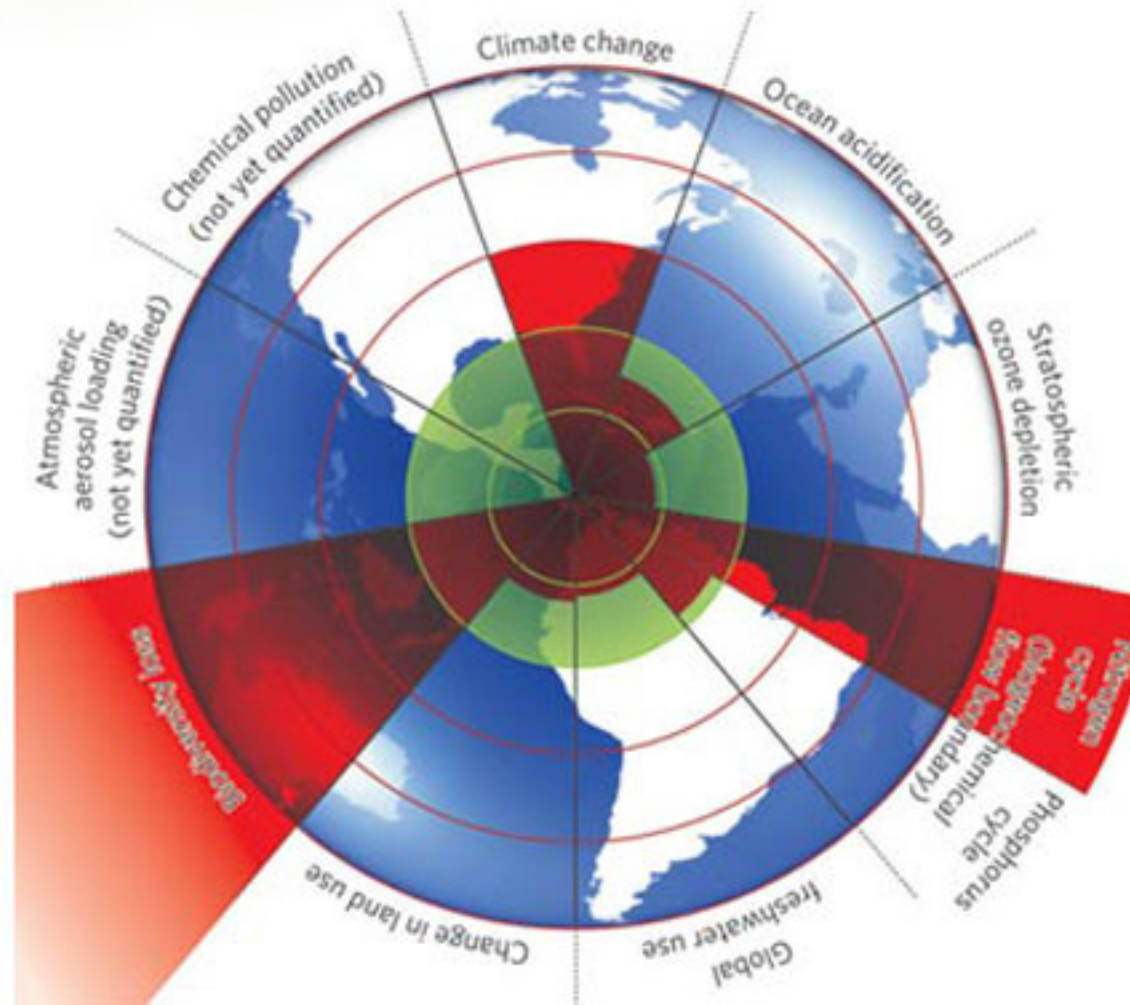


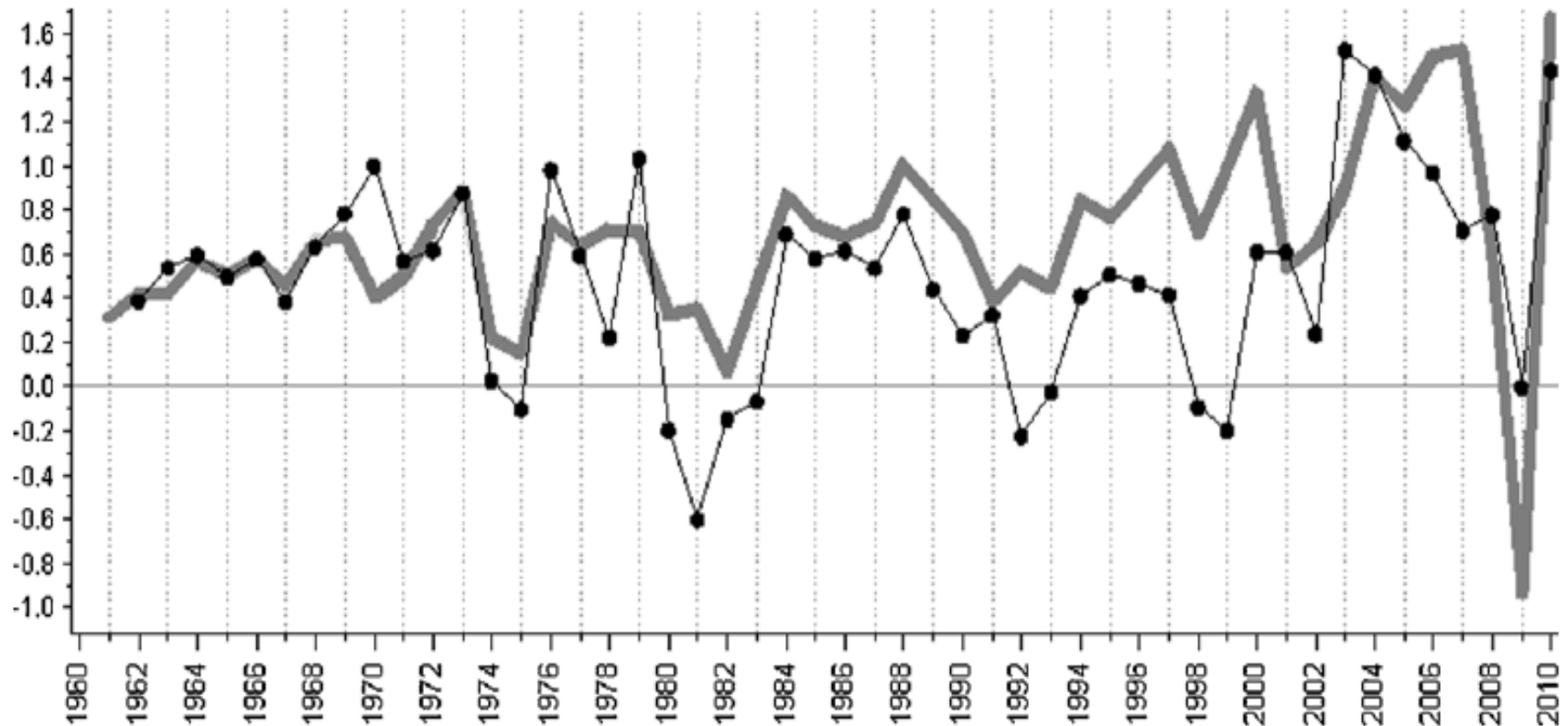
Revision: the earth's carrying capacity is finite, and we are already in 'overshoot'



