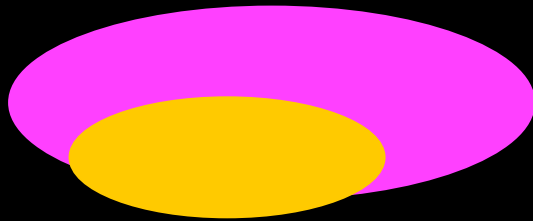


ecological economics and degrowth



Eva Friman, Masters 2012

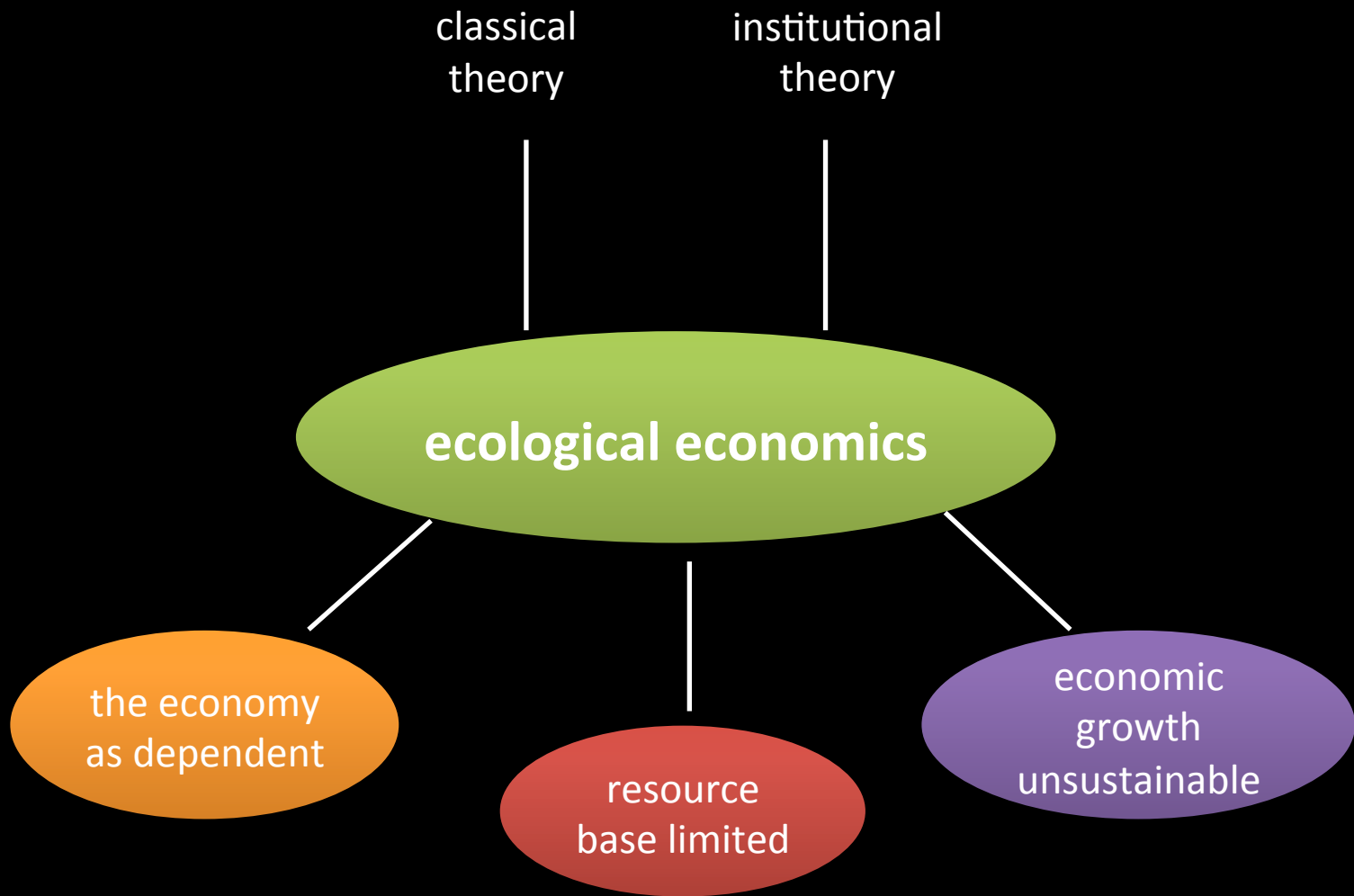
the concept of economic growth as a paradigm shift in economic thought in the 1950s

