

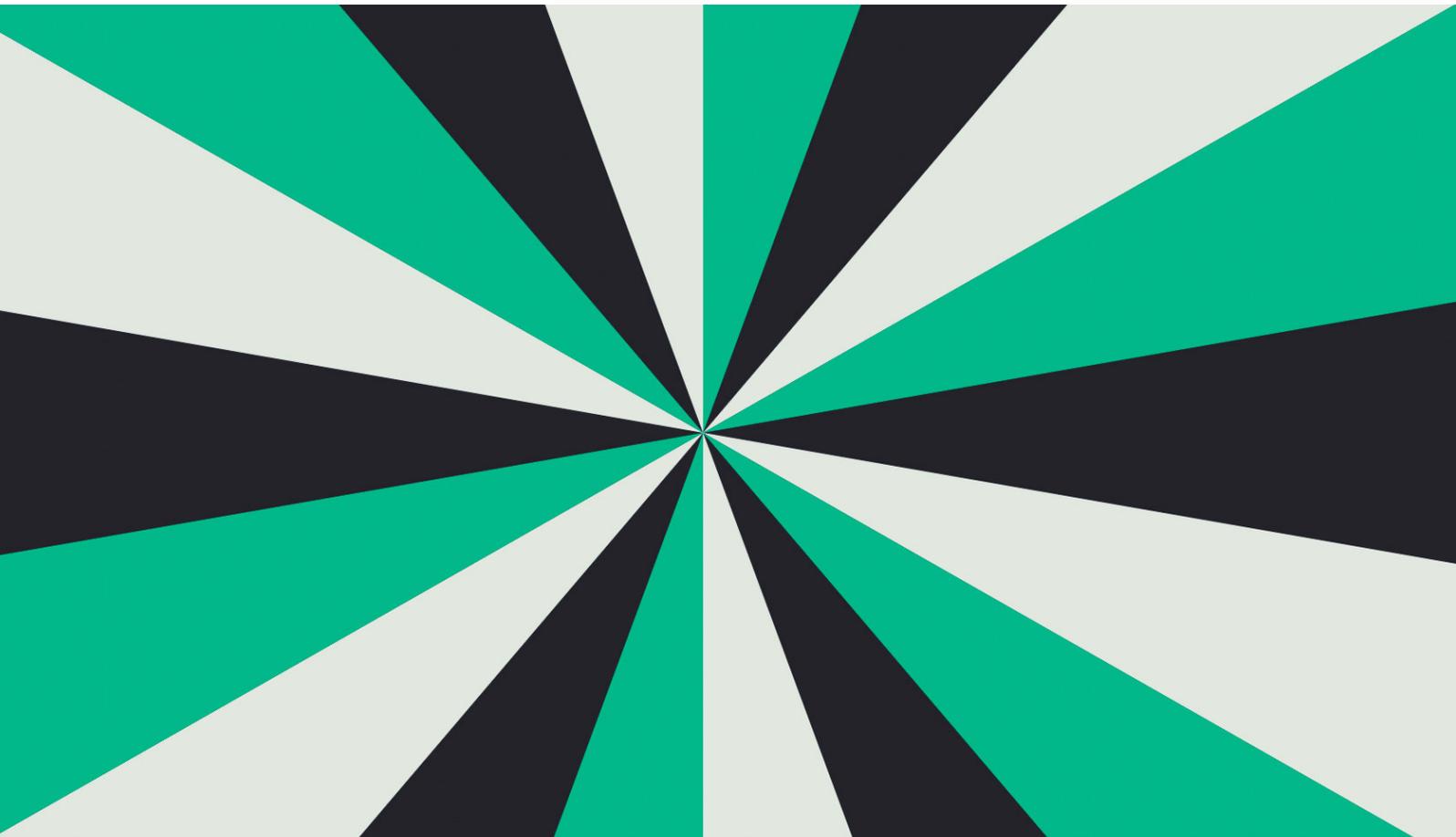


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Post-growth thinking as a resource for a European union of sustainability

A contribution to the socio-ecological reorientation of Europe

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Abstract

The European Union is struggling. One-sided fixation on growth, competitiveness, deregulation and export-orientation have led Europe into deep crisis. The need for climate change mitigation, environmental protection and tackling inequality now present ever bigger challenges to the EU. Starting from a historical perspective, this CUSP paper argues, that post-growth concepts have an enormous potential to re-constitute Europe. Seen as preparation for coming realities, the pursuit of making social security systems, public budgets and the labour market less dependent on permanent economic growth could not only provide a “common ground” for both, post-growth and mainstream economists; working into this direction makes sense anyway as the return to high GDP growth rates in our unsustainable, ageing and saturated societies is highly unlikely.

Introduction

For over a decade now we have been observing the rise of a growth critique which has spread well beyond Europe and is closely linked to similar discourses in North America and various emerging and developing countries of the Southern hemisphere. It is conducted in English under the heading 'Post Growth' or 'Degrowth', in French under 'Décroissance', in Spanish under 'Decrecimiento' and in German under 'Postwachstumsgesellschaft' ('the post-growth society') or 'Postwachstumsökonomik' ('post-growth economics').¹

Notwithstanding this fresh set of headings, the debate is not entirely new, even though some of its protagonists argue in a peculiarly ahistorical fashion. It can be described with some justification as representing a second blossoming of the growth critique, for in the 1970s already there was an intensive debate about the ecological, cultural and social limits to growth. Noteworthy products of this first blossoming include the 'Club of Rome' report on *The Limits to Growth* (1972)², the cultural polemic *To Have or To*

1 Influential recent examples in English include Jackson, T.: *Prosperity without Growth*, Earthscan, 2009; 2nd ed. Routledge, 2017; Dietz, R. and O'Neill, D.: *Enough Is Enough*, Routledge, 2013; Blewitt, J. and Cunningham, R.: *The Post-Growth Project*, London Publishing Partnership, 2014; and Raworth, K.: *Doughnut Economics*, Random House, 2017.

2 Meadows, Donella H., Meadows Dennis L. et al.: *Limits to Growth*. Universe Books, New York 1972. The depletion of resources, environmental degradation and population growth were the core themes of this report.