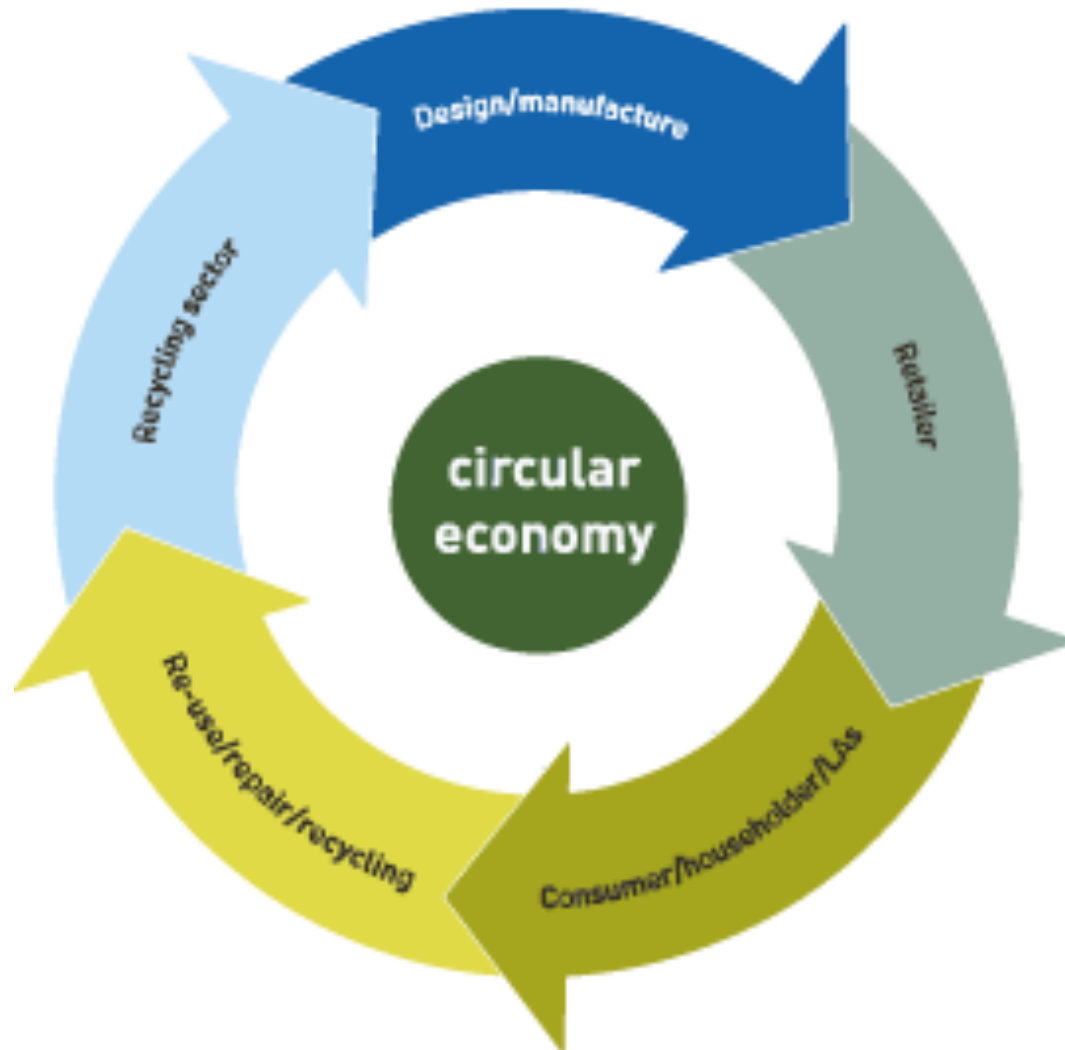
Rockstrom et al. - 2009 - A safe operating space for humanity

There is a close historical relationship between growth and energy/material use...

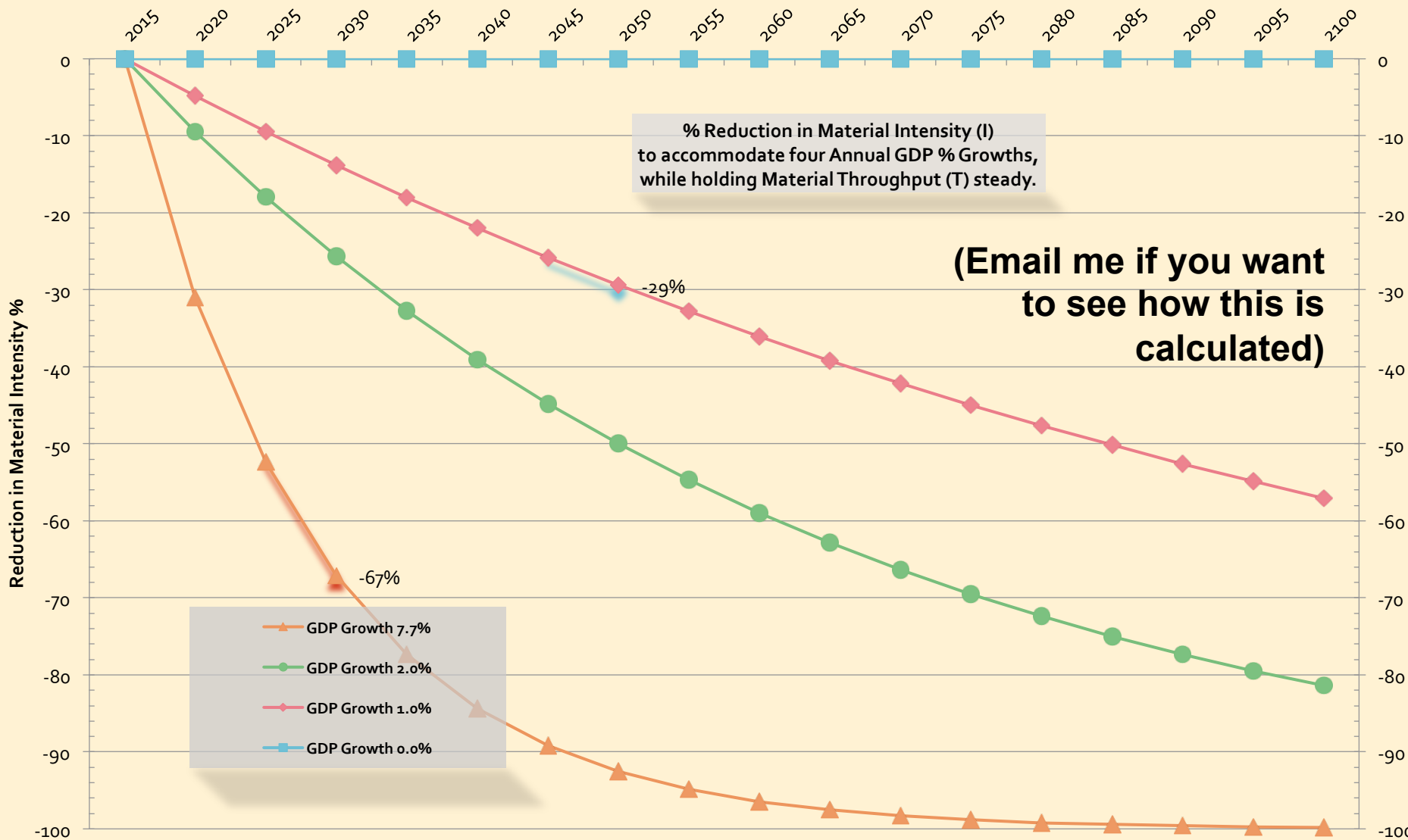
Annual growth of world GDP (grey line, trillions of 2000 US dollars), and annual change of estimated CO₂ emissions (millions of Kt, black dots) (Granados et al. 2012: 58)



...If we break this relationship
(*absolute decoupling*) we can go on growing...



