Degrowth: The Challenges of Realizing a Utopian Necessity

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Abstract
‘Degrowth’ is a globally emerging movement that criticizes the emphasis on economic growth within mainstream capitalist economies. Instead, degrowth calls for the shrinking of production and consumption within economies to mitigate the social and environmental impacts of climate change and natural resource depletion. This paper draws on a growing literature on the movement to examine its capacities as a prefigurative and sustainable alternative to capitalist economies. It explores the theoretical and practical principles that underpin the degrowth movement and examines the strengths and weaknesses of their key arguments. The degrowth ideas can hardly become fully realized within the capitalist framework since this requires significant structural shifts in the way capital operates, a growing wealth of degrowth activism, research, and experiments provide a foundation for continuing transformative mobilization. Although the movement still lacks strong global focus and feasibility, it shows significant potentialities to consolidate the seemingly disparate post-capital movements within and between the global North and global South.

Keywords: Post-capitalism, Transformative Alternatives, Degrowth, Steady-State Economy, Transition Towns, Universal Basic Income, Planetary Boundaries.

Introduction

The degrowth movement emerged as a response to various crises attributed to neoliberal capitalism, such as global inequality, growing threats to democracy, economic instabilities, and perhaps most significantly, climate change and natural resource depletion (D’Alisa, Demaria and Kallis, 2015). The movement

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questions the capitalist system’s reliance on economic growth to maintain economic and social stability. It criticizes overconsumption and rejects the belief that it is possible to decouple the processes of production and environmental degradation. Instead, degrowth proposes a radical reduction in production and consumption, especially in rich nations, in order to mitigate the future impacts of natural resource depletion and climate change on the global economy and social well-being.

Although some arguments for degrowth do not actively oppose the capitalist system (Foster, 2011; Demaria et al., 2013), the movement is arguably transformative and inherently post-capitalist. Basic degrowth strategies, such as progressive taxation of high-income earners and universal basic income, directly contradict the neoliberal capitalist model of profit, efficiency, and growth. These strategies prioritize social wellbeing and ecological sustainability, making degrowth a truly progressive and transformative post-capitalist alternative. As a relatively new player that came to the global forefront after the 2008 Global Financial Crisis (Demaria et al., 2013), the movement is still evolving as a post-capitalist alternative (Pineault, 2019; Kallis, 2019). In this short time, ‘degrowth’ has become an important concept within many contemporary post-capitalist developments, including the environmental justice and ecofeminist movements (Singh, 2019).

There are numerous arguments regarding the implementation of degrowth ideology, ranging from the top-down (Jackson, 2009; Blauwhof, 2012) to the grass-roots (Alexander, 2013; Khmara & Kronenberg, 2020) and those that combine elements of both approaches (Demaria et al., 2013; Alexander, 2012). Although systemic and cultural dependencies on consumerism, among other factors, present challenges and arguments against degrowth (Jackson, 2009; Demaria et al., 2013), the strength in the movement lies in its ability to bridge and consolidate seemingly disparate post-capitalist movements - from those with a more human focus to those focusing on the environment (Singh, 2019). As such, degrowth brings forth expansive possibilities for acting as a foundation for pluriversal and place-based post-capitalist alternatives around the globe.

The socio-ecological case for degrowth

Almost half a century has passed since the publication of the seminal Limits to Growth report (Meadows et al., 1972), which addressed the finite nature of natural resources on our planet and predicted societal collapse if humanity should continue to pursue unending growth. Rockström et al. (2009) also show that there are certain environmental limits, called ‘planetary boundaries’, that if transgressed, may produce catastrophic results for social welfare and the environment. Despite these predictions, to treat natural resources as infinite has remained central to capitalist economies with the assumption that economic growth will eventually solve ecological and social problems (Jackson, 2009). It is a wide-spread belief that climate catastrophe will be resolved through natural market processes, which generally constitute a move from goods to service-based consumption, technological innovations that improve production efficiency, and increasing consumer demand for green products (Alexander, 2012; Victor, 2012). Thus, neoliberal capitalist economies have maintained a
“business as usual” approach in the face of increasingly visible signs of climate change, depleting natural resources, biodiversity loss, worsening wealth inequality, and an exponentially growing population (Barry, 2011; Jackson, 2009; Hosseini, 2020; Hosseini et al., 2020).