Be? by Erich Fromm (1976)³, the far-sighted study by Fred Hirsch on *The Social Limits to Growth* (1976)⁴ and the contributions by André Gorz on the growth crisis, published in English as 'Ecology as Politics' (1979).⁵ Anglo-Saxon, French and German authors influenced the debate in equal degree.

The radical critique of growth and consumption had its beginnings in the United States. The epicentres of the debate were the US West and East Coast universities, above all the University of California at Berkeley and the Massachusetts Institute of Technology in Cambridge MA, which was where the report on the 'Limits to Growth' was compiled, written by a very young group of systems theorists around Donella and Dennis Meadows who were inspired by ecologism.

In the Federal Republic of Germany, these years saw the publication of a wealth of politically influential writings on the subject, including the bestseller *Ein Planet wird geplündert (A Planet Being Sacked)* (1975)⁶ by Herbert Gruhl, a conservative MP at that time and later on one of the co-founders of the Green Party, *Ende oder Wende (Change or Die)* (1975)⁷ by Erhard Eppler, a prominent Social Democrat, 'red-green' thinker and former federal minister of development cooperation, and *Natur als Politik (Nature as Politics)* (1976)⁸ by Carl Amery, a prominent catholic writer, who left the Social Democratic Party because of its 'ecological ignorance' and also became co-founder of the Green Party. In the GDR, the highly controversial but ultimately very influential books by the dissidents Wolfgang Harich (*Kommunismus ohne Wachstum?/Communism without Growth?*, 1975), Rudolf Bahro (*The Alternative*, 1977), and Robert Havemann (*Morgen. Die Industriegesellschaft am Scheideweg/Tomorrow: Industrial Society at the Crossroads*, 1980) were heavily influenced by the growth critique of the 1970s.⁹ Bahro, an eco-socialist, as he called himself, became one of the most prominent green figures in West-Germany after he had been expatriated from the GDR, but left the Greens quite soon for being too pragmatic and not radical enough, particularly on the growth issue.

3 Fromm, Erich: *To Have or to Be? The World Perspectives book series*, Harper & Row, New York u.a. 1976.

4 Hirsch, Fred: *Social Limits to Growth*, Harvard University Press, Cambridge, MA u.a. 1976

5 Gorz, André: *Ecology as Politics*, South End Press, 1979, (first published, Galilée, 1978)

6 Gruhl, Herbert: *Ein Planet wird geplündert. Die Schreckensbilanz unserer Politik*, S. Fischer, Frankfurt/M. 1975.

7 Eppler, Erhard: *Ende oder Wende. Von der Machbarkeit des Notwendigen*. Kohlhammer, Stuttgart 1975.

8 Amery, Carl: *Natur als Politik. Die ökologische Chance des Menschen*, Rowohlt, Reinbek 1976

9 For an overview, see: Amberger, Alexander: *Bahro – Harich – Havemann. Marxistische Systemkritik und politische Utopie in der DDR*. Ferdinand Schöningh, Paderborn 2014

Because the scientific and journalistic work on the growth critique coincided with the two oil price crises of the 1970s (1973 and 1979-80), which in the Federal Republic were accompanied by measures such as Sunday driving bans, a large section of the population was convinced that the predicted limits to growth were already beginning to have perceptible impact.

The ideological dispute over growth was not confined to the capitalist industrial societies on the one side and the circles of the political dissidents in Central and Eastern Europe on the other, but it also reflected internally the West-East and North-South conflicts. Within the sphere of influence of the Soviet Union, it was argued that the growth critique was a particularly perfidious Western strategy to discredit the key systemic advantage of the socialist planned economies over the capitalist market economies, namely their capacity to produce lasting growth uninterrupted by crisis.¹⁰ The governments of the developing countries argued in turn that the growth critique was a form of neo-colonialism, cloaked this time in greenery. At the very moment when the countries of the southern hemisphere were about to make their great developmental leap forward, as Chinese leader Mao tse-tung and India's Prime Minister Indira Gandhi saw it, the resource-hungry West was suddenly trying to dissuade them from growth by reproaching them using ecological and moral arguments.¹¹ That was hardly a credible position, in their view.

As early as the late 1960s, critics of growth asked whether the fixation on gross domestic product (GDP) might not be leading to political mistakes and distorting perceptions of what constituted genuine improvements to welfare, or if it might not at the very least be extremely reductionist. After all, they argued, this fetishised indicator of our supposed success suffered from many calculation errors (for example, excluding 'external costs' such as pollution, whether at home or abroad, which should actually be subtracted from GDP), and failed to take account of some things at all (such as the quantity and quality of renewable and non-renewable resources, for both current and future generations). And other things, they said, could not be captured by means of GDP anyway, such as people's happiness, the quality of their social relationships, or work outside of the paid employment sector. Furthermore, GDP and its growth or decline gave us no information

10 Cf. Kuczynski, Jürgen: *Das Gleichgewicht der Null. Zu den Theorien des Nullwachstums*, Verlag Marxistische Blätter, Frankfurt/M. 1973

11 See: <http://lasulawsenvironmental.blogspot.de/2012/07/indira-gandhis-speech-at-stockholm.html> (accessed 30.5.2017)

at all on distributive justice, whether from a domestic or international viewpoint.

The two waves of the growth critique

Nevertheless, it would be utterly mistaken to interpret the burgeoning criticism of growth that we have experienced since the great financial crisis of 2007/08 simply as the return of a familiar social phenomenon mainly affecting saturated and outdated service-economy societies approaching the condition of 'secular stagnation' (Larry Summers).¹² The first and second waves of the growth critique certainly have similarities, but also differences. The greatest similarity is that ecological considerations are still the central starting point for the criticism of growth. The greatest difference is that, whereas the criticism of growth, consumption and the industrial society in the 1970s implicitly contained a radical and utopian counter-model to the prevailing economic model of development (and thus unsurprisingly provoked a defensive reaction from governments), today many of the transformational ideas emerging from the growth critique are converging with new technical possibilities, new social values and even new business models. This can be seen in a number of new developments in economic thought and activity, such as collaborative consumption, the sharing economy, prosumer networks, the Internet of Things, new decentralization initiatives, the revival of the repair and 'make do and mend' culture, the circular economy, 'ethical' investment, the growth of climate, nutrition and health awareness, and the pursuit of simplicity and work-life balance.¹³ These diverse phenomena do not necessarily constitute a coherent logical or even ideological whole; but they all arise from a mindset which values cooperation over competition, access over possession, and socio-ecological impact over purely economic goals.