....But for *absolute* decoupling the rate of efficiency improvement has to be higher than the rate of GDP growth.



6.6 billion

\$5,900

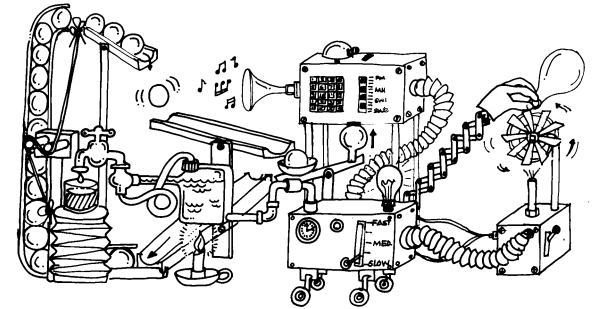
760g CO₂/\$



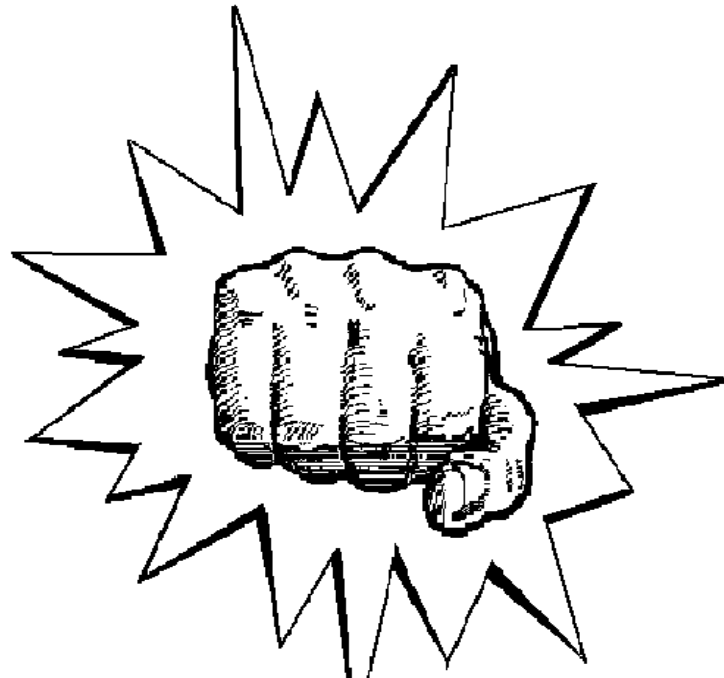
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X



=



30 billion tonnes
of CO₂

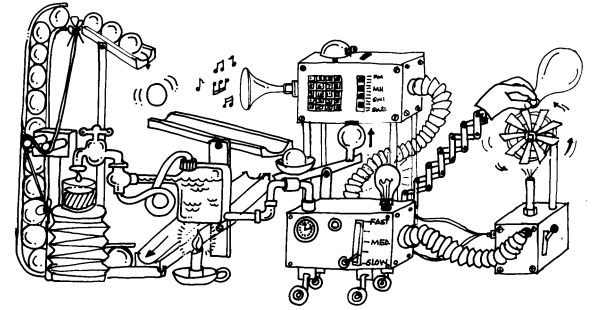
IPAT equation from Erlich and Holdren (1971); Figures from Jackson (2009)



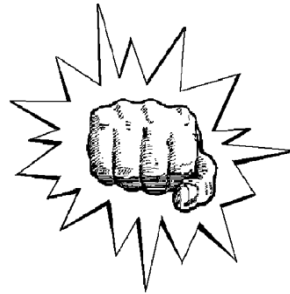
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X



=



4 billion tonnes
of CO₂

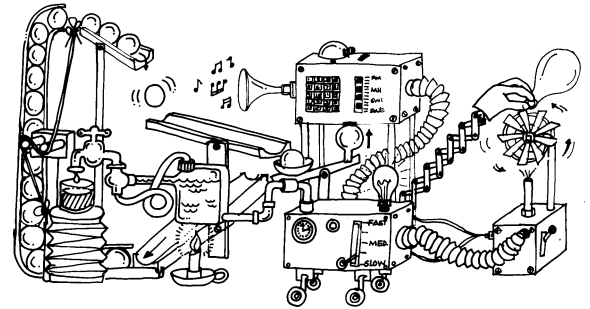
9 billion



X



X



=



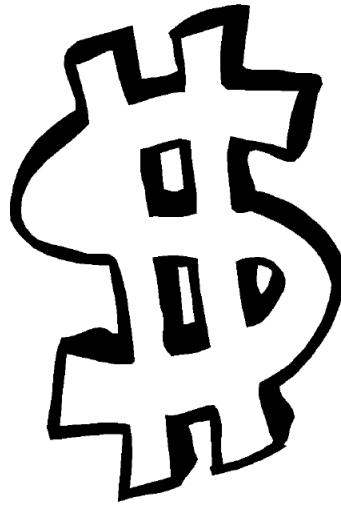
4 billion tonnes
of CO²

9 billion

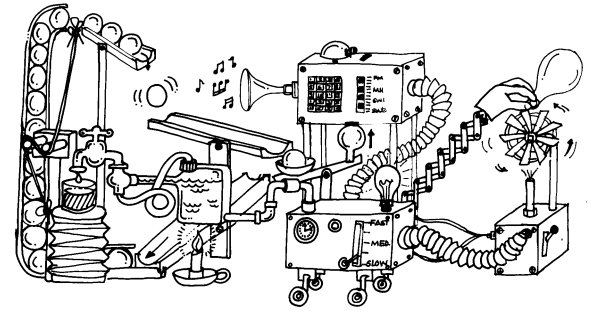
\$17,000



X



X



=



4 billion tonnes
of CO²

9 billion

\$17,000

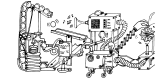
36gCO²/\$



X



X



=



4 billion tonnes
of CO²

9 billion

\$17,000

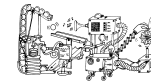
36gCO²/\$



X



X



=



4 billion tonnes
of CO²

9 billion



6gCO₂/\$



=



4 billion tonnes
of CO₂

**DO
SOMETHING,
YOU BUNCH
OF MANIACS!**

**WELL! IT'S
EASY TO JUST
CRITICIZE,
YOUNG
LADY...**

**...AND
I SUPPOSE
YOU'VE GOT AN
ALTERNATIVE ALL
WORKED OUT,
HAVE YOU?**

**HYSTERICAL
ECO-FANATICS!
ALWAYS TELLING
PEOPLE HOW
TO LIVE...**

**GET
YOURSELF
A PROPER
JOB!**

Polyp.org.uk

\$\$ ECONOMIC GROWTH

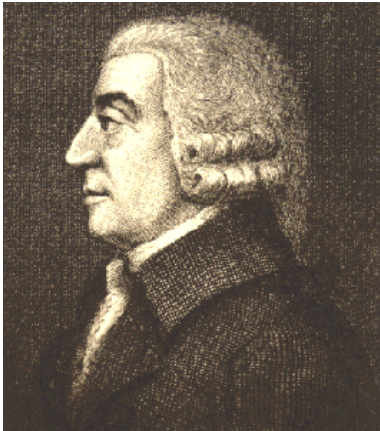
A black and white political cartoon. In the foreground, a boat labeled '\$\$ ECONOMIC GROWTH' is shown falling off a cliff. On the boat, three men in suits are looking towards the shore. A money bag is on a pole on the boat. On the shore, a woman is pointing and shouting. Five speech bubbles contain text from the woman. The cartoon is signed 'Polyp' in the bottom left corner.