	classical economics	neoclassical economics
ontology	time- and space bound national wealth	wealth universal in time and space
epistemology/ theory	economics as normative/ contextualization (concrete and specific)	economics as value- neutral/ de-contextualization (abstract and general)
conclusion on limits	limited economic expansion	unlimited economic growth

modernist economic discourse

- nature as instrumental
- resource substitution
- faith in technology and techno-fixes
- economic man
- human nature as insatiable
- human utility maximization as natural
- high throughput desirable, i.e. growth

governs social practices that deal with solutions within current structures, and supports current power and interests, reproducing the discourse



basic assumptions

environmental econ	ecological econ
one-dimensional human nature	multi-dimensional human nature
insatiable needs	satisfiable needs, insatiable wants
efficiency in focus; distribution & equity secondary (if that)	distribution and equity in focus; efficiency secondary
nature as instrumental – value if value given	nature as intrinsically valuable
scarcity as budget restrictions	scarcity as physical restrictions

needs & wants

needs

satiabile, must be
satisfied to survive

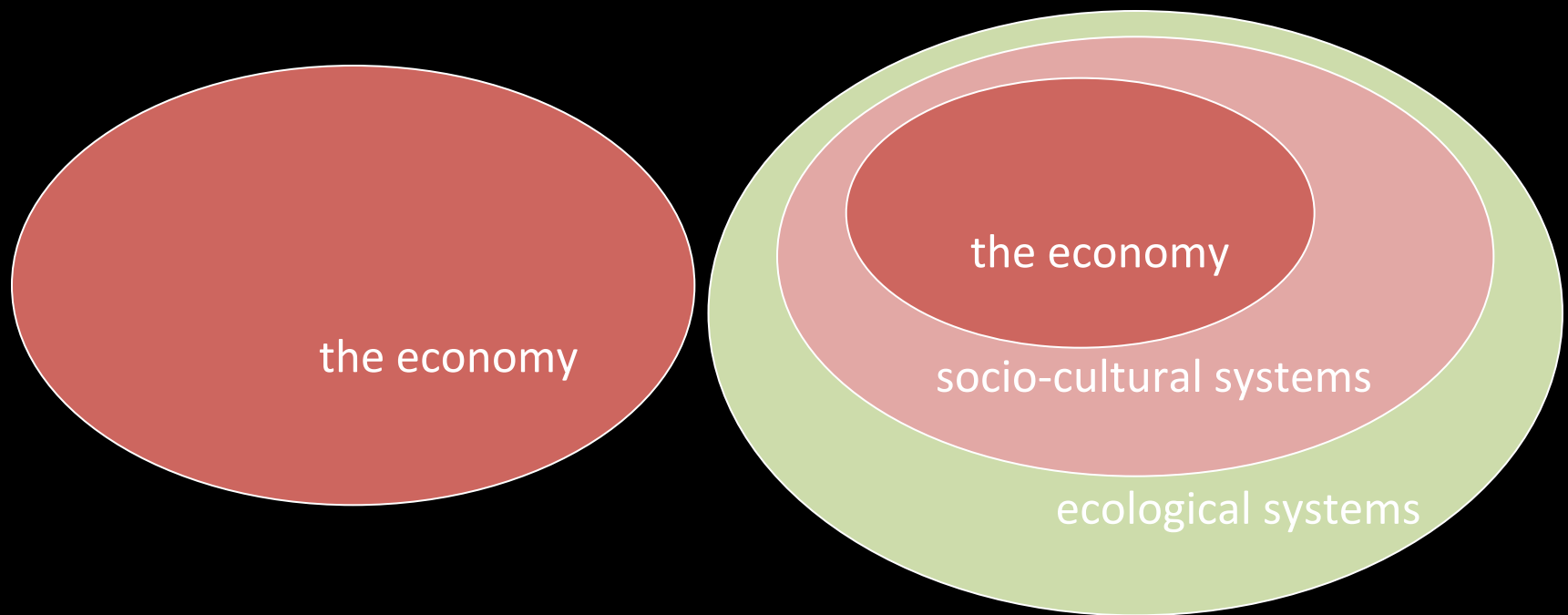
wants

insatiabile, must not
be satisfied to survive

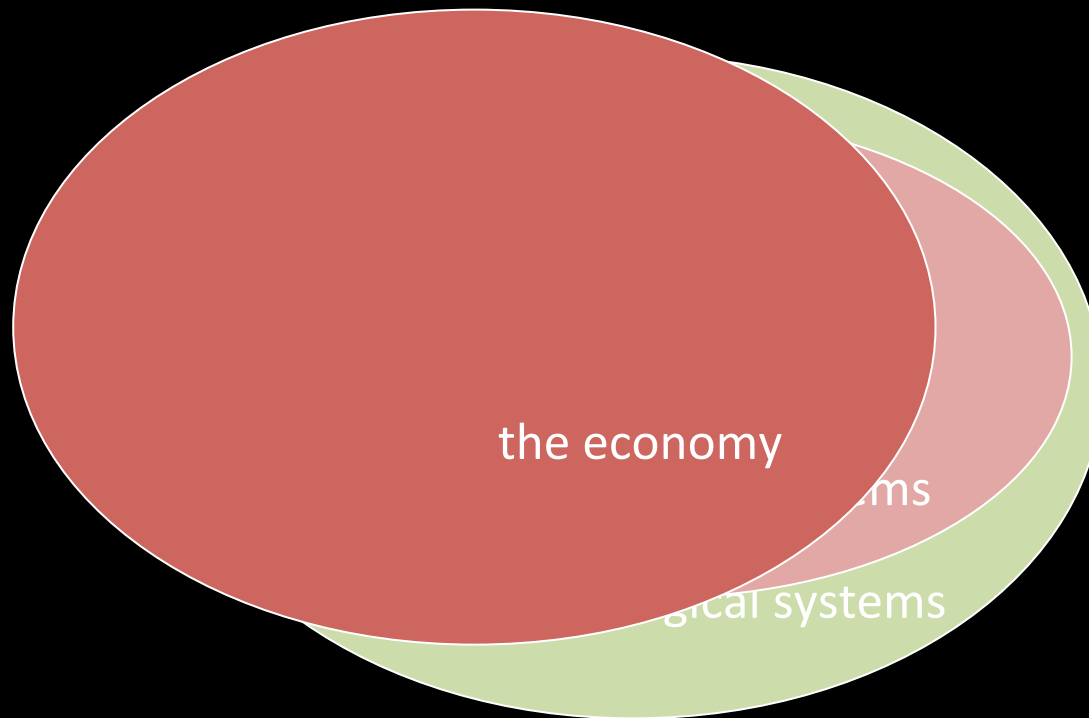
basic assumptions, cont.

environmental econ	ecological econ
economy as autonomous	economy as subsystem to ecology
environment as choice of consumption	environment as basis for consumption
optimizing allocation and externalities	optimizing physical scale
environmental crisis as result of lack of clearly defined property rights and non-priced externalities	environmental crisis as result of a free-floating economic system

the key issue – the economy as an embedded dependent system



"full world" economics

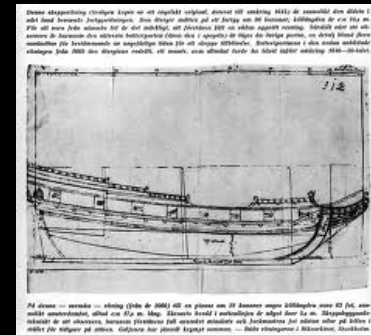