There is another differentiating factor: since the collapse of the Soviet empire a quarter of a century ago, we are no longer living in the world of bipolar competition between systems, with its inbuilt imperative of industrial and military escalation. However, this wasn't the 'end of history' (Francis Fukuyama), but rather the advent of a new non-simultaneity and

¹² For the relationship between secular stagnation, inequality and limits to growth see Jackson, Tim: *The Post-Growth Challenge—Secular Stagnation, Inequality and the Limits to Growth*. Online at: <https://www.cusp.ac.uk/themes/aetw/wp12>

¹³ Loske, Reinhard: Neue Formen kooperativen Wirtschaftens als Beitrag zur nachhaltigen Entwicklung, in: *Leviathan*, 42. Jg., H. 3/2014: 463-485

non-transparency along new lines of conflict. A phenomenon such as the 'global consumer class', for example, with its extremely resource-, energy- and mobility-intensive lifestyles, has long since ceased to be confined to the rich industrialized nations, but can now also be found in the emerging economies of the southern hemisphere.¹⁴

And this has impacted in turn on the growth critique. In contrast to the 1970s, it is now no longer merely a Western phenomenon; instead, in Latin America, southern Africa, and South Asia, it appears in new regional forms, and is often combined there with a critique of capitalism. Much-debated concepts such as 'Buen Vivir'¹⁵ (Bolivia, Ecuador), 'Ubuntu' (southern Africa) or 'Gross National Happiness' (Bhutan) illustrate this. What links these alternative approaches is that they all proclaim an orientation on the common good, and they all favour cooperative over competitive economic approaches. This opens up a number of similarities with innovative social-ecological approaches in the more industrialized societies.

Contrary to what some optimists seem to believe, there is no mechanism or process which automatically delivers 'sustainable development' by reconciling the tensions between growth-critical and socio-ecological positions on the one hand and technological-economic development trends in our increasingly digitalised world on the other.¹⁶ Indeed, the danger is that the rent-seeking principle of capitalism will co-opt the social innovations mentioned above and try to convert them into normal businesses, using them as a form of economic 'fresh cell therapy'. The current controversies around the so-called sharing economy clearly illustrate how this process works. But given the critical condition of social and environmental developments both in Europe and worldwide, it would be negligent of social commentators not to investigate whether positive links can be made between the growth critique and the real social, technological and structural changes now taking place, and what kind of political framework might be required to enable symbiosis between them.

14 One difference however is that the 'consumer class' makes up 70 to 80 percent of the population in the rich industrialised countries, but only 20 to 30 percent in the emerging economies – though in absolute numbers this is of course very significant. On this issue, see Buarque, Cristovam: *The Golden Curtain. The Shocks of the End of the Twentieth Century. And a Dream for the twenty-first.* Senado Federal, Brasilia 2007

15 Burchardt, Hans-Jürgen: It's about time, stupid! Die Vermessung des guten Lebens zwischen Status quo und Wertewandel, in *Leviathan*, 45. Jg., H. 2/2017: 255-280.

16 Rifkin, Jeremy: *The Zero Marginal Cost Society. The Internet of Things, the Collaborative Commons, and the Eclipse of Capitalism*, Palgrave MacMillan, Basingstoke 2014.

So while the first wave of the growth critique met with widespread misunderstanding, and was dismissed by governments and business as doom-mongering, the second wave, by contrast, no longer runs counter to the *Zeitgeist*, but to some extent even has it on its side.¹⁷ Of course, the growth fetishists who ferociously attack any questioning of permanent economic expansion are still with us.¹⁸ They probably even still form a majority. But their compulsive defensive reactions now sound more like whistling in the dark; they give an impression of insecurity, of falling behind the times. The general mood today is more open to criticism of growth, and, for many, growth is no longer the measure of progress.

Growth-neutral sustainability as the new guiding principle for Europe?

In what follows, I want to propose that a shift away from the concept of permanent growth and towards a sustainable and cooperative social and economic model, one that is neutral on the question of growth but positively promotes peace, also has the potential to give the crisis-ridden EU new purpose and meaning. Those who seek a new path beyond simply continuing with the undemocratic Brussels way of doing things, with its obsession with competitiveness, growth and free trade, but also beyond a relapse into nationalist and chauvinist politics, will find in the nascent post-growth society many promising potential starting points for a ‘Europe of the Regions’ which is sustainable, socially just and prosperous (in economic terms, but also in others).¹⁹

The text presented here is therefore intended as a contribution to Europe’s continuing evolution into a continent of sustainability. It is imperative that

17 The question of why the radical growth critique subsided in the period between the middle of the 1980s and the outbreak of the financial crisis cannot be addressed in any depth here. Suffice it to say that, in order to shield themselves against accusations of being hostile to progress, growth and technology, many advocates of sustainability adopted a position compatible with hard-headed ‘Realpolitik’ arguments and restricted themselves to advancing technical concepts such as ‘ecological modernisation’ and then ‘green growth’. This excessive readiness to fit in with the mainstream led them to be extremely wary of raising social policy or lifestyle issues.

18 Hank, Rainer: Wachstum im Schnecken tempo ist in, in: *Frankfurter Allgemeine Zeitung* of 16.10.2016 (online at: faz.net/aktuell/wirtschaft/wirtschaftspolitik/degrowth-bewegung-gut-leben-ohne-wachstum-14482521.html)

19 It is astounding that the idea of a ‘Europe of the Regions’, which emerged alongside the green movement and parties in the 1970s and 80s, is nowadays mentioned in those circles only rarely and with great caution. This is perhaps due to a fear of being lumped together with separatists, populists and champions of identity politics, who all emphasise the importance of regional identity, albeit often in an isolationist direction. How a ‘Europe of the Regions’ can be integrated with a cosmopolitan conception of Europe is demonstrated by Ulrike Guérot in her book *Warum Europa eine Republik werden muss. Eine politische Utopie*, Dietz Verlag, Bonn 2016

those social groups and actors motivated by socio-ecological concerns engage more deeply in the debate over the future of Europe and do not leave the field to those in whose thinking sustainability either doesn't feature at all or else only as a footnote.²⁰

In order to develop the argument, it will be necessary to take a closer look at the main pillars of the growth critique, to set them in their wider historical European context, and to formulate appropriate political strategies by means of which they can be used to shape growth-neutral policies.