Beth Stratford

Degrowth and Steady State Economics

bethstratford@gmail.com

The stationary state in classical thought



- Adam Smith – inevitable but “dull” (*Wealth of Nations*, 1776)
- Thomas Malthus – our inability to establish a stationary state would result in ‘vice and misery’ (*Principle of Population*, 1798)
- John Stuart Mill – more optimistic (*Principle of Political Economy...*, 1848)
 - Hoped we would be “content to be stationary, long before necessity compels them to it”
 - Thought the stationary state could be a considerable improvement on the present state of social life, characterised by “trampling, crushing, elbowing, and reading on each others’ heels”
 - He envisioned “...a well paid and affluent body of labourers; no enormous fortunes, except what were earned and accumulated during a single lifetime” but many more people “not only exempt from coarser toils, but with sufficient leisure, both physical and mental, from mechanical details, to cultivate freely the graces of life”



All quoted in Kerschner (2010)

Herman Daly combined this idea of the stationary state with Georgescu-Roegen's work on materials flows and entropy....



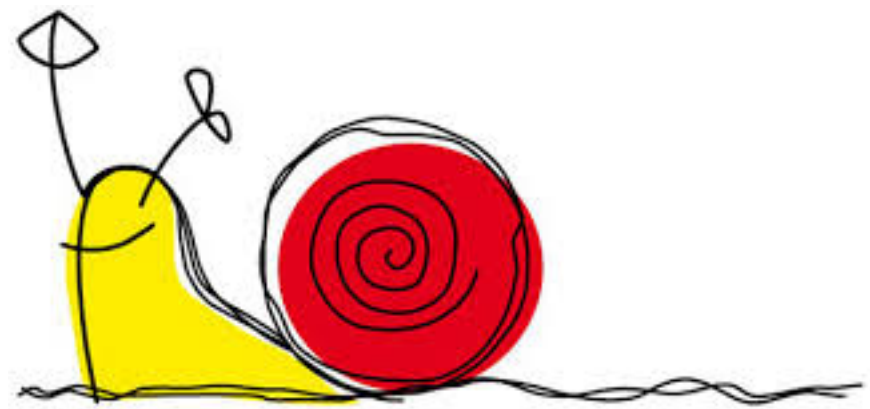
- Georgescu-Roegen argued that because of the laws of thermodynamics, 100% recycling is impossible (see *The Entropy Law and the Economic Process*, 1971)
- Insisted humans should live off the 'services' of renewable 'funds', not the 'flows' from depletable 'stock' (see his flow-fund model in 'The Economics of Production', 1970)
- Herman Daly simplified his flow-fund model, and introduced the concept of overall 'throughput'.



"A **steady-state economy** is one that develops **qualitatively** (by improvement in science, technology, and ethics) without growing quantitatively in physical dimensions; it lives on a diet — a **constant** metabolic flow of resources from depletion to pollution (the entropic throughput) maintained at a level that is both sufficient for a **good life** and within the assimilative and regenerative capacities of the containing ecosystem."

(see <http://steadystate.org/>)

Degrowth



In French: *décroissance*, [in Spanish: *decrecimiento*](#), [in Italian: *decrescita*](#)

- “political slogan with theoretical implications” (Latouche, 2006a:16)
- A “missile” word which cannot be co-opted (unlike sustainable development) (Aries, 2005)
- Discussed and developed in academic and non-academic circles

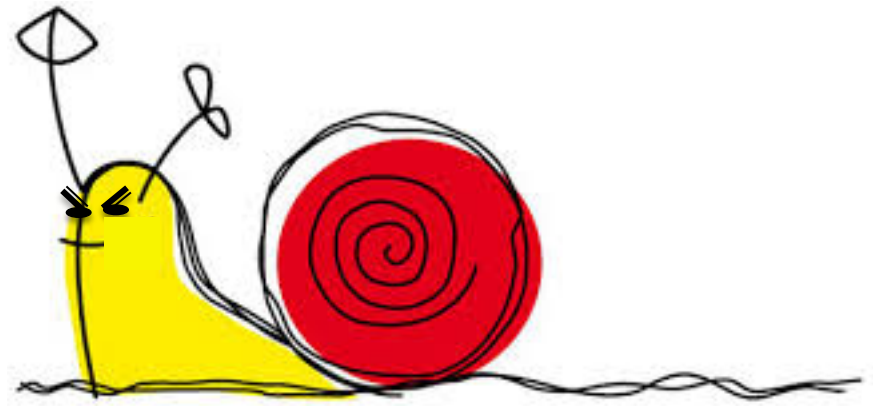
Degrowth is “an equitable **downscaling** of production and consumption that increases human **well-being** and enhances ecological conditions at the local and global level, in the short and long-term”

(Kallis and Scheider, 2008:3)

“society built on **quality** rather than on **quantity**, on cooperation rather than on competition [...] humanity liberated from economism for which social justice is the objective.” (Latouche, 2006a:16)



VS



Steady State Economics' 3 principles:

1. Aggregate physical depletion quotas for **stabilizing** the stock of physical artefacts and to keep throughput below economics limits
2. A distributionist institution for limiting the degree of inequality
3. Some form of population control

Claims to be compatible with capitalism

Degrowth

- Calls not just for stabilisation but for *downscaling*, at least in the short term.
- Importance of equity on an *international* as well as national basis

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YOU CAN'T ENJOY A

Western Lifestyle™

BECAUSE
WE ALREADY
CONSUME MORE THAN
OUR FAIR SHARE.

CONSUMERISM®

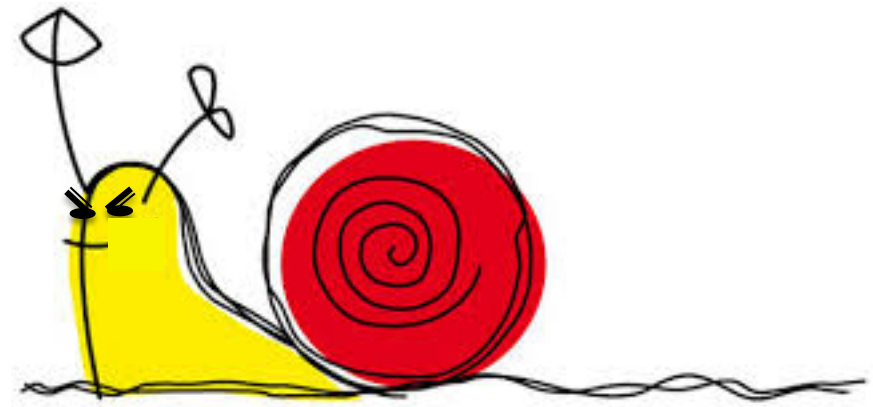
It's the real thing. For us, that is. Not for you. So piss off.



