maximizing logic of Wall Street with community-based, targeted lending. This should include scaling up community banking, reinterpreting the role of central banks, and directing capital more towards the real economy. He explains that a network of non-profit or community-owned financial institutions is needed to finance local habitation needs (e.g., sustainable housing, green energy). In this regard, Block argues that central banks should not only watch over inflation, but also take an active role in ensuring liquidity for socially useful investments. Furthermore, there would be an elementary need to develop and apply tax and regulatory tools that would redirect financial assets from speculative bubbles towards real economy, habitation projects.

3. The habitation society and degrowth

Fred Block’s book has an exciting and sometimes tense relationship with the degrowth movement and its rich literature. However, according to the reviewer, it cannot be disputed that the promise of habitation – a safe and dignified life for all – completely coincides with the degrowth movement aiming at qualitative growth, eco-social well-being (Kovács, 2025). The long-standing socio-economic order of accumulation is self-destructive. Ecological overconsumption is constantly increasing (the percentage of the ecological footprint exceeding biocapacity in the world economy as a whole: -78%)[1]. As a result, humanity is facing an ever-increasing ecological debt. Since our planet’s resources cannot be exhausted forever, the accumulation lifestyle based on overconsumption will eventually come to an end. The question is whether this will happen in a planned and democratic way or as a result of a catastrophe. Sure, Block shares many diagnoses with degrowth theorists (such as Jason Hickel or Giorgos Kallis[2]), but his proposals and theoretical framework are somewhat different.

Common points can be seen in the criticism of GDP, the inevitability of ecological boundaries, the need to reinterpret the concept of work, and the urgent task of promoting local (decentralized) economies.

Block agrees that GDP is inadequate to measure social well-being and is in fact a tool of accumulation coercion. In this way, his opinion is close to what is expressed in the degrowth literature, according to which it is not necessarily the

[1] Some interesting further data: Hungary: -70%, the US: -110%, Spain: -170%, Germany: -180%, Switzerland: -320%, China: -400% (!), Korea: -790% (!). See: https://data.footprintnetwork.org/#/

[2] See: Hickel (2021), Kallis (2011).

increase in productivity that is progressive – as today's leading scientific and policy authorities believe[3] – but rather the stimulation of qualitative growth. The author further acknowledges that an infinite increase in physical output (material throughput) is impossible, and that the economy must be pushed back to the limits of the planet's carrying capacity. In addition, he calls for a redefinition of work, and thus his approach will be related to degrowth in that it emphasizes breaking the hegemony of paid wage labour and the appreciation of socially useful, but not necessarily marketed, activities (caregiving, volunteering). Finally, in Block's approach, there is a primacy of participatory democracy, which can be ensured by a decentralized governance/institutional structure, where local needs support the elaboration of context-specific approaches. This is also a central element of the degrowth concept. Strengthening and prioritizing democracy is primary in the degrowth transition literature, which can ensure the sustainability of the transition, decentralized, participatory democratic processes can mitigate information asymmetry, support the identification of priorities according to local needs, and bring a degrowth orientation to the process of social learning.

The differences from the degrowth literature stem from Block's unique position. While the degrowth literature often focuses on reducing the absolute size of the economy, Block does not explicitly refer to the need for this, but instead emphasizes the qualitative transformation of the economy and the redirection of investments, in line with the degrowth's qualitative growth approach.

Block's book nourishes the idea of selective growth rather than an absolute lower growth trajectory (degrowth-transition). He argues that certain sectors – such as renewable energy, public transport, sustainable housing and healthcare – need to grow massively in order for habitation to occur. This is not "non-growth" but a massive, socially-directed investment program. The degrowth literature sometimes views investment as a means of capital accumulation with suspicion. Block, by contrast, treats social investment as a central category. The problem, he argues, is not with investment itself but with its private profit-driven nature. He argues that a habitation society is in fact a society with extremely high investment needs, but with different goals.

Block is a subtle critic of the degrowth movement for its political unsellability. He believes that the positive, constructive concept of "habitation" is more mobilizing than the abstract and often misunderstood category of "non-growth". Habitation is a promise of a better life, not a call to tighten one's belt. Block's position is most closely related to radical, systemic versions of "agrowth" (growth-agnostic) or green growth. His goal is not the democratic shrinking of the economy, but the elimination of the compulsion to grow for profit. If the conditions of habitation are met, the statistical development of GDP becomes a secondary issue.

[3] The Draghi report typically illustrates this in relation to European integration, https://commission.europa.eu/topics/competitiveness/draghi-report_en#paragraph_47059, while for the advanced global economy the McKinsey Global 2024 report may be indicative (Mischke et al. 2024).

The reviewer also wonders how this could be achieved in increasingly divided socio-political systems, where, as political polarization increases and opportunities for compromise diminish, racial, religious, gender, and even residential segregation begin to characterize party affiliation and social identity (not to mention the practice of conscious political reinterpretation of facts). The situation is not hopeless, however, as the World Economic Forum's 2026 report shows, for example, that there are an increasing number of cities (e.g., San Francisco, Bengaluru, Tokyo) where local collaboration between governments, businesses, and innovators is helping green growth while organically embedding resilience into the core of the economy.

Conclusions

The Habitation Society is a courageous and intellectually profound attempt to reclaim the initiative of the 21st-century left in the political imagination. Fred Block does not stop at criticizing capitalism; he shows, in the spirit of Karl Polanyi, how the market can be put back in the service of society without abandoning the achievements of modernity.

Among the greatest merits of the book is Block's undisguised intention to shed new light and give new relevance to participatory democracy, since the survival of democracy requires not only a well-educated and knowledgeable voter base, but also, above all, constructive dialogues that build and maintain trust from time to time. In this way, democracy can be a lasting catalyst for social innovation. Another merit is that it bridges the gap between radical ecological thinking (degrowth) and practical institutional reform. The concept of habitation is apt to bring together housing activists, environmentalists, labour unions, and financial reformers under a common umbrella. Although the scale of the proposed transformations is vast, Block's argument is compelling: in an age of pathological symptoms, it is not radical change that is risky, but maintaining the status quo.

The work is a must-read for anyone concerned with the question: how can we build a world where the primary measure is not the accumulation of capital, but the flourishing of the eco-social system? Fred Block's answer is clear: let's replace accumulation with habitation, and rebuild our institutions.

The present paper was supported by the János Bolyai Research Scholarship of the Hungarian Academy of Sciences.

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