The first pillar: the ecological limits to growth and intergenerational equity

The ecological limits to growth take effect via two distinct but interwoven factors: the accessibility and quantity of natural resources, and the sink function of the natural system, that is, its ability to 'process' man-made waste gases, materials and effluents and other interventions into the natural world in such a way that ecosystems are not damaged or impaired in their functionality and regenerative capacity. Both restricting factors are relevant, but they operate in different ways and require different policies. In the 1970s, it was still believed that oil, gas or minerals such as copper, chromium, nickel, tin or tungsten would simply run out,²¹ threatening imminent collapse for the resource-hungry industrial system. This belief then subsequently evolved into a number of different strands and moved on.²²

And after four decades of intensive research, today a different view of the limits question prevails: disregarding for a moment exceptions such as rare earths or fine-grained sand, the availability of fossil or mineral raw materials is not the main limiting factor for the present model of development, but rather it is the environmental destruction wrought by human activities—above all climate change, the loss of biodiversity (i.e. habitats, species and genetic diversity), excessive nitrogen inputs into the environment and the acidification, warming and littering of the oceans, to name only the most

20 The two grand 'visions of Europe' put forward in September 2017 by Jean-Claude Juncker and Emmanuel Macron serve as examples here. They contain much talk of driving growth, of European financial and economic policy, of the euro and a European Army, but very little about sustainability.

21 This was undoubtedly also due in part to the two oil crises of the 1970s, which seemed to confirm that the oil was running out. See Göbel, Stefan: *Die Ölpreiskrisen der 1970er Jahre. Auswirkungen auf die Wirtschaft von Industriestaaten am Beispiel der Bundesrepublik Deutschland, der Vereinigten Staaten, Japans, Großbritanniens und Frankreichs*, Logos Verlag, Berlin 2013

22 See: <http://www.peak-oil.com/tag/peak-everything/>

important examples.²³ Where extreme resource depletion is actually evident today is with respect to soils, forests and seas, the continuing health of which also plays a significant role in the carbon cycle (as CO₂ sinks) and in biodiversity.

In the face of climate change, the early fear that humanity might soon run out of fossil fuels has for the moment proved unfounded: from an ecological perspective, we do not have too little gas, oil or coal, but too much—in fact, much too much. If climate protection targets are to be met, at least 80 percent of coal, 50 percent of gas and 30 percent of oil reserves must remain unused and underground, which of course has significant ramifications not only for the developed industrialised countries of the West, but also for regions such as the Middle East and Russia and for coal-rich states such as China, India or South Africa.²⁴ What is needed is not action compelled by imminent resource scarcity and resultant increasing conflicts and costs, but voluntary joint and mutually supportive action impelled by ecological knowledge and understanding and a sense of global responsibility.

What do these challenges mean for the European Union, a region of the world which is doing well compared with others, but which in ecological terms lives far beyond its means? A formal answer to this question might begin with the fact that the EU is a partner to all the international agreements on environmental protection, and indeed likes to see itself as a pioneer. It has been just as instrumental in shaping the United Nations' 17 'Sustainable Development Goals' (SDGs) of September 2015 as it was in getting agreement on the December 2015 Paris Climate Agreement, which limits the global temperature increase to no more than 2 °C (and preferably 1.5 °C) above pre-industrial levels. For the European states, this means a complete decarbonisation of their economies, or zero net CO₂ emissions, by 2050.

From a critical sustainability perspective, the EU's problem is not so much a lack of 'green' declarations of commitment. Of those there are more than enough. It is two other factors that are really going in the wrong direction: the obsessive fixation on growth, free trade and competition, and the lack

23 For an overview, see Rockström, Johan et al.: A safe operating space for humanity, in: *Nature*, 461, 472-475 (24 September 2009) and more recent: Steffen, W. et al.: Planetary boundaries: Guiding human development on a changing planet, in: *Science*, 13. February 2015, Vol 347, Issue 6223, 1259855

24 McGlade, Christophe and Paul Ekins: The geographical distribution of fossil fuels unused when limiting global warming to 2°C, in: *Nature*, Vol. 517, 8 January 2015: 187-190

of coherence between sectoral policies, from agriculture to transport and trade policy.

As regards the focus on growth and competition, considerable marketing effort is being expended on linking this to sustainability via slogans such as 'green growth', 'green technologies' and 'green markets'. However, the assumption in favour of expansion is not by any means being called into question; rather, it is proposed that it should be supplemented by green goals, and thereby strengthened. Certainly, some sensible initiatives will be furthered in this way, even if such proposals often fail to take into account the 'rebound effect', whereby technological environmental gains are offset in practice by economic growth effects. However, there is no systematic integration of sustainability goals into European sectoral policies: the broad thrust of agricultural policy, for example, incentivises factory farming, pesticide use, widescale landscape clearances and a focus on exports; environmental restrictions and requirements applying to primary sector industries, the automotive industry and the energy industry are continually watered down by the member states and undermined by well-organized lobby interests; trade policy towards African countries effectively denies them the right to protect their local markets, promotes extensive investment support for multinationals, destroys subsistence farming and impedes the development of viable autonomous domestic markets, while supporting the efforts of multinational chemical and seed companies to establish a favourable international biological patenting regime and thus to drive the farmers of the southern hemisphere into permanent dependence.