'LIFESTYLE CHOICE'



VS



Steady State Economics' 3 principles (Daly 1992):

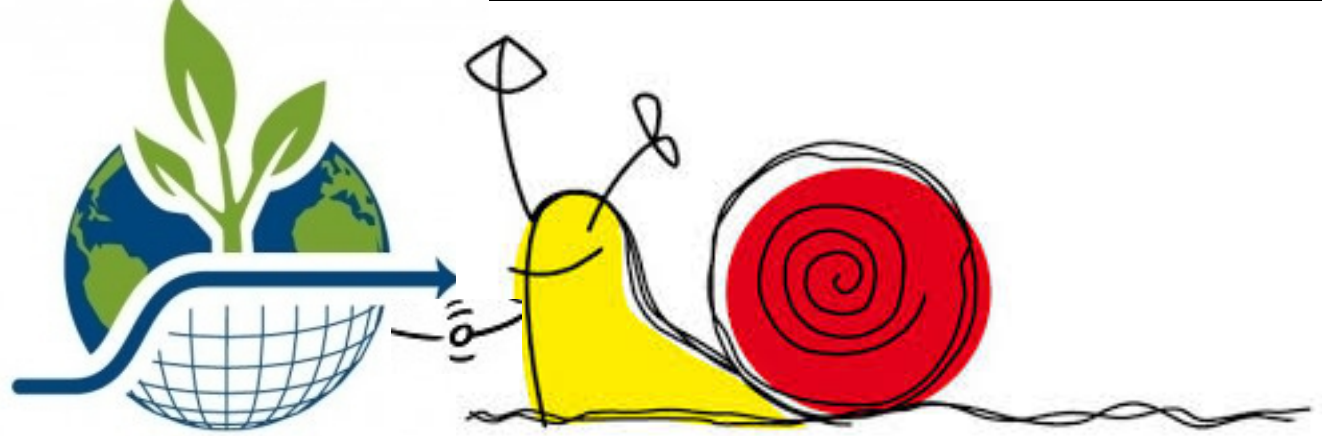
1. Aggregate physical depletion quotas for **stabilizing** the stock of physical artefacts and to keep throughput within ecological limits
2. A distributionist institution for limiting the degree of inequality
3. Some form of population control

Claims to be compatible with capitalism

Degrowth

- Calls not just for stabilisation but for *downscaling*, at least in the short term.
- Importance of equity on an *international* as well as national basis
- Population is taboo
- Less comfortable with top-down policy-making
- Less confident that degrowth/zero growth is compatible with capitalism

(Kerschner, 2010)



SSE and Degrowth policy proposals: areas of convergence

(Kallis, Kerschner & Martinez-Alier, 2012)

1. Resource and CO₂ caps; extraction limits
2. Consumption and resource taxes with affordability safeguards
3. High reserve requirements for banks; possibly new forms of money
4. Cooperative property and cooperative firms
5. Reform of national accounts; different ways to measure progress
6. Support for models of “local living”

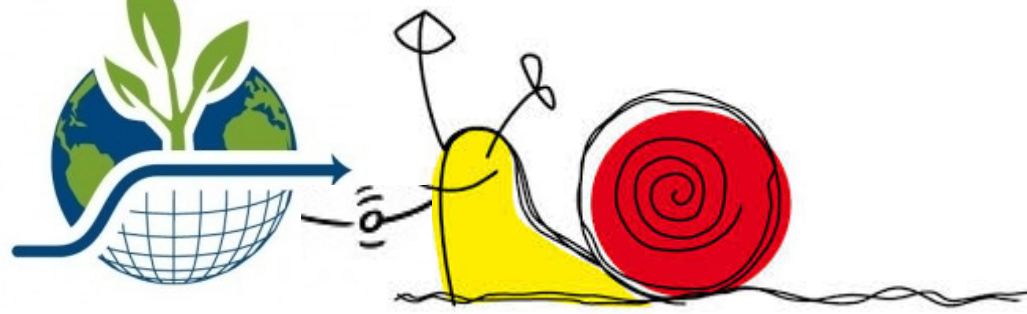


The Bioregional Economy

Land, liberty and the
pursuit of happiness

Molly Scott Cato

WORMS HEAD
FROM ABOUT BOOKS



SSE and Degrowth policy proposals: areas of convergence

(Kallis, Kerschner & Martinez-Alier, 2012)

1. Resource and CO₂ caps; extraction limits
2. Consumption and resource taxes with affordability safeguards
3. High reserve requirements for banks; possibly new forms of money
4. Cooperative ownership of property and firms
5. Reform of national accounts; different ways to measure progress
6. Support for models of “local living”
7. **Commercial and commerce free zones**

(Kallis, Kerschner & Martinez-Alier, 2012)

The manufacture of desire?

- Children see 40,000 adds per year (Kunkel, 2001)
- The average American child can identify 200 logos
- Children between the age of 6 and 12 spend more time shopping than reading, attending youth groups, playing outdoors or spending time in household conversation (Schor, 2004)



PIRC

THINK
ADVISE
CONVINCE

WORKING
TOGETHER TO
HELP TACKLE THE
ROOT CAUSES OF
ENVIRONMENTAL
CHALLENGES



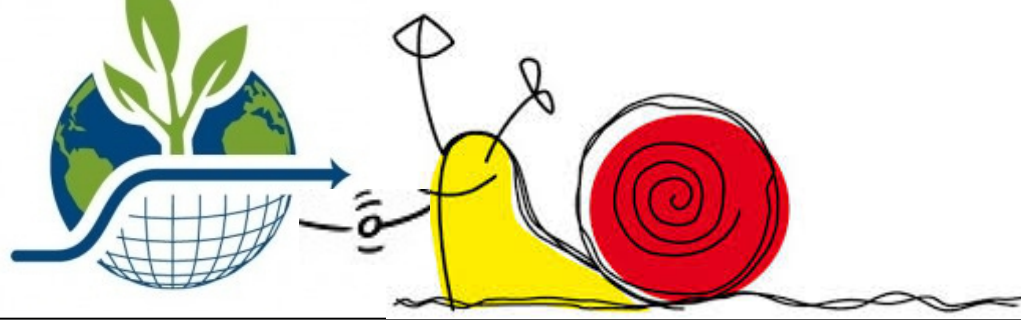
The truth is that marketing raises enormous ethical questions every day—at least it does if you're doing it right. If this were not the case, the only possible explanations are either that you believe marketers are too ineffectual to make any difference, or you believe that marketing activities only affect people at the level of conscious argument.

Neither of these possibilities appeals to me. I would rather be thought of as evil than useless.”