weak and strong sustainability



natural capital

cultural capital



human made capital

– substitutes or complements?



weak and strong sustainability

substitutes

complements

weak sustainability

(priority to efficiency)

keeping total capital intact

strong sustainability

(priority to sustainability)

keeping intact human made and natural capital separately, plus current situation means natural capital needs to grow

environmental economics

- pricing the environment
- defining property rights

(i.e. reforming neoclassical theory)

ecological economics

- environmental investments
 - redistributing wealth
(global North/global South)

(investing in nature/natural capital,
reducing through-put, i.e. GDP)

**environ. econ.
sustainability**

**ecol. econ.
sustainability**

weak sustainability
sustainable economic growth

(change in high-income countries'
T; eco-modernism)

strong sustainability
non-growing through-put

(change in high-income countries'
T and A; ecologism)



degrowth economics

degrowth for social equity and
ecological sustainability

international conferences:

Paris 2008

(200 participants)

Barcelona 2010

(400 participants)

Venice 2012

(1000 participants)



a research frame, and an NGO/civil society one

researchers	focusing on social equity and ecological sustainability, and how to degrow towards sustainability, creating a new development discourse
activists	degrowth as the new concept and political artefact, replacing growth in policy development for sustainability

degrowth 2008

- Researchers, practitioners, civil society members
- Multidimensional crisis: financial, economic, social, cultural, energetic, political and ecological
- Reason: current economic model based on growth
- A global middle class elite consumes by appropriating time (humans/labor) and space (natural resources); status seeking through material possessions that is spreading around the world (strong narrative)

degrowth 2008, cont.

