

# **Sustainable De-growth**

Giorgos Kallis, Francois Schneider and Joan Martinez-Alier

This article develops the concept of sustainable de-growth. First, we provide a historical review of de-growth ideas. We look at antecedents of de-growth in classical and Marxist economics and sociology up to Georgescu-Roegen. We then distill the key insights from the burgeoning Francophone literature on de-growth economics. We then discuss recent contributions presented in the first international conference on Economic Degrowth for Ecological Sustainability and Social Equity, in Paris, April 2008. We propose a definition of sustainable de-growth and distinguish it from un-sustainable de-growth (recession). We discuss differences between de-growth and related concepts, such as decoupling and dematerialization, sustainable development and sustainable consumption. Finally, we conclude identifying the key challenges for de-growth research and some of the potential policy implications.

## **1. Introduction**

The world is in front of a triple crunch: recession, peak oil and climate change. Responses to these three global crises will shape lives of billions for decades to come. In periods of recession, even more so than in normal times, economic growth becomes the primary policy objective, overshadowing all other concerns. The Brundtland consensus on “sustainable development” saw economic growth not only as compatible with ecological sustainability but necessary for it. Productivity and efficiency improvements spurred by - and fuelling - economic growth can in theory reduce environmental pressures. However, twenty-one years after the Brundtland report and sixteen years after the Earth Summit in Rio, total energy consumption and greenhouse gas emissions in the developed world continue to increase. Despite a decline of emissions per unit of economic throughput, efficiency hasn't outrun scale and shows no signs of doing so. Even if efficiency outruns scale in the future, the pace of change will be nowhere near what is necessary.

The question of how to improve human well-being without destabilizing the global climate, poses the most dramatic scientific puzzle in the history of human kind. Yet, it appears without solution (save for an unspecified technological miracle). It might be helpful to think outside the box of economic growth. There are good reasons for this. First, a smaller economy with less production and consumption is likely (though by no means certain) to have less emissions and less environmental impact. Second, there are indications that after a certain level of development, growth detracts more from well-being than it adds; there might be a double dividend of enhanced ecological and psychological well-being by less, no or de-growth. Third, the political imperative of growth often becomes an obstacle for other good environmental or social policies. Under the pressure of recession, environmental policies and investments may be sidelined, accelerating ecological degradation. Fourth, de-growth is already happening in many

territories and sectors in Europe; turning it from an unplanned social catastrophe to a smooth - equitable and environmentally advantageous - transition is crucial, independently of whether one accepts that growth is unsustainable or not.

This paper reviews the state of the art concerning sustainable de-growth looking at historical and contemporary texts, comparing it to similar ideas, and identifying the key open questions.

## **2. Analysis and Discussion**

In this paper we provide, a review of:

- antecedent ideas about de-growth in classical economic and sociological writing up to the seminal contribution of Georgescu-Roegen.
- the Francophone literature on de-growth economics.
- a number of recent contributions that attempt to develop the concept, presented in the first international conference on de-growth and economics, in Paris, April 2008
- differences between de-growth and related concepts, such as decoupling and dematerialization, sustainable development and sustainable consumption, steady-state.

We define sustainable de-growth as *a smooth, voluntary and equitable downscaling of production and consumption that insure human well-being and ecological sustainability locally as well as globally on the short and long term*. Sustainable de-growth privileges small scale, decentralized solutions instead of big infra-structures, sharing as an organizing socio-economic principle, instead of competition and accumulation, and values that favour voluntary simplicity instead of material consumption.

We make a clear distinction between sustainable de-growth and un-sustainable de-growth, the latter referring to recession or depression indicated in decreasing GDP and causing the deterioration of social or ecological conditions. Sustainable de-growth will most likely involve a decrease in GDP. However GDP is of secondary importance under a sustainable de-growth perspective. It is an indicator that does not take into account non-market activities and environmental externalities. Sustainable de-growth focuses on the improvement of well-being independent of money income and the reduction of resource use and pollution.

We then identify four key challenges in research for de-growth.

- i) Sustainable de-growth and economic stability.

A better conceptual understanding is needed concerning the ways in which present-day economies are locked-in in growth. Economists take the need for growth as a given; there is limited understanding on why continuous growth is necessary for economic stability and full employment (given that the population is more or less stable in Europe). The

relationship between private property, accumulation and growth should be scrutinized, opening the way for envisaging alternative forms of economic organization that will decouple well-being from growth. The hypothesis that macro-economic stability and good employment conditions are possible without (or with de-) growth should be examined. We call for a new generation of (de-growth) economic models that test these hypotheses and the conditions under which they are possible.

ii) Sustainable de-growth and democracy

First, there is the question of the exclusion of non-growth options from current democratic debates and the types of participative processes necessary to debate future options. Second, and more importantly, there is the question of the relationship between (different forms of) democracy and de-growth. There are two opposing propositions to be investigated. The first, what we might call the “egalitarian hypothesis” is that a society with a more egalitarian and decentralized mode of democracy will also tend towards voluntary simplicity and consume less resources. Vice versa, reduced consumption may reduce resource conflicts and enhance democracy. The second proposition, which runs somewhat counter to the first, is that there might be a fundamental contradiction between democracy and de-growth, since there is no guarantee whatsoever that a democratic consensus will end up being in favour of voluntary de-growth. Different democratic models need to be examined (municipalism, communalism, bioregionalism, inclusive democracy, agonistic democracy, deliberative democracy), and their opportunities and tensions with the idea of sustainable de-growth explored.

iii) De-growth and the environment

An improvement of environmental conditions is part of our definition of sustainable de-growth. An interesting question here concerns the conditions under which reduction of economic activity leads to less resource use and less environmental impact, and the conditions under which it might exacerbate environmental pressures, in other words, the conditions which differentiate sustainable from unsustainable de-growth.

iv) De-growth and social equity

The question of inequity was always eluded by the prospect of economic growth, although at the end inequity has increased in the past between the global North and the global South. With limitations in the access to natural resources, the problem is more acute than ever. The question to be studied here concerns the process of degrowth of the collective capacity of the global North to gain access to natural resources in order to make a more equitable world a reality.

The key challenges identified enable us to identify on one hand new types of strategies taking into account the idea of limits involving a reduction of collective exploitation of resources (what we call “debound strategies”) and degrowth policies to replace growth policies.

“Debound strategies” consist of identifying and discouraging specific efficiency solutions (or others) that are prone to rebound effects (efficiency improvements leading to increase in total resource use), or favouring solutions in general that create rebound. Degrowth policies consist of understanding the limiting factors and adjusting them in order to prevent the rebound effect. These include establishing limiting factors to the exploitation of natural resources.

### **3. Conclusion**

This article makes a strong case for voluntary and well planned de-growth as the best mitigation and adaptation strategy to climate change, peak oil and economic recession. We provide a review of the literature on de-growth and related fields to back up this argument and sharpen the definition and attributes of sustainable de-growth. We identify a set of open questions, in particular the relationship between de-growth, economic stability, democracy, environmental and social improvements. Finally we identify basic strategies and policy tracks for sustainable degrowth.