Rory Sutherland¹

Written in his former capacity as President of the
Institute of Practitioners in Advertising (IPA)





SSE and Degrowth policy proposals: areas of convergence

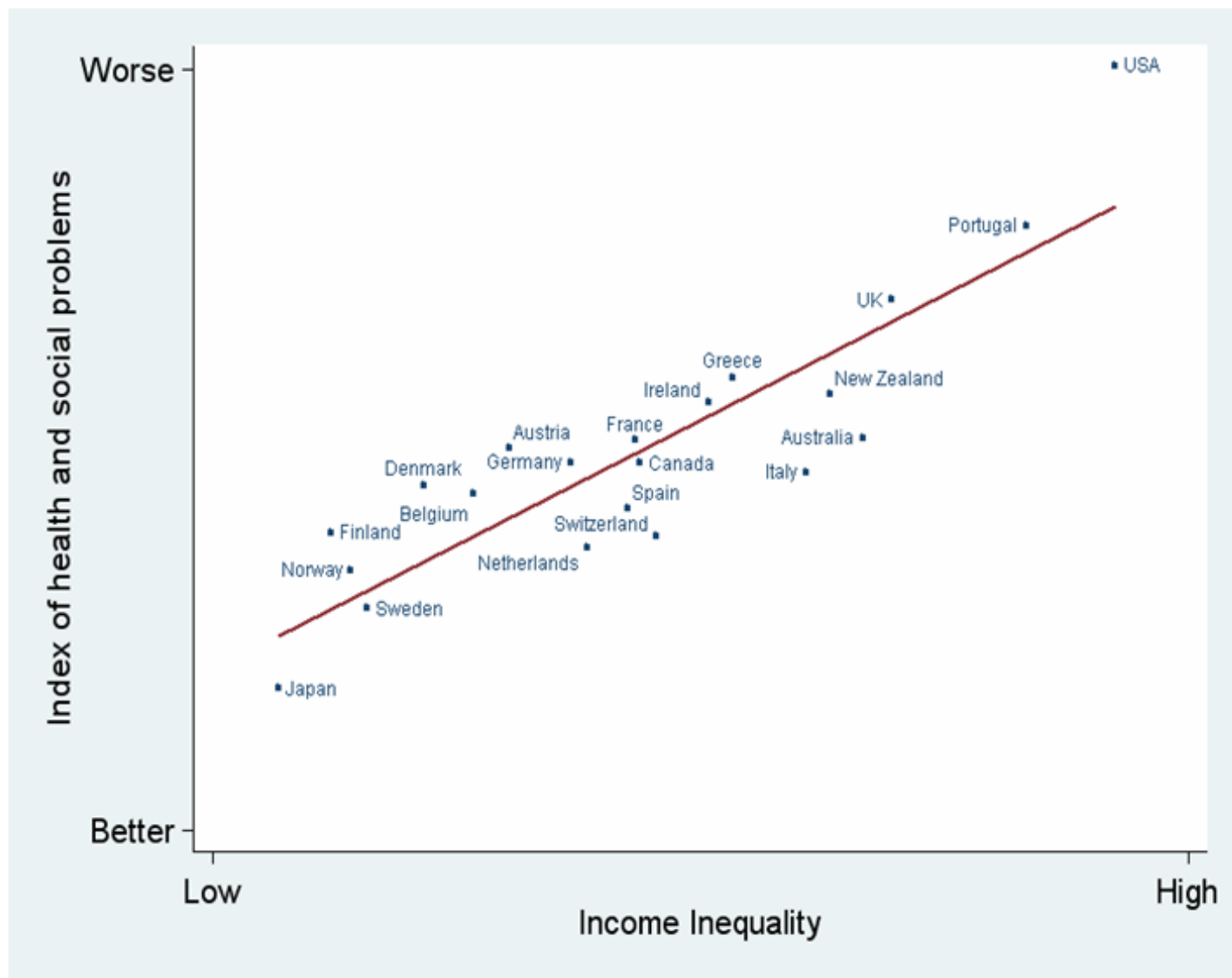
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4. Cooperative property and cooperative firms
5. Reform of national accounts; different ways to measure progress
6. Support for models of “local living”
7. Commercial and commerce free zones;
8. **Measures to tackle inequality and better social security guarantees – e.g. basic income and income caps**

Health and Social Problems are Worse in More Unequal Countries

Index of:

- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility



How much more should the highest skilled people be paid than the lowest skilled people?



What ratio would represent real differences in merit and contribution rather than just amplifying and multiplying privilege?



20





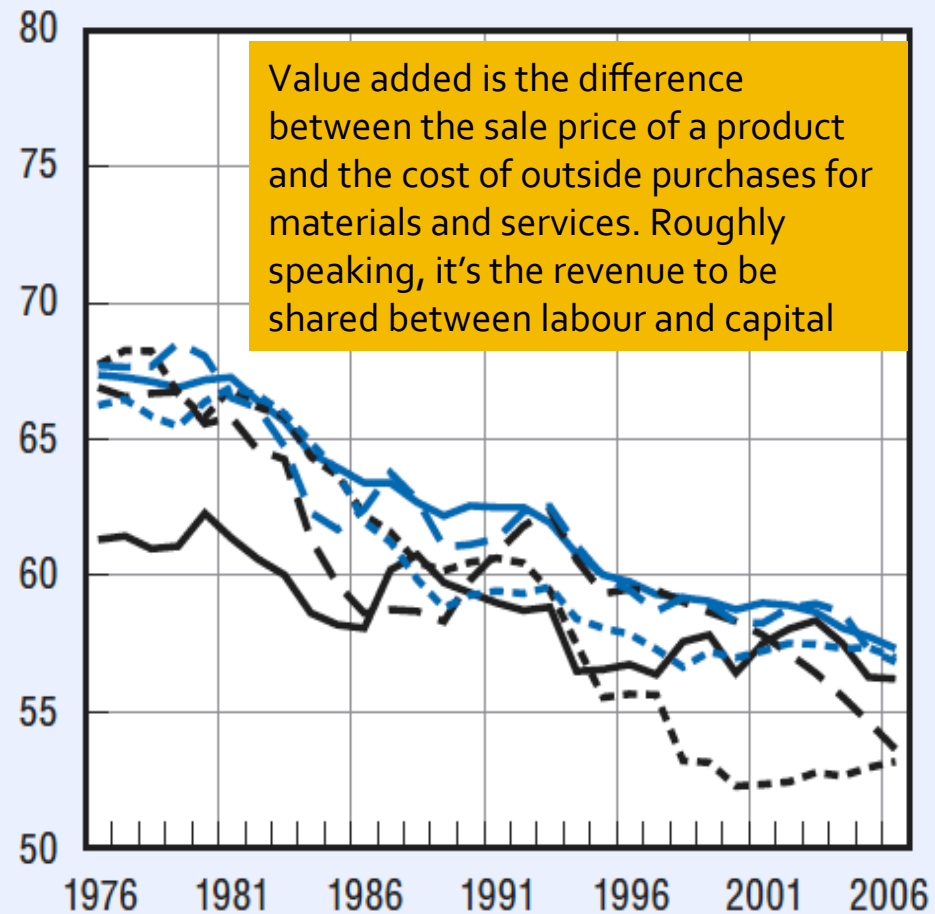
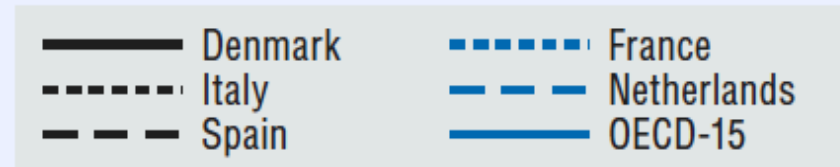
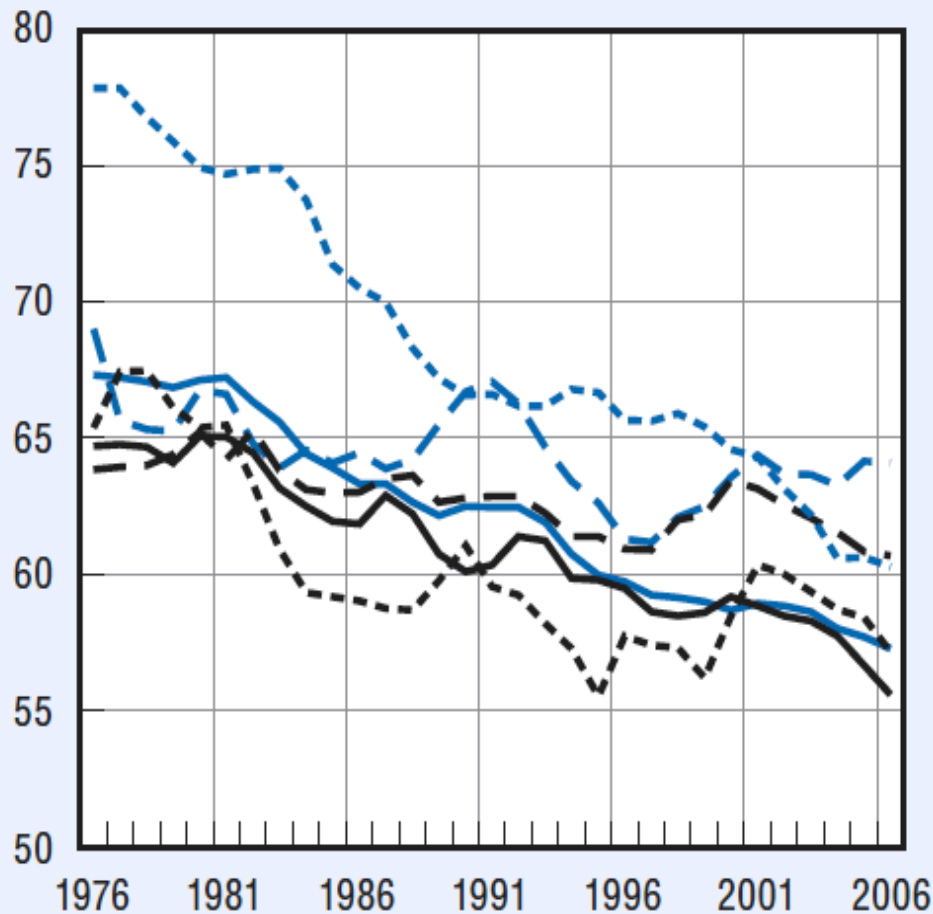
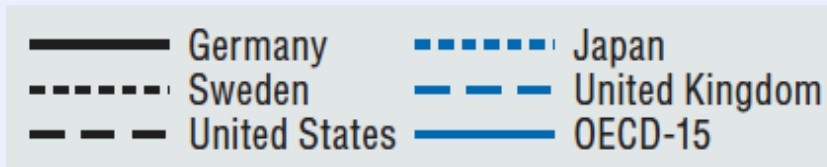