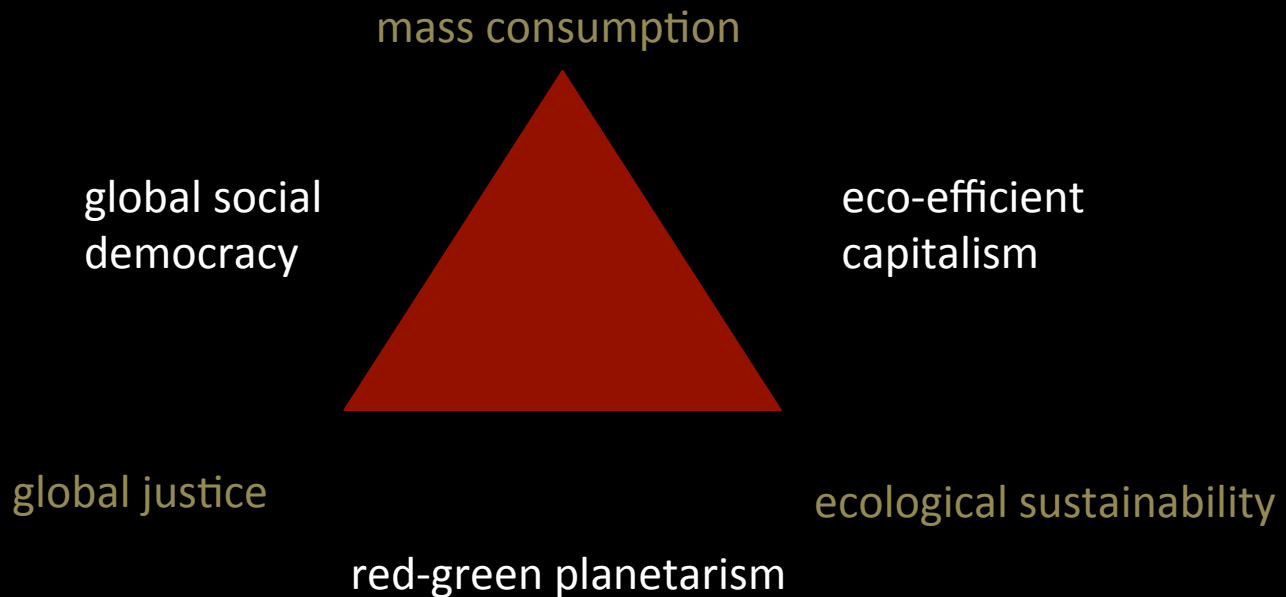
- Irresponsible governments, financial institutions and TNC:s
- Anti-crisis measures to boost growth, will worsen the inequalities and environmental degradation
- The doctor that made you sick, cannot cure you

Thus:

- A degrowth of the global economy is inevitable, and will benefit the environment.
- It is a challenge to manage the degrowth process so that it will be socially equitable at local, national and global scales.

degrowth models...

the global ethical trilemma; pick two – ignore the third



degrowth suggestions 2008

- a theoretical description of capitalist expansion as a cumulative sequence of appropriation and concentration of assets through capitalization and finance, creating accelerated inequities and ecological degradation (as eco-social considerations are subordinated to capitalist imperatives)
- an adequate economic account of the manner in which human activity, driven by capitalist economic rationality and powered by hydrocarbon-based industrial technology, has gone beyond the resilience thresholds of the Biosphere
- identify the urgency of decreasing the depletion of natural resources and lowering the anthropogenic disruption of the Biosphere by drastically reducing the economic process' throughput

degrowth suggestions 2008, cont.

- explain the institutional and technological locked-in situation into which the 'Western' path of economic development, both capitalist and industrial, has led our societies
- increase the chances of success of the required reorientation by analyzing the complex encompassing web of forces that act as inertial factors impeding that reorientation
- make people aware of such a web and develop conscious awareness through sound theoretical explanations

degrowth 2010

- Objective: to structure proposals toward an alternative, ecologically sustainable and socially equitable degrowth society
- Suggestions:
 - Facilitation of local currencies
 - Promotion of small-scale, self-managed not-for-profit companies
 - Defense and expansion of local commons and establishment of new jurisdictions for global commons
 - Establishment of integrated politics of reduced working hours (work-sharing) and introduction of a basic income
 - Institutionalization of an income ceiling based on max-min ratios
 - Discouragement of overconsumption of non-durable goods and under-use of durables by regulation, taxation or bottom-up approaches

degrowth 2010, cont.