These assumed outcomes of economic growth have been contradicted by empirical evidence. Firstly, studies suggest that improvements in technology have not negated increases in consumption and greenhouse gas emissions (IPCC, 2007; Jackson, 2009). Increases in GDP have not and likely will not produce the improvements in wellbeing and equality as promised by mainstream economists (Victor, 2012), and economic growth in the richer nations has been found to have little, if any, impact on subjective wellbeing (Alexander, 2012; Koch, 2013). The tendency for capitalist economies to experience ‘roller-coaster style’ patterns of growth and recession suggests that despite constant efforts, economic growth itself is very difficult to maintain, resulting in unemployment and other negative social consequences (Stanford and Biddle, 2008). The argument for growth, and only growth, simply does not withstand scrutiny.

In conjunction with the negative impacts of growth, there appears to be a finite limit on how much growth the planet can support. Hirsh et al. (2010) conclude that if we do not choose to implement degrowth strategies, degrowth will finally be forced upon us as a result of reaching the planet’s physical limits. Without considered economic planning, this could have disastrous ecological, economic, and social impacts (Urry, 2010; Kallis, 2017). This new understanding of growth leads to a simple conclusion: growth is not saving the planet and is not making people happier, so, why do we need it?

Can capitalism co-exist with degrowth?

The logical solution, when growth is causing negative environmental and social impacts, is to reduce or even reverse growth. This may seem simple, but capitalist economies rely on economic growth to maintain economic stability, increase tax revenue, and avoid unemployment and the loss of capital investment, even if this growth itself is ecologically or socially unsustainable (Barry, 2011). Popa (2012) found that in EU countries, economic growth correlated positively with social outcomes such as life expectancy and expected years of schooling. However, other outcomes such as unemployment and risk of poverty were negatively impacted by growth. This suggests that while growth does increase GDP per capita, the created wealth may not be distributed in a way that promotes social equality and thus collective wellbeing. The tendency for capitalist economic systems to prioritize capital over social welfare is evident from the fact that GDP is conventionally viewed as the main indicator of social progress. However, GDP has recently been questioned by many experts regarding its capacity to represent the complex and multifaceted factors that indicate real income and social welfare (Davies, 2004; Brinkman and Brinkman, 2014; Delang and Yu, 2015).

As it has also been shown that infinite resource consumption is not possible on our finite planet, the challenge of degrowth is not in whether it should be implemented, but in how to implement degrowth without producing social and
economic crises. Presently, degrowth within an unaltered capitalist system would likely constitute the impacts of recession – namely, increases in unemployment, poverty, and debt. Even if degrowth strategies were to be adopted by corporations and governments, the fundamental requirement for capitalist economies to encourage consumption, to maintain high levels of production and profit, may create a serious obstacle in achieving degrowth that is significant and meaningful enough to mitigate the impacts of climate change. Blauwhof (2012) concludes that while a steady-state (or no-growth) economy is possible, it is not feasible within a capitalist system.

To avoid the wide-spread negative social outcomes that could characterize purposeful degrowth in a typical capitalist economy, the fundamental mechanisms of capitalism must be scrutinized, and new value systems explored. Rather than continuing to fuel a system that inherently relies on overconsumption to create more jobs and subsequent economic growth, economies must be restructured in ways that enable social sustainability and equality in the face of a shrinking economy and destabilizing climate (Jackson, 2009). Jackson (2009, p. 10) concludes that “a different kind of macro-economic structure is essential for an ecologically-constrained world”. Consequently, degrowth requires not only degrowth itself, but a transformation of the structural foundations of the global capitalist macroeconomy. Through this process of re-ordering and re-valuing, communities and nations have the opportunity to create new imaginaries that transcend imperialist and capitalist thought (Singh, 2019).

Transformative strategies for degrowth

If we accept that the degrowth paradigm cannot sustainably be adopted in a capitalist economy, the need arises to develop tools to help economies and communities to transcend capitalist paradigms. It is important to note that while economic degrowth is the main goal of the degrowth movement, there is a significant need to create wider grass-roots transformations of current socio-ecological values. This is so that simplicity and ecological respect can become not just legislative, but part of a new universal value system (Alexander, 2012; Alexander, 2013; Mulvale 2019). Scholars including Alexander (2012), Blauwhof (2012), Daly (2008), Koch (2013), and Mulvale (2019) have recognized the importance of multi-faceted policy and social changes in the creation of a sustainable post-capitalist future. Many of these changes come in the form of policy. In the following paragraphs, policy changes that may prove useful and potentially necessary for socially sustainable degrowth are explored.

The first policy change to be addressed is the implementation of a maximum income and maximum wealth “to weaken envy as a motor of consumerism” (Demaria, et al. 2013, p. 200). Such a policy reform represents a progressive first step towards redistributing wealth and generating greater social equality. Many studies have shown that increases in income over a certain threshold may not improve wellbeing, so high incomes can not only be seen as unjust but additionally as a waste of economic and natural resources (Alexander, 2012; Koch, 2013). By implementing the progressive taxation of high-income earners, which would culminate at a maximum wealth level, the over-
consumption of unnecessary goods and energy may be reduced, while increasing tax revenue for important social welfare schemes.