A post-growth perspective on European realities, by turning away from the blinkered obsession with growth, trade and competition and turning instead to coherent sectoral policies and regional strategies, would enable a focus on precisely these policy weaknesses. There is more than enough scope over the next few years for significant reductions to Europe's material and energy throughput and total ecological footprint. Here are just three examples:

- The 'Common Agricultural Policy', which is due to be reformed in the next two years, must be geared towards socio-environmental quality targets and to the re-regionalisation of value creation, cooperation between producers and consumers, and the circular economy. Transfer payments should no longer serve to encourage exports and intensification but to discourage and reduce them.
- The conversion of the centralized, wasteful, fossil- and nuclear-based energy system to decentralized, energy-saving, solar and networked

energy production must be expedited in every conceivable way, with active support for municipal utilities, energy cooperatives, community energy initiatives and autoproducers. The EU must recognize that energy policy is not only an element of competition and industrial policy, but also and primarily of social and climate policy.

- In the restructuring and extension of European infrastructure for energy, transport, water, communications and data, cities and regions must above all be enabled to fully exploit their sustainability and networking potential and must not be driven into ruinous competition with each other. That means not only good broadband coverage, including in rural areas, but also smart, decentralized electricity grids, as well as ensuring that non-motorized and public transport systems are optimally networked, and that motorized private transport is fully integrated with this and realigned on the related principles of 'green electrification' and 'vehicle use instead of vehicle ownership'.

The chief characteristic of such a European transformation strategy would be that it would be neutral or indifferent towards growth. It would focus on reducing environmental damage and resource consumption, which means both on growth (in e.g. renewable energy, sustainable agriculture and sustainable infrastructure conversion) and on contraction (in e.g. fossil fuels, factory farming, agrochemicals, plastics and cars), and it is possible that during a transitional period the reconfiguration of the system towards sustainability, including the necessary investments, could initially and paradoxically result in an increase in GDP, because the necessary conditions for a permanently resource-efficient social and economic system have yet to be created.

The second pillar: 'externalities' and resource justice

Europe's economic expansion was built not only on hard work, innovation, commercial instincts, functioning institutions, and a self-confident and increasingly better-educated workforce and the exploitation of their added-value production, but also on the fact that it was possible to externalise environmental costs and to appropriate other people's resources, at first through colonialism in Africa, Asia and Latin America, and later through the enforced application of asymmetric trade relations, which effectively relegated the southern hemisphere countries to the role of suppliers of raw materials and agricultural produce.

Taking as a benchmark the CO₂ emissions directly related to the combustion of coal, oil and gas and to material flows, the trend towards the externalization of costs and towards increasing resource injustice over the past 150 years is very clear. The EU's share of the world population is 6.9 percent (2015), but its share of global GDP is 23.8 percent (2014), and its share of cumulative CO₂ emissions—the main cause of man-made climate change—from 1850 to 2002 is 26.5 percent (surpassed only by the United States with 29.3 percent).²⁵

Even without taking the historical perspective which includes accumulated emissions, thus showing how far we Europeans have already overdrawn our 'atmospheric account' at other people's cost, but considering instead just the status quo, the injustice enshrined in the global carbon order remains striking. If we are to meet the climate goals of the 'Paris Agreement, every person on earth should be allowed to emit only 1 to 2 tonnes of carbon dioxide per year; yet we Europeans permit ourselves to release on average 8 to 9 tonnes into the atmosphere every year.²⁶ In comparison, the figure for Brazil is 2.5 t per capita per year; in India, 1.6 t; and in Nigeria, 0.6 t. However, China diverges markedly from this pattern: over the past two decades it has been approaching at breakneck speed European emissions levels (now 7.6 tonnes per capita per year).²⁷ For this reason alone, in-depth climate cooperation between the EU and the People's Republic of China is an urgent necessity. US President Donald Trump's ignorance in matters of climate protection should be taken as a spur to accelerate that cooperation.

One feature of the north-south asymmetry in climate-changing emissions which is particularly unfair is the fact that the countries of the southern hemisphere are much more affected by climate change than most industrialised countries. The proportion of their wealth-creating economic activity which is directly linked to nature and therefore particularly susceptible to climate change—such as agriculture, forestry and fisheries—is generally very high (for example, 20% in Paraguay, 30% in Kenya, 40% in Myanmar, and 50% in Chad). And there is usually insufficient technical and economic capacity to ameliorate climate change by means of adaptation

25 The data are supplied by Eurostat (Press Release 166/2016 of 2 September 2016) and the World Resources Institute (http://pdf.wri.org/navigating_numbers_chapter6.pdf)

26 Data supplied by the Federal German Environment Agency: umweltbundesamt.de/themen/klima-energie/klimaschutz-energiepolitik-in-deutschland/treibhausgas-emissionen/europaeischer-vergleich-der-treibhausgas-emissionen

27 Data supplied by the World Bank: <http://data.worldbank.org/indicator/EN.ATM.CO2E.PC>

measures (such as coastal defences, irrigation systems, breeding new plant varieties, etc.).

One consequence of this greater susceptibility to climate change which is of great relevance to Europe is a rise in migration. The International Organization for Migration estimates that, in response to rising sea levels, desertification, increasingly frequent weather extremes, and inadequate water supply, 200 million climate refugees are likely to leave their homes in 2050 alone if these problems are not countered in some way. So far, these migration flows have taken place predominantly within the affected states and regions of the southern hemisphere, and have barely reached the prosperous North. But given the sheer numbers of those affected this is not expected to remain the case. In particular, the migration flows from Africa and the Middle East to Europe, and from Latin and Central America to North America, are likely to increase sharply in the future.

The extent to which the costs of our growth fixation are borne by third parties is shown not only by our overuse of the communal resource that is the atmosphere but also by the structure of our trading relations with the countries of the southern hemisphere. Contrary to what the apologists for free trade continually claim, it is not the case that all sides profit from the world trade system as currently constituted. Leaving aside for a moment the specific role of China, the structure of world trade is still such that the developing countries achieve their export earnings primarily from the sale of agricultural produce and raw materials, while the industrialised countries dominate the markets for high quality and high value-added industrial products and services. While prices for agricultural produce and raw materials have historically tended to remain stable or even to fall, industrial commodity prices have generally risen sharply, steadily worsening the so-called 'terms of trade' for developing countries.

