

Commentary/Communication

De-[Constructing] Growth

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Abstract: “De-[Constructing] Growth” is offered as a deeper and more useful conceptualization that avoids the negative connotations of, and resistance to, “degrowth” by decoupling profit from unsustainable consumption, production, and inequality.

Keywords: degrowth; sustainable consumption; sustainable production; inequality; sustainability; employment

I attended the 5th Degrowth Conference in Budapest in early September 2016 [1]. Hundreds of people attended the conference and Budapest itself held a “Degrowth Week” which brought many more people into the city. In some ways, it was an important contrast with the 2nd Conference held in Barcelona in 2010). The conference was populated by several distinct groups of people [2]. For the purposes of this essay, I would contrast (1) those for whom degrowth was a proxy for sustainable consumption, and to a lesser extent production (representing a US and European formal network known as SCORAI [3]; (2) those for whom an emerging discussion of “sufficiency” as a societal norm took shape, as a result of activism promoted especially by the NGO Friends of the Earth [4]; and (3) those for whom anti-capitalism was central, seeing growth as the stabilizing influence and the root cause of sustainability challenges. At earlier conferences, and in writings, degrowth has been described as a “movement” rather than an ideology [5], and in many ways the Budapest conference represented variations on that theme.

In one session at least, continual dissatisfaction with the term degrowth was voiced, acknowledging its unfortunate connotations and difficulty in influencing mainstream policy discussions. I gained some new insight which I believe throws light on the continuing debate, while it is beyond the purpose of this communication to offer a critique of the degrowth discourse. Conceptually, rather than simply describing the degrowth discourse by the descriptor “degrowth”, I recommend a more nuanced approach that gets rid of the jargon and negative aspects of the evolving concept of degrowth. It also makes a distinction between growth in production and growth in private-sector profit. My formulation is:

De-[constructing] Growth

What after all, are the concerns with growth? They can be described as:

Growth means different things

- » Aggregate growth in products & services that consume energy and materials.

- » Growth in profits (tied to subsidies, tax treatment of investment, profit, and the provision of producer and consumer credit, all of which encourage consumption).
- » Growth in trade (avoiding internalizing the externalities by globalizing commerce).
- » Growth in disparity in consumption, wealth, and income
- » Growth in under- and un-employment

From an environmental and energy consumption perspective, some kinds of growth need to be diminished, while in other areas, growth needs to be enhanced. For example, that part of society that does not have access to the *essential* goods and services need to increase their consumption. Third-world poverty cries out for more consumption. Many in the developing world cry out for more consumption, even if others there reject developed-world materialism as a model that should be emulated. Rather than reduce profits as an overall goal, profits need to be decoupled from unsustainable production and consumption and enhanced by encouraging sustainable production and consumption. This decoupling is not simply “greener growth” or a green growth proposal, which in and of themselves would be welcomed, but rather changing the incentives for increasing profits from the incentives to produce and consume more – especially more *environmentally* unsustainable products and services, or ones that have a negative effect on work.

While cultural changes [i.e., demand] are needed, fundamental changes in law are indispensable to achieving degrowth and growth where it is needed.

- » These changes include reforms to the financial system (credit, wealth and income) as well as control of monopoly (in products, energy, and media); environmental, health & safety regulation; the economic treatment of investment, profit, and labor; and trade rules.

The policy implications of this formulation/deconstruction are made clearer and specific as indicated by the bolded text that explores policy interventions that address these concerns:

Growth means different things **and requires different interventions:**

- » Aggregate growth in products & services that consume energy and materials.
 - **De-emphasize GDP & Productivity; Decouple physical growth from profit.**
- » Growth in profits (tied to subsidies, tax treatment of investment, profit, and the provision of producer and consumer credit, all of which encourage consumption).
 - **Change the nature of subsidies, tax incentives, & credit practices; anti-monopoly legislation/regulation that link profits to growth in production and consumption.**
- » Growth in trade (avoiding internalizing the externalities by globalizing commerce).
 - **Changes in the trade rules: allow/encourage border adjustments and local investment to encourage sustainable production by taxing or banning products and services that have large negative environmental**

and labor externalities, or which discourage a nation's self-sufficiency and economic independence.

- » Growth in disparity in consumption, wealth and income
 - **Embody sufficiency in law; tax and inheritance reform; provision of guaranteed income.**
- » Growth in under- and un-employment
 - **Implement a shorter workweek with maintenance of wage parity [5]; incentivize employment; design work back into the production and service systems [7]. Recognize and arrange remuneration for unpaid work.**

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- » These changes include reforms to the financial system (credit, wealth and income) as well as control of monopoly (in products, energy, and media); environmental, health & safety regulation; the economic treatment of investment, profit, and labor; and trade rules [8].
- » **Change the reward structure for profit and investment**

The current industrial system – especially with capture of the legal/economic interventions -- links profit to increases in production and services, with concomitant environmental destruction and energy consumption. The key is to de-couple profit-taking, not eliminate profit-taking, from unsustainable production and services. By a judicious choice of policy interventions, society may be able to lessen the industrial/private-sector resistance to sustainable transformations which the degrowth movement has heretofore been unable to accomplish. These interventions may appear radical, and having never been tried they may seem utopian. However, in various emerging discourses about sustainable development, changing the rules of the economic system is receiving serious attention [9], and further, decoupling profits from production and consumption is far less radical than hoping for the end of capitalism.

Of course increases in private-sector profits need to be reconciled with the overall concern with wealth and income inequality, but that concern can and should be addressed by other policies within an overall strategy.

Conflicts of Interest: The author declares no conflict of interest.

References

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3. SCORAI = Sustainable Consumption Research and Action Initiative, <http://www.scorai.org>
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8. Ashford, N.A.; Hall, R.P. *Technology, Globalization and Sustainable Development: Transforming the Industrial State* Yale University Press, New Haven 2011 720 pages.
9. See Stiglitz, J. (2015). "Rewriting the Rules for the American Economy: An Agenda for Growth and Shared Prosperity" A Report of the Roosevelt Institute **2015**.



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