One such scheme is the universal basic income (UBI), which provides individuals with economic security in the form of regular cash payment, regardless of employment status or income (Mulvale, 2019). Birnbaum (2009) argues that UBI can enable communities and individuals to find new forms of meaning that transcend employment. By reducing the need for full-time employment, or for some, the need for employment at all, the amount of unnecessary production and consumption may be reduced. Perhaps most importantly, UBI may act as a safety net for communities as the number of available jobs potentially decreases as economies begin to shrink. Marston (2016: pp. 174) states that UBI “can be seen as a progressive insurance policy against a host of direct and indirect risks associated with climate change”. Put simply, UBI provides the potential to create a more sustainable economy without exacerbating social inequalities.

According to Gentilini et al. (2020), there is currently no nation-wide UBI in place. However, there are numerous examples of basic income programs and experiments being implemented through nongovernmental organizations, and in some cases through governments. For example, 21,000 people in rural Kenya have been provided with a basic income through online crowdfunding since 2011. In Iran, a UBI was adopted to replace food and oil universal subsidies in 2010. At that time, it provided 29% of the median household income (US$40-45/month) to the head of each household, rather than to each individual (Gentilini et al. 2020: p. 240). None of these UBI experiments have been adopted to facilitate a transition to economic de- or no-growth. All states are currently committed to economic growth as one of their primary indicators of success in the eyes of both experts and the majority of their citizens. It is worth noting, however, that in many assessments of UBI programs, decreased labor participation is seen as a negative economic outcome, rather than a positive one associated with degrowth. Regardless, these examples of UBI programs may be looked to for the further study of the impacts of UBI on communities and economies, and the potential for UBI as a degrowth policy.

Reducing the working week is another policy change that works in tandem with a basic universal income to create more time and freedom for individuals while creating a more even work distribution. Some proponents of degrowth argue for a 21-hour work-week, along with improved worker rights and increased wages (Alexander, 2012). Positive impacts may range from improved mental and social wellbeing, more time to pursue volunteering, ecological, and cultural activities, and increased opportunities to participate in the social economy (Birnbaum, 2009). Although through degrowth there may be less access to luxury goods and traditional forms of employment, more complex and extensive involvement in the social economy may allow for communities to generate social and economic support that transcends capitalist paradigms.

Economic degrowth will also require the utilization of non-GDP measures of progress. Gross Domestic Product, a measure of the sum of all economic activity within a nation, continues to be the primary indicator of success in economies, despite not accurately reflecting social and ecological welfare (Davies, 2004; Brinkman and Brinkman, 2014). As part of a transition from
focusing on capital to focussing on sustainability, GDP must be replaced by a measure that is more reflective of the values of degrowth. Examples include the Genuine Progress Indicator (GPI) and the Index of Sustainable Economic Welfare (ISEW) (Delang and Yu, 2015). These measures take into account environmental, social, and economic factors to produce an extensive view of subjective wellbeing and “progress” (Alexander, 2012; Davies, 2004). By using GPI and/or ISEW, economies can be examined through an inherently non-growth lens.

Certainly, these are not the only reforms needed for the success of economic degrowth. Other top-down changes could include a consumption tax; a transition to wide-spread renewable energy; public employment programs; increased focus on food security; and a transition to worker cooperatives and small businesses as the dominant forms of production (Alexander, 2012; Blauwhof, 2012; Mulvale, 2019). It is unlikely that a universal global system for economic degrowth could feasibly be implemented, nor would one single model be appropriate for a multi-cultural and economically unequal world. However, these reforms present ideas that could sustain social welfare and be implemented in diverse, culturally-relevant ways.

Demaria et al. (2013) acknowledge the importance of a variety of actors in the degrowth movement, including those engaging in oppositional activism, those working to build alternatives such as Transition Towns (see next section), researchers, intellectuals, and reformists. To implement degrowth, there must be a wider transformation in social values, perhaps as a precondition for structural change (Blauwhof, 2012). As such, understanding how to initiate transformative social change is one of the greatest challenges for the degrowth movement. Part of this challenge involves understanding the multiplicity of grass-roots environmental movements that take place globally. While degrowth in the Global North is represented mostly through the life-style based Voluntary Simplicity movement (Alexander, 2013), in the Global South, the fight for post-development shifts is often represented through environmental justice and other political movements (Singh, 2019).