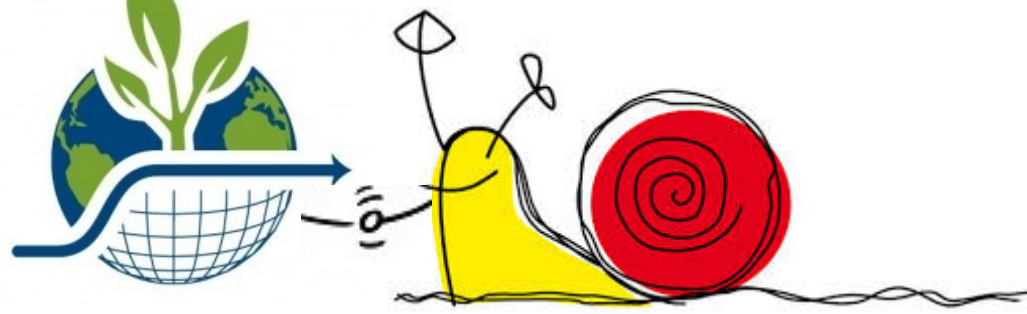
In the US corporate sector

<500:1

NB. Declining share of 'value added' going to wages (OECD, 2008)



Value added is the difference between the sale price of a product and the cost of outside purchases for materials and services. Roughly speaking, it's the revenue to be shared between labour and capital



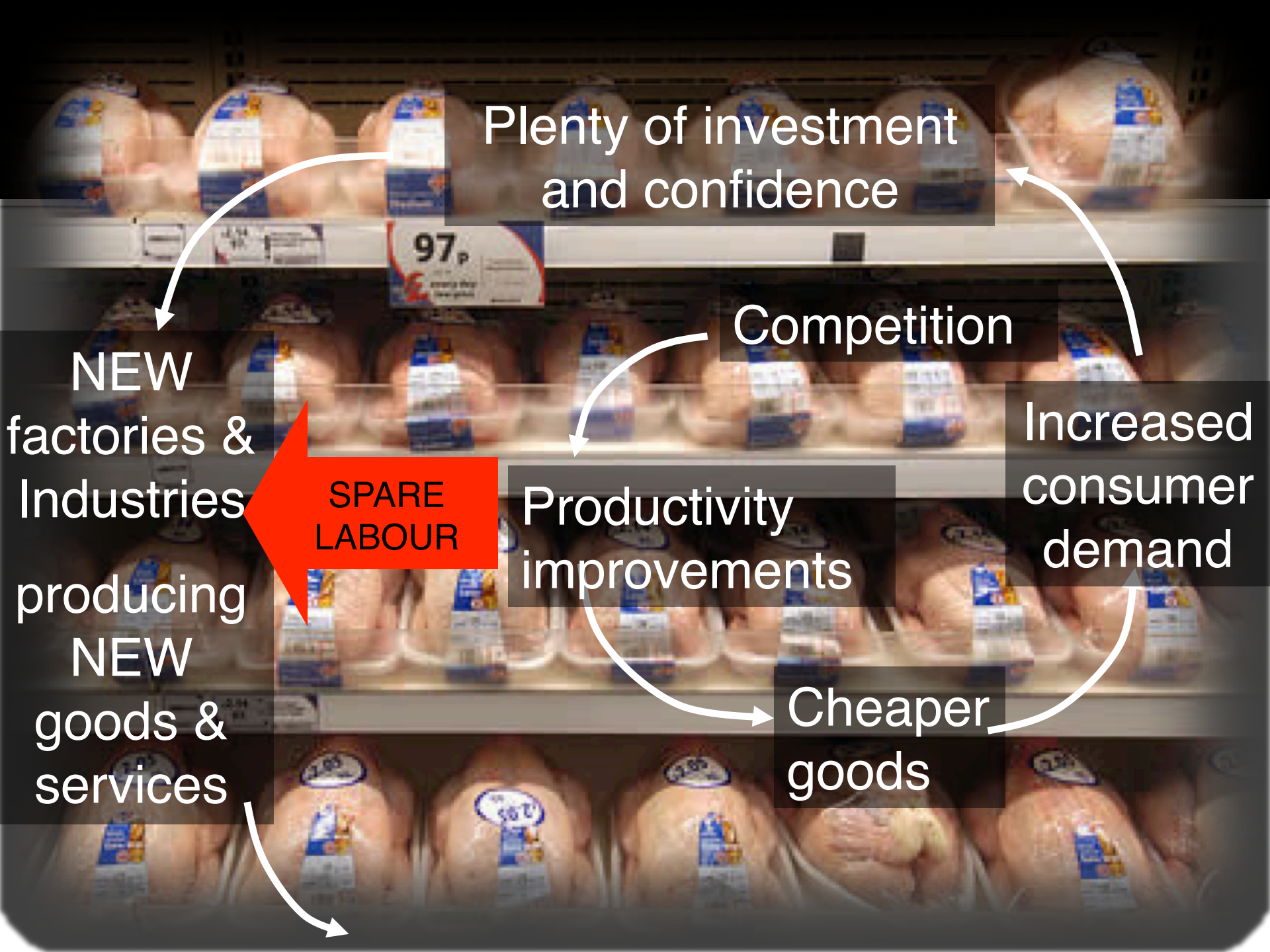
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5. Support of innovative models of “local living”
6. Cooperative property and cooperative firms
7. Commercial and commerce free zones;
8. Measures to tackle inequality and offer better social security guarantees – e.g. basic income and income caps;
9. **Greater option for part-time or personal work, work-sharing, sabbaticals, paternity, maternity leave etc.**