Even a relatively developed country like Argentina generates three quarters of its export earnings from agricultural produce (30%), raw materials (25%) and mineral oils (20%); in Nigeria, the export of oil alone accounts for 95% of its export earnings. The production (e.g. soya, palm oil, the conversion of forests into pasture for cattle breeding) or extraction (e.g. mining, oil production) of the exported products is often carried out in an unsustainable way which conflicts with the vital interests of local people, who are now increasingly acting to defend themselves. Where developing countries supply industrialised markets with products with greater vertical integration and added value, for example in areas like textile production,

working conditions are generally poor and wages are barely at subsistence level.

In its international relations, the EU, taking as its starting point a shared political-ethical responsibility for an equitable global climate, economic and trade order, should significantly change its policies and abandon the outdated growth mantra. First, climate policy. Here, it is not just about fulfilling domestic responsibilities and reconfiguring the internal, regional society and economy towards sustainability and carbon neutrality; it is also about helping developing countries to avoid the energy- and emissions-intensive detours we have taken in the course of industrialisation. This involves measures such as financial transfers as well as collaboration in the field of sustainable and appropriate technologies. But it also means that the paradigms of trade policy and international development aid must change, with the aim of setting limits on the extremely resource-, energy- and transport-intensive global economic division of labour (more commonly referred to as globalization). We should remember the great John Maynard Keynes, who already in 1933 defined the limitations of the division of labour very precisely and succinctly:

‘Ideas, knowledge, science, hospitality, travel--these are the things which should of their nature be international. But let goods be homespun whenever it is reasonably and conveniently possible ... I am not persuaded that the economic advantages of the international division of labour to-day are at all comparable with what they were.’²⁸

If the EU follows this principle, then in the next few years it will have numerous opportunities to turn it into Realpolitik. It should

- conclude fair trade agreements rather than free trade agreements, abandon TTIP and Ceta, and give African states the opportunity not only to gain privileged access to Europe's markets, but also to develop their own domestic economies through market protection regulations,
- abolish overt and covert export subsidies and instead develop concepts for increasing intra-regional production and consumption networks and strengthening domestic markets, which would also reduce the pressure for emigration in the countries benefiting,

28 Keynes, John Maynard: *Collected Writings* 21: 233-246.

- put a realistic price on the climate gas CO₂, one that tells the ‘ecological truth’, thus providing incentives to save energy, to avoid unnecessary transportation and to re-regionalize production cycles,²⁹
- extend and develop digital infrastructure in such a way that renewable energy, the sharing economy, decentralized production, collaborative consumption and 'prosumption' can all contribute to their full potential in furthering sustainability. It is also important in this context that European cartel and competition policy should no longer tolerate digital monopolies.³⁰

A policy which proceeds in this way from de-globalisation to re-regionalisation does not represent—despite what is insinuated by the prophets of an ever-deepening global division of labour—a regression to the comfortable familiarity of the self-sufficient nation state, or a form of shutting oneself off from the world. On the contrary, it is about regaining autonomy, about overcoming unsustainability and injustice on a worldwide scale, and about decentralized action with a global purpose.³¹ So it's not about less Europe, but about a less economic Europe.

The third pillar: the links between economic growth, happiness and life satisfaction

Respect for ecological limits and for global fairness can be termed a ‘normative imperative’. However, this is not just about observing ethical-moral principles vis-a-vis future human generations, people in other parts of the world and non-human beings, so not just about whether there is a moral (internal) or even a legal (external) imperative. It is also about the healthy self-interest of those living here and now, as exemplified by not endangering economically significant ‘ecosystem services’ like the provision of a stable climate, good air, clean water, productive soils and biodiversity and so on, or by avoiding creating human migration flows through climate change and unfair trade. Such arguments, though, are primarily defensive. The positive case is that if we do not abandon

29 In its current form, the European Emissions Trading System is not able to set ‘ecologically truthful’ prices. Weak CO₂ reduction targets and the systematic over-allocation of emissions rights to heavy industry and power stations result in CO₂ prices that are so low that they provide virtually no incentive to pursue ambitious climate protection strategies.

30 Loske, Reinhard: *Good Sharing, Bad Sharing: Why we need a political regulatory framework for the Sharing Economy*. Online at: greenhousethinktank.org/uploads/4/8/3/2/48324387/good_sharing-bad_sharing-loske_final_2.pdf

31 Loske, Reinhard: Why the post-growth debate is not a wrong turn, in: *GAIA*, 24. Jg., H. 4/2015: 236-239

‘growthism’ and turn instead to sustainability we are threatened by ecological and social catastrophe.

More recently in the growth debate, however, ‘intentional’ arguments have been coming to the fore, ones which are not primarily defensive and do not employ horror scenarios, as was the case during the growth debate of the 1970s, but instead make a pro-active case for a ‘liberation from surfeit’, for ‘moving forward to moderation’, ‘Prosperity without Growth’ or a ‘Good Society without Growth’. The main message from the proponents of this line of thinking is that, beyond a certain material level required to satisfy everyone’s basic needs, there is no longer a demonstrable link between income and life satisfaction. So in most industrial societies, ‘more and more’ no longer means that everything is ‘getting better all the time’.

On the contrary, it is argued that the fixation on permanent growth is in fact harmful and unhealthy for individuals and societies, because everyday life is increasingly being overwhelmed, accelerated, commercialized, and distracted by the business of consumption, diverting our energies away from a focus on the genuine essentials of life. And over all of it hovers the question: do we really need all this to be happy and content?

For a long time, such questions were dismissed as an ‘ideology of self-denial’, and to some extent this response is still heard today. Liberals like to argue, usually citing Hayek and Popper in support, that all this amounts to a self-proclaimed elite of the supposedly enlightened telling other people how they should live, leading sooner or later inevitably to the ‘road to serfdom’.³² And quite a few people on the left see the search for a life of greater restraint and simplicity as a fad confined to a saturated eco-bourgeoisie far removed from the concerns of the ‘little people’. Conversely, and ironically, modern economic conservatives tend to consider growth-critical lifestyle debates as a left-wing ideology that ultimately harms only the economy and the national income, and thus the health of the nation.

