

Degrowth as an Alternative to the Consumption Society

SOE Scientific Briefing Paper

Sadhbh Juárez Bourke

Abstract: During the past forty years, the term Degrowth has gained presence as a motto for social movements, a political slogan and a theoretical discourse. This paper provides an insight on the conceptual roots of the term and its geographical extension. Some of its theoretical elaborations are presented, with emphasis on the implications for the current consumption society. Finally, an overview on the current reach of degrowth initiatives at a practical level is provided.

1. Introduction

The mayor economic crisis we are going through has created much distress amongst politicians, business people and citizens. It has been a cause of social alarm, financial meltdown, loss of jobs and public spending cut-outs. Paradoxically, the 2008 crisis also brought what many ecologists and environmental social movements -seconded by international institutions such as the UN and EU- had been asking for in the name of Sustainable Development: with the decrease in consumption, carbon emission increases were reduced, the intensity of exploitation of our national resources decreased, and less waste was produced.

The crisis has brought to the spotlight the underlying contradiction between campaigning for Sustainability and promoting consumption to reactivate economic growth. To those aligned with the *Degrowth* movement, this does not come as a novelty. For the past 40 years, the “obectors of degrwoth” have questioned the paradigm of unlimited economic growth. The movement, as an amalgam of academics, militant activists and critical citizens, has become particularly active in four European Regions: France-Belgioum (where it first originated), Italy, Catalonia and UK-Ireland.

2. Origins and main theorists of Degrowth

The origins of *decroissance* are often attributed to the Romanian economist Nicolas Georgescu-Roegen (1906-1994) and his book *The Entropy Law and the Economic Process*, published in 1973. In this book the author -also known as the father of bioeconomy- contested the logic behind the growth model by criticising the fact that neoclassical economy does not take into account the physic and ecologic dimensions of production.

After WWII, the concept of progress had become the mantra which was to lead humanity to a better world. In 1947, the General Agreement on Tariffs and Trade (GATT, the current WTO), in addition to the rapid

development of Information Technologies which lead to globalisation, created the adequate conditions for the consumption-society to thrive. In very few years, wealthy countries saw their GDP multiply on behalf of importing cheap primary materials from poor countries pressurised by debt and the perverse consequences of structural adjustment programmes. Along with many environmental and social movements, criticisms towards the economic growth model gained force during the 70s. In 1972, the declaration of the Club of Rome pointing out the limits of growth institutionalised the criticism of the capitalist neo-liberal growth model -or at least some aspects of it. At a policy level, this report would mark the begging of environmental legislation at an international level, and was to be the precedent to the Bruntland report and the 1992 Rio de Janeiro Conference which would popularise the term of Sustainable Development.

It was perhaps due to this socio-politic atmosphere that Georgescu-Roegen's ideas became popular amongst academics and civil society. Other authors much before him -such as Podolinsky (1880), Geddes (1885) and later Odum (1971)- had already attempted to measure the material and energetic flows of traditional economy. However, it was only after his book was translated into French in 1979 under the title *Demain la décroissance* ("Degrowth Tomorrow"), that the movement of *La Decroissance* spurred in France, and would soon extend to Italy, Belgium and Catalonia.

GR's ideas were further developed by his disciple, Herman Daly, who drew from Schumpeter to emphasize Miller's pre-industrial revolution concept of "stationary state" (1989) (Sempere, 2008). Throughout the 90s, several French thinkers, such as Latouche, Cheynet, Schneider, and Aryés, and Italians such as Mauro Bonaiuti, Maurizio Pallante and Paolo Cacciari, contributed to the theoretical development of Degrowth. Latouche, with many publications on the topic (e.g. 2004, 2006) has currently become one of the most renowned referents on this topic. Simultaneously, this decade also saw the appearance of critical voices from the fields Economy, Ecology, Anthropology and Sociology, which lead to the crystallisation of new and subversive disciplines which often converge with Degrowth ideas, such as Economic Ecology -which studies the physical dimensions of economy by Joan Martín Alier and Jordi Roca- and Political Ecology -concerned about the social and ecologic injustices provoked by the prevalent economic system, of which J.M. Toledo and A. Escobar are noteworthy authors.

3. Current theories on Degrowth:

Why Degrowth is necessary

Due to its multifaceted nature, it is not possible to give a single definition of Degrowth. As the term itself entails, economy must degrow. But what exactly does this mean? What are the implications? There are many interpretations within the field. I have chosen to draw from the Catalan Ecologic Economist Joan Martínez Alier, to shed some light on these questions.

Alier distinguishes three levels of economy: Above all we have the *financial level* of economy. When the private sector or the state receive loans, the financial level grows. The financial system is actually taking these loans from the future, because it depends on the private or the public sectors to grow in the future for the interests on the debts and the debts to be payed back. It usually lends much more than what has been offered as a bailout, and this is what incentives economic growth for a while. Beneath the financial level, we have what economists call the real or *productive economy*. This accounts for the actual investments and consumption expressed in constant prices. When the productive economy grows, all or part of the debt can be payed back. When it doesn't grow enough, debts accumulate, and the financial level collapses, as happened in the 2008 crisis. But there is also a third level, the *real-real* level as Alier calls it. This is the level that considers the system of material and energetic flows. At this level growth depends not only what is reflected in the productive economy, but also on physical limits, such as the value and cost of using up natural resources, producing waste, and the irreversibility of transformations, such as burning of fossil fuels. This third level is what Ecological Economists study (Martínez Alier, 2009).