While environmental justice movements of the Global South are often framed as defending “old ways of life”, the Northern lifestyle-based movements are often framed as campaigning for “new ways of life”. Despite operating through different lenses, these movements fight for similar values, and along with other environmental and social movements, present an opportunity to unite movements cross-culturally to foster and strengthen a unified global post-capitalist degrowth movement (Singh, 2019). Scholars including Harcourt (2013) and Singh (2019) address the importance of including and uniting pluriversal and culturally diverse ideas in the process of post-capitalist world-building (Kothari, et al., 2019). Through embracing non-Western and Indigenous perspectives in the creation of “new” political-economic systems, nations can perhaps begin to fight against the historical and ongoing processes of colonization, imperialism, and globalization, which have been maintained by neoliberal capitalism (Singh, 2019), and promote self-sustaining modes of wellbeing (Hosseini, 2018).

**Real-world degrowth**
Due to the nature of degrowth as a largely macroeconomic process, implementing real-world experiments can be a challenge. The Transition Network, often referred to as Transition Towns, can be seen as a successful experiment in degrowth. The Transition Network is an organization of low-consumption communities, created in 2005, that has now spread throughout over 50 countries (Khmara and Kronenberg, 2020). Transition Towns are characterized by degrowth initiatives such as locally produced food, the use of renewable energy, engagement in collective community activism, and overall attempts to localize and socialize the economy (Khmara and Kronenberg, 2020). Transition Towns give us snapshots of what a degrowth society could look like, with Towns located in both the Global North and South. Alexander (2013) argues that to spread the practical skills needed to create post-capitalist communities and economies, grass-roots degrowth movements like the Transition Network must be mobilized and politicized, and thus global change may be initiated. This is just one way of formulating a plan for global transformation. A variety of real-world experiments in degrowth, accompanied by activism, research, and reform will be required to initiate structural change (Demaria et al., 2013).

The question of whether degrowth is feasible remains a contested one. The answer to this lies in whether growth itself is realistic. It is simply irrational to expect that humanity can continue to consume resources and emit greenhouse gases at the rate at which we do, and assume that the planet’s finite resources and delicate biosphere will not eventually reach a breaking point (Alexander, 2012; Koch, 2015). While entering a new economic era may seem unsettling or impossible, it is worth remembering that capitalism has existed for less than a few hundred years. In pre-capitalist societies, wage labor and profit were rare, so it is not so unthinkable that the macroeconomy may be dramatically changed once again – and for the better (Stanford and Biddle, 2008). If growth is not feasible, then degrowth must be our next goal. However, the question of how to reach this goal requires a convincing answer from the degrowth movement. The largest challenge may not lie in the creation of a functional degrowing economy, but rather in the overcoming and transformation of the persistent, dominant capitalist mindset. Degrowth has been criticized for its emphasis on the local economy, where experimentation is more likely to result in a positive outcome and overlooking the urgency of addressing global anthropogenic crises from a transnational political perspective (Schwartzman, 2012).

Arguments in mainstream economics remain supportive of economic growth as a main priority of governments, and as long as this is so, it may be difficult for degrowth to be taken seriously within mainstream economic debates (Davies, 2004). As capitalist beliefs pervade not only governments and corporations, but also global society as a whole, it seems improbable that degrowth will be adopted by governments and corporations willingly and soon. Despite this, it remains imperative that activists, researchers, reformists, and communities continue to work towards creating degrowth-based solutions and imaginaries. Efforts to create transformative post-capitalist frameworks and systems will increase the chance that the world’s economies will not only survive through the oncoming climate crisis but will be able to thrive in new and meaningful ways.
Conclusion

Degrowth is a potentially radical alternative to the economic status quo. It is now a global necessity to curb the oncoming crises of natural resource depletion and climate change (Koch, 2015). Growth cannot continue on our finite planet, but extensive structural solutions and global socio-cultural changes may allow communities and economies to continue to thrive qualitatively without economic growth. Experiments in degrowth, such as Transition Towns, have shown that degrowth as a mode of living is possible. The next steps required for degrowth are to politicize and mobilize grassroots movements and to initiate structural change in the macroeconomy. This top-down/grassroots combination of approaches ensures that degrowth is not just supported through legislation, but also widespread socio-ecological values. Degrowth offers not just a way to survive through the on-coming climate crisis but to redefine prosperity and to create new systems that embrace both social capital and ecological responsibility. Although it seems unlikely that degrowth initiatives will quickly be embraced by governments or corporations, continuing to grow and strengthen networks and values of degrowth can help create more resources and knowledge for social mobilization as we continue to shape the world’s economic and environmental futures.

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