However, social surveys almost always show that the growth-sceptical thesis of the decoupling of life satisfaction from GDP is correct. Comprehensive indicators, ones which include economic as well as ecological and social criteria in the measurement of wealth, clearly demonstrate that life satisfaction, beyond the fulfilment of basic needs, depends only minimally

32 Paqué, Karl-Heinz (2013): Lest doch bitte euren Popper richtig. Eine Antwort auf Reinhard Loske. in *Frankfurter Allgemeine Zeitung*, 12. Juni 2013. Online: faz.net/aktuell/feuilleton/wachstums-debatte-lest-doch-bitte-euren-popper-richtig-12219415.html

on income. If, for example, the quality of one's environment, health, education, issues of social justice or the quality of social relations are included among the indicators, then the results are quite different from those given when GDP alone is used.³³

The 'Happy Planet Index' (HPI) developed by the British 'New Economics Foundation' demonstrates the validity of the decoupling thesis especially clearly. To cite just a few examples: while the USA, with US \$59,609 (2016), ranks eighth in the global index in terms of GDP per capita, it ranks only 108th in the HPI (2016), on account of high levels of environmental degradation and resource consumption as well as high inequality. Germany ranks 19th in terms of GDP and 49th in the HPI. Conversely, a country like Costa Rica ranks only 62nd on GDP, but first on the HPI. Of course, there are also countries which are at the top end of both tables, such as Norway (GDP: third/ HPI: twelfth). So this is not just about replacing one indicator unquestioningly with another. There are always methodological issues underlying aggregated data, so a set of indicators is more likely to be useful than a single one.

But when so many alternative indicators demonstrate that the crude equation of GDP with prosperity is wrong, this cannot remain without consequences for European politics. Politicians in Europe should:

- use alternative indicators of prosperity and make them the basis for their policies, so that it becomes possible to systematically understand and re-embed the economy in its social and ecological context,
- promote those public goods which create the conditions that make possible a 'good life' for all,³⁴ thereby holding in check the excessive promotion of deregulation, competition and privatization,
- pick up again the abandoned agenda for reductions in working time, so that improvements in labour productivity due to technological progress are passed on in the form of reduced working hours for all (both men and women), thereby taking some of the pressure towards growth out of the economic system,
- promote and support in every conceivable way forms of work such as craft or artisanal production and personal social services,

³³ For an overview, see: Fioramonti, Lorenzo: *Gross Domestic Problem. The Politics Behind the World's Most Powerful Number*, Zed Books, London 2013.

³⁴ Robert and Edward Skidelsky speak of indispensable, universal 'basic goods' which are necessary for 'the good life' and should be promoted and supported by government: health, security, harmony with nature, personality, friendship, leisure, respect. *How Much Is Enough. money and the good life*, Other Press, New York 2012.

- finally begin the discussion over what social security should look like in an increasingly digitalised economy and how to finance an unconditional basic income (which should be introduced incrementally) in order to enable people to choose and put together, from among the complementary options of paid employment, self-employment, family work, social engagement, cultural creativity and leisure, the activity pattern that suits them,³⁵
- set clear limits on the power of the financial sector and regulate it so that it can contribute to social goals rather than being merely an instrument of domination fuelled by the drive for expansion.

The fourth pillar: the question of values

A diffuse but fertile source for elements of the growth critique is the debate about values. There has for a long time been a widespread feeling in Europe that an excessive societal focus on economic principles such as growth, competition and the accumulation of money has come at the expense of social cohesion. And both Left and Right can invoke great thinkers in support: the Anglo-Irish conservative politician Edmund Burke (1729-1797), for example, despised the ‘Sophisters, economists and calculators’ who think only of money, as did Karl Marx (1818-1883), who caricatures the ‘bourgeois’ and his idolatrous worship of accumulation when he writes, employing biblical motifs, ‘as the stag craves fresh water, so his soul longs for money’. The radical philosopher Walter Benjamin (1892-1940) even saw in capitalism a ‘civil religion’ whose ethos was ‘permanent growth’, which had to be served in a ‘cult’ (the worship of money, with debt as a kind of sin).³⁶

The noble European tradition of criticizing economism and growthism has continued into the present time. Even today, it remains common among groups ranging from traditional social conservatives who lament the decline of virtues like moderation and self-denial,³⁷ to pluralistic progressives who see the growth imperative and enforced market conformity as a threat to individual autonomy and thus to modernity,³⁸ and to Marxists who are

³⁵ <http://basicincome-europe.org/ubie/>. See also Tim Jackson on basic income and the future of work: <https://www.cusp.ac.uk/themes/s2/wp11/>

³⁶ Benjamin, Walter: *Capitalism as Religion*, in *Walter Benjamin, Selected Writings Vol.1*, (Belknap Harvard Press, 1921, 1996).

³⁷ For example Miegel, Meinhard: *Hybris. Die überforderte Gesellschaft*, Propyläen, Berlin 2014.

³⁸ For example Rosa, Hartmut: *Weltbeziehungen im Zeitalter der Beschleunigung*, Suhrkamp, Berlin 2013.

convinced that growthism and capitalism are closely intertwined and can therefore only be overcome together.³⁹

Is it possible for a coherent and significant political movement to emerge out of such diverse strands of anti-growth thinking? No doubt, even in the light of a shared critique of growth, conservatives will remain conservative, liberals liberal and leftists left. And it is not quite as easy as some Greens, with their slogan of 'not left, not right, but forward', want to believe. But if the diagnosis presented here is correct—that today's model of growth is neither sustainable over time nor universally applicable, whether in terms of the ecology, global justice, true prosperity, or social cohesion—then it should at least be possible for the different political schools of thought and parties to come together to gradually say goodbye to this model.

A shared position on the growth issue that was ideologically 'defused' in this way would make completely new alliances possible. Let's take as an example the tax treatment of productive economic activity and paid employment. Here, too, the basic attitudes are clear: conservatives and liberals (even more so) are more business-friendly, social democrats and socialists are more committed (or used to be, at least) to the interests of employees, and Greens to an ecologically sustainable economy. Nevertheless, a post-growth tax policy could be put together even from this constellation of differing interests.