What we have is a financial level which is dependent on unlimited growth for its viability, in the context of a finite world. Not only that, the productive economy does not account for environmental and social externalities, and without state intervention this economic system leads to increasing inequalities (the more capital you have, the more advantaged you are to attract further capital).

Degrowth as a socio-economic transformation

As Georgescu-Roegen -and many others before and after him- have pointed out, we need to start understanding economy through a physical language, and we need to degrow to adapt to physic limitations. But in the present socio-economic system, and as we have seen with the 2008 crisis, a mere decrease in growth rates causes the whole system to enter in crisis -not to mention what a degrowth would involve(!). In this context degrowth means that debts accumulate and unemployment increases. It is also argued, following the donkey and sparrow theory, that developing countries are doomed to poverty in a degrowth context. This is why today's "objectors of degrowth" claim the need for a profound reform, not only of the way economy is taught and perceived and of our impact on ecosystems, but also of our whole social structure. The aim is that degrowth, which has become imperative for ecologic reasons, to also be socially sustainable.

4. Degrowth and consumption

Current policy responses to the economic crisis converge in their belief that recovery means re-invigorating consumer spending so as to kick-start economic growth. (Jackson, 2009) The different keynesian methods which are usually summoned are tax cuts to liberate consumer purchase power, reduction of material and energy costs, and investment. The Green New Deal report, produced by the British think-tank Nef (New Economics Foundation) (2008) and inspired in Franklin D. Roosevelt's programme after the Crash of 1929,

puts its hopes in fostering green investment as a way out of the crisis. The programme has been embraced by all major political agents responsible for the crisis, but, although it may provide short- and mid-term solutions, it does not address the core of the problem: unlimited growth is not a viable option. Therefore, what could be considered a fantastic initiative within a broader framework of fundamental change, can become a very perverse instrument when it becomes an objective in itself, as it creates the false impression of a solution, which is bound to backfire sooner or later. Even if we achieve a high level of decoupling by improving energy efficiency and technology innovation, economies need to reach a halt at some point, and this should -as the classic theorists put it- be a stage of social well-being and contentedness, not of crisis and distress.

Beyond the many policy changes that Degrowth and other theorists are claiming for, what is needed is a change in values. And this means changing the thinking pattern of the consumer society. In his last book "*Handbook for a serene degrowth*" (2007), Latouche explains what he considers to be the three main drivers of consumption society: *advertising*, which creates the necessity for consumption, *credit*, which enables it, and *accelerated obsolescence*, which renews the consumer's need. He proposes three strategic concepts for reducing consumption: *Re-evaluating*; the need for a change in values, which is the key to all change; *Reducing*; as it conveys the practical imperatives of degrowth and *Relocating*. I find this last point particularly interesting, because it transcends the general trends of weak sustainable development such as the New Green Deal, and because it can be put into practice through a bottom-up approach which empowers the consumers by changing awareness and habit, rather than relying on top-down solutions from institutions which are reluctant to change (as has been demonstrated by the bail-out strategy of the States towards banks during the current crisis).

Relocating production and consumption implies reducing material imports and exports to a minimum, and increasing regional autonomy. This means covering as many needs as possible at a local level, as well as each region becoming responsible for treating its own waste. Because it reduces water, energy and carbon consumption, ecologic footprint is reduced. The greater the regional autonomy, the higher food and energy security is, and the less weak countries are subject to bribing from more powerful states. It also has huge implications on people's lifestyle and employment. With a localisation model, employment becomes much more stable, as the strategy of transnationals to be constantly looking for the location with the cheapest labour is a source of constant uncertainty. Relocating and localising involves reconnecting to our physical reality, and cultural identity.

Once again, for relocation to become financially viable, it is necessary for ecologic externalities to be included in the price of products, and for primary products -which are presently imported in great quantities from Southern countries to the North- to be priced fairly. As primary products become more expensive -and closer to their real value- Southern countries will have a chance to develop sustainably, while Northern countries will have a better chance of turning towards local consumption patterns. This is starkly contrary to

current capitalist neo-liberal logics, which are made effective through organisations like the WTO. The bright side, is that much can already be achieved just by using consumer's power to chose what to consume.

Consuming less also means needing less money, and being able to spend more on quality products -such as locally produced and fair trade-. Needing less money also fits in with working less hours, and freeing more time for non consumerist leisure, such as social relations, all sorts of creative activities, sport, nature, knowledge and spirituality.

5. Current Degrowth experiences

Nurtured by the theory, Degrowth has lead to a number of social networks, initiatives, social projects, academic research groups and journals. What had often been regarded as radical utopian ideas, is become after 2008 increasingly mainstream amongst the different actors striving for change. The following is a non exhaustive review of some of these inspiring initiatives.