Labour productivity improvements





Plenty of investment and confidence

Competition

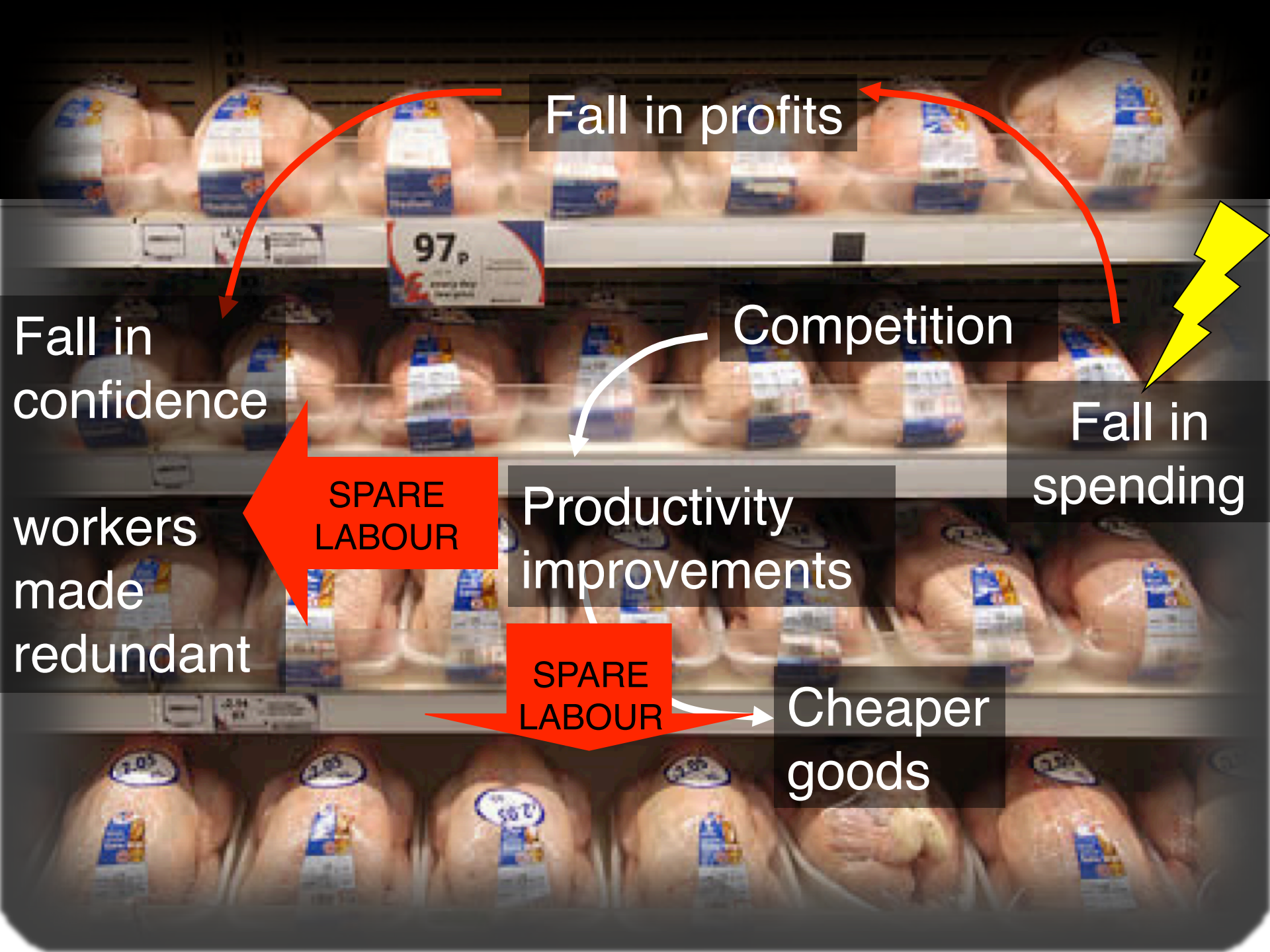
Increased consumer demand

Productivity improvements

Cheaper goods

SPARE LABOUR

NEW factories & Industries producing NEW goods & services



Fall in profits

Fall in confidence

Competition

Fall in spending

SPARE LABOUR

Productivity improvements

workers made redundant

SPARE LABOUR

Cheaper goods

97p

1.05

1.05

1.05

1.05

1.05

Fall in profits

Fall in confidence

Further fall in spending

Fall in spending

workers redundant

SPARE LABOUR

SPARE LABOUR

High unemployment



Part of the solution: share work out better?



21 hours

Why a shorter working week can help
us all to flourish in the 21st century

- Reverse the commodification and monetization of every day life -> social cohesion and wellbeing benefits? (Latouche, 2009; Hirsch, 1976)
- Should the distribution of goods and services depend so heavily on wages and salaries? See proposals for a universal basic income (Martinez-Alier, 2009)
- On the other hand - productivity is not an exogenous factor that increases automatically; productivity gains build upon cheap energy and as cheap energy ends, we will need to work more.

Part of the solution: Encourage resource efficiency not labour efficiency?



Sometimes labour productivity improvements are a good thing. BUT think about repercussions for

- environment,
- enjoyment of work,
- quality of service

How?
Ecological Tax Reform?
Greater democracy in workplace ?



Introductory reading

- Martínez-Alier, J. et al., 2010. **Sustainable de-growth: Mapping the context, criticisms and future prospects of an emergent paradigm.** *Ecological Economics*, 69(9), pp.1741–1747.
- Kallis, G., Kerschner, C., Martinez-Alier, J. (2012). **The economics of degrowth,** *Ecological Economics* 84 (2012) 172–180
- Herman Daly, H. (2008). **Towards A Steady-State Economy.** Essay for the Sustainable Development Commission, UK. Download here: <http://www.theoildrum.com/node/3941>
- Bowles S, Park Y. (2005). **Emulation, Inequality, and Work Hours:** was Thorstein Veblen Right? *The Economic Journal*; 115 (507): F397-F412.
- Coote, A., Franklin, J. and Simms, A. (2010). **21 Hours: Why a shorter working week can help us all to flourish in 21st century.** New Economics Foundation. Download here: <http://www.neweconomics.org/publications/entry/21-hours>
- Schor, J. (2007). **In Defense of Consumer Critique: Revisiting the Consumption Debates of the Twentieth Century.** *The ANNALS of the American Academy of Political and Social Science*, 611; 16 Download here: <http://www.julietschor.org/academics/selected-publications/>
- On addressing the social logic of consumerism see also Chapter 5, of Jackson, T. (2009). **Prosperity without growth?** UK Sustainable Development Commission. Download here: <http://www.sd-commission.org.uk/publications.php?id=914>