- Abandonment of large-scale infrastructure (nuclear plants, dams, high-speed transportation)
- Conversion of car-based infrastructure to walking, biking and open common spaces
- Taxation of excessive advertising and its prohibition from public spaces
- Support for environmental justice movements of the South that struggle against resource extraction
- Introduction of global extractive moratoria in areas with high biodiversity and cultural value
- Compensation for leaving resources in the ground
- Denouncement of top-down population control measures and support of women's reproductive rights; conscious procreation and the right to free migration while welcoming a decrease in world birth rates
- Decommmercialization of politics and enhancement of direct participation in decision-making



degrowth economics

degrowth for social equity and
ecological sustainability



statements from Barcelona:

“...we can no longer pretend that we can keep growing ...”

“Growth has come to an end. The challenge now is how to transform.”

ISEW

GDP

minus all activities which can be interpreted
as socially or ecologically harmful

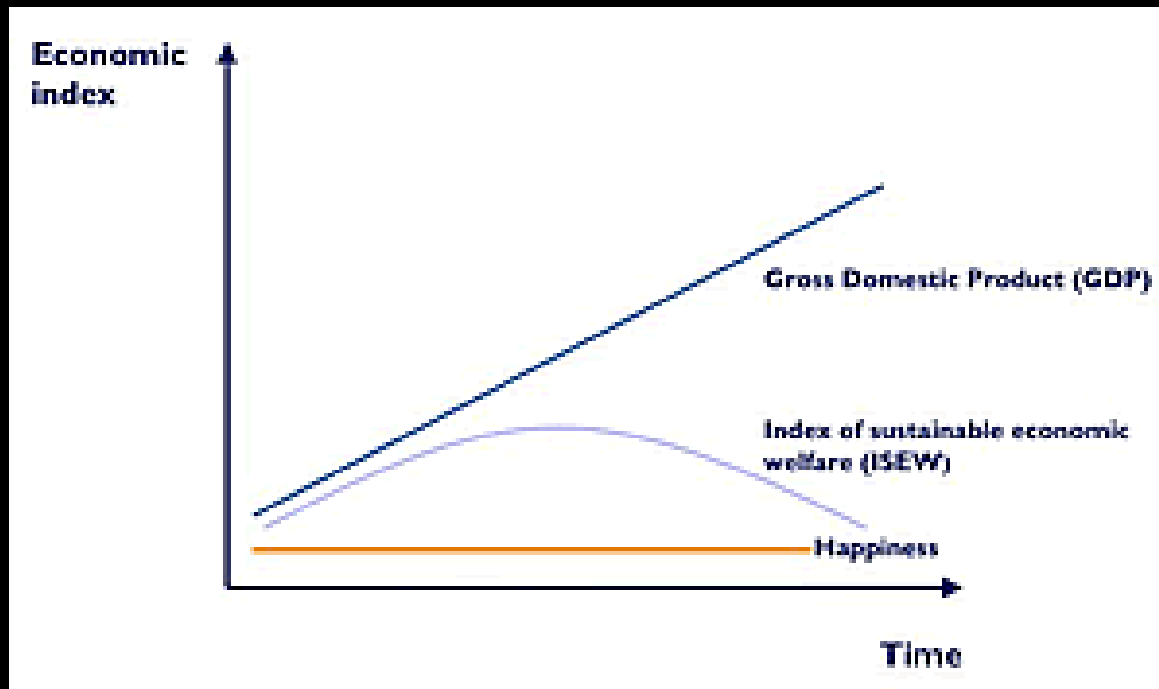
Herman Daly

INDEX OF SUSTAINABLE WELFARE (ISEW)

$$\begin{aligned} \text{ISEW} = & \text{PERSONAL CONSUMPTION} \\ & + \\ & \text{NON-MARKETED LABOUR SERVICES} \\ & + \\ & \text{WELFARE PRODUCING PUBLIC SERVICES} \\ & + \\ & \text{NET CAPITAL} \\ & - \\ & \text{PERSONAL COSTS OF CONSUMPTION} \\ & - \\ & \text{POLLUTION AND ENVIRONMENTAL DAMAGE} \\ & - \\ & \text{DEPRECIATION OF NATURAL CAPITAL} \end{aligned}$$

Source: Cobb & Cobb, 1994

GDP and ISEW



HDI

Human Development Index (UNDP)

weights together:

- life expectancy
- education level
- GDP

ecological footprint

- the area for food, space, energy and waste for an individual
- the average citizen in different countries are compared