Social Networks

Social movements based on degrowth began in France, with the association *La ligne d'horizon, les amis de François Partant*, founded in 1988, and *MAUSS* (Anti-utilitarist Movement of Social Sciences), and the criticisms based on Georgescu-Roegen's biocenomy presented by Jaques Grinevald and Mauro Boniauti. All of this cristalised with the international conference “Undoing development, redoing the world” which was held in Paris in 2002 (Blanca Grau, 2008). Currently there are many socially based initiatives in France stemming from Degrowth, such as the anti-advertising movement, and *decroissance.org*. Degrowth networks have also thrived in other regions of Europe. In Italy, Mauro Boniauti founded the *Rete per la decrescita* in the year 2000, which promotes collective proposals and academic activities such as summer schools, courses and conferences. In 2007, Maurizio Pallante founded the movement *Decrescita Felice*. This same year, the activism netowrk *Entesa pel decreixement* was founded in Catalonia, and the *Mouvement Québécois pour une Décroissance Conviviale* is founded in Canada. In Latin America, Degrowth initiatives have started to appear under the name “*descrecimiento*”. In 2009, the ecologist group lead by Miguel Valencia Mulkay organised a seminar aiming to promote degrowth ideas and propose alternatives in Mexico, which are now being coordinated by *descrecimiento.blogspot.org*.

These networks are places of debate and reflection, as well as the support for many local initiatives towards Degrowth, from information diffusion, to consumption cooperatives, knowledge exchange networks, etc. Bicycle and pedestrian marches have become a traditional way of making the movement visible by setting example for the “objectors of degrowth”. François Schneider was the precursor of this idea, when he set off on tour with his donkey in 2004. Since then many marches have been organised in French, Belgian, Italian and Catalan regions.

Knowledge creation and transfer: Journals, Institutes and Conferences

At present, Degrowth can be found in journals such as *Silence*, *Entropie*, *L'âge de faire*, *Casseurs de pub*, *La décroissance* and *La decrescita*, and has been the subject of monographs in journals such as *Political Ecology*. There are also explicit degrowth research centres such as the Institut d'Études Économiques pour la Décroissance Soutenable, and more recently, Research and Degrowth.

From being perceived as a radical social movement or utopian theoretical concept, Degrowth has been gaining general acceptance in the context of the present financial, social and ecologic crisis. In 2008, an international conference "Economic Degrowth for Ecologic Sustainability and Social Equity" was held in Paris 2008, and co-organised by the *Institut National des Télécommunications*, European Society for Ecological Economics, Sustainable Europe Research Institute, Wuppertal Institute and Research and Degrowth. This was followed by second conference, "Economic Degrowth Today", which was held in Barcelona in 2010.

Practical experiences

The anglosaxon countries are a source of inspiration for their initiative of taking on practical experiences on the lines of degrowth. The Transition Towns movement, based on a network of community-level transformations towards sustainability. It emerged only 5 years ago in Totenes (UK) and Kinsealey (Ireland), and rapidly began to expand to other communities. Up to now more than 170 official initiatives have been created -without counting those which are still unofficial- expanding to Australia, New Zealand, US and Canada, and also in lesser extent to other countries such as Japan, Chile, Italy, Germany and Holland. (Del Río, 2010). Another noteworthy transition network based in Canada and the US is the Business Alliance for Living Local Economies, which involves about 26 states and provinces and 15.000 businesses to promote sustainable consumption. Also, the Post Carbon Institute, founded in 2003 in the US, supports the Relocalisation Network. This world-wide network is a strategy to build societies based on the local production of food, energy and goods, and the local development of currency, governance and culture.

Although these transition movements differ somehow from degrowth organisations, they have a common objective in pursuing a sustainable future through re-locating our lifestyles. While degrowth would tend to focus on the criticism to the capitalist system as the cause for all sort of social and environmental problems, transition movements provide a great complement by having a more pragmatic approach by seeking for positive change and increasing community level resilience.

6. Conclusion

Unlimited growth in a finite earth is not an option. Our present rate of consumption is exhausting our natural resources and collapsing the earth's capacity to assimilate waste. Degrowth theories and social movements highlight the power of consumers to foster the necessary change. This includes consuming locally, and promoting fair trade, austerity and frugality. Promoting small family businesses and avoiding big companies. Overall, it implies a change in our value system. Due to its nature, Degrowth cannot be characterised with a specific set of principles. It has even been contested that it can be designed as a concept in itself. Perhaps it is more accurate to understand it as a starting point for a dialogue about a new social project based on cooperation amongst people and States rather than competitiveness.

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Selection of web resources

www.decroissance.org (*Institut d'études économiques pour la décroissance soutenable*)

www.degrowth.net (*Research and Degrowth*)

www.decroissance.info

www.apres-developpement.org

www.decrecita.it

www.decrecitafelice.it

www.decreixement.net

www.decrecimiento.blogspot.com

www.transitiontowns.org

www.livingeconomies.org

www.relocalize.net