- Labour taxes today contribute the lion's share to state tax revenues in European states. In Germany, the proportion of tax on paid employment in the total tax revenue is about 40 percent, on top of social security contributions for pensions, long-term care, illness and unemployment. The cost of financing the state and social security is thus to a large degree borne by the productive labour force. In contrast, the proportion of energy taxes in the total tax take is only 5 percent.⁴⁰ The burden on productive labour is heavy, whereas that on the consumption of energy, and on resulting CO₂ emissions, is low. In fact, everything speaks for a partial shift in the tax burden away from the labour factor to the factors of energy/resources/environmental impact, while paying close

³⁹ For example Brandt, Ulrich und Wissen, Markus: *Imperiale Lebensweise. Zur Ausbeutung von Mensch und Natur in Zeiten des globalen Kapitalismus*, Oekom, München 2017.

⁴⁰ Figures from the Federal German Ministry of Finance: [bundesfinanzministerium.de/Monatsberichte/2017/01/Inhalte/Kapitel-3-Analysen/3-5-Steuererinnahmen-Bund-Laender-2016.html](https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/2017/01/Inhalte/Kapitel-3-Analysen/3-5-Steuererinnahmen-Bund-Laender-2016.html)

attention to any social implications, which can be managed through social compensation mechanisms.⁴¹

- The second largest chunk of tax revenue is accounted for by sales taxes. In Germany, this amounts to just over 30 percent. Here, too, post-growth considerations can be integrated via structural reforms. For example, luxury goods should be subject to a higher (new) VAT rate, and a reduced rate applied to repair services or other economic activities that serve the common good.

Of course, it can be objected that tax policy is an area of national legal competence, and that Brussels can get involved, if at all, only by unanimity. And there is in fact no need for a general harmonisation in this area. But, at the very least, a floor should be set on corporate tax rates to prevent competition in pursuit of the lowest taxes; and energy and environmental taxes should be coordinated and set to achieve climate and sustainability goals; and the Brussels competition authorities should refrain from legal intervention when member states seek to promote certain activities (such as repairing or sharing) by means of reduced VAT rates.

The drivers of a European post-growth politics

Finally, the question arises as to who are, or could be, the people to bring about a European post-growth politics of the kind described here. It may be doubted that the established institutions, the political parties, parliaments and governments in the EU member states, or even the Brussels Commission and the councils, will become the drivers of a growth-neutral policy, though even they could acknowledge that due to declining productivity growth it is a very risky strategy for the political system to keep the social security systems, the labour markets and the public budgets in such a high degree of growth-dependency as we see it today.⁴²

There are many reasons for this, not least the fact that, in the political world, questioning the paramount position of growth is still classed as a career risk. But in the vast majority of parties and parliaments in Europe there are members and deputies who have doubts about 'business as usual' and who are following the debate around the growth critique closely and

⁴¹ Loske, Reinhard: Das Ökobonus-Konzept, in: *Blätter für deutsche und internationale Politik*, 58. Jg., Heft 4/2013: 96-100.

⁴² See Jackson, Tim: *Understanding the 'New Normal'—The Challenge of Secular Stagnation*. An Economy That Works Briefing Paper Series, No 1. London: All-Party Parliamentary Group on Limits to Growth, July 2018. Online at: http://limits2growth.org.uk/publication/aetw_no1/

sympathetically.⁴³ They are in a minority, but they are important, and as far as possible they should be drawn into and involved in the preparatory theoretical work on the coming post-growth society. To disregard or disdain the formal political sphere would be short-sighted, because a project of this kind is in need of allies at every level.

In this context it is a glimmer of hope that in September 2018 a Post-Growth conference took place in Brussels that was organized by ten members of the European parliament from five different political families.⁴⁴ Some of the leading post-growth protagonists from different European countries presented their views there and explained them to a broader public⁴⁵. Simultaneously an open letter by 200 researchers to EU institutions was published, saying that it's time to 'end growth dependency in Europe'.⁴⁶ Of course, the main proponents would come from other spheres, ones that increasingly see themselves as European: from civil society, and within that especially the social movements and the churches, as well as from the scientific community, the universities and independent research institutes where research on the post-growth society is being carried out in a Europe-wide network. The EU itself could make a significant contribution to deepening cooperation on post-growth issues in Europe by designing its research and NGO funding programmes accordingly.

The trade associations and the trade unions, two of the major social actors, are more of a problem. In the large business associations, criticism of growth finds virtually no sympathetic listeners. One exception to this is the digital sector, which has recognised that many new and innovative socio-ecological trends such as the sharing economy and collaborative consumption are internet-based and therefore offer great potential. The position papers published by the 'European Sharing Economy Coalition' team with sustainability terminology of all kinds, even if it is not always clear whether this represents genuine conviction or merely a green coating over other interests or aims ('greenwashing').⁴⁷ In any event, it is clear that the digital economy and the post-growth economy intersect at many points, which is why the dialogue between the movers and shakers of both worlds is so important.

43 For example: <https://limits2grotwh.org.uk>

44 <https://www.postgrowth2018.eu/>

45 <https://www.greeneuropeanjournal.eu/the-politics-of-post-growth/>

46 <https://degrowth.org/2018/09/06/post-growth-open-letter/>

47 <http://www.euro-freelancers.eu/european-sharing-economy-coalition/>

However, a more interesting option for post-growth supporters is to seek systematic cooperation at the corporate level with progressive pioneers already working in a growth-neutral and sustainability-oriented way. There are today an astonishing number of non-growth-oriented companies surviving and thriving thanks to quality products and loyal customers despite being in a growth-driven environment. Moreover, support can be anticipated from the 'green business' associations, whose members, although often signed up to the goal of 'green growth', nevertheless show a degree of openness towards more comprehensive or ambitious post-growth ideas.

In the 1970s, during the first wave of growth criticism, the trade unions were part of the avant-garde in the debates. For example, the Congress of the big German trade union IG Metall in 1972 in Oberhausen, entitled 'The Challenge of the Future: the quality of life', coined terms such as 'selective growth' and 'qualitative growth'. However, in the current post-growth debate, their criticism has been surprisingly muted. Although they are not avoiding or ignoring the discussion, and although they are also willing to share a platform with environmental and anti-globalisation organisations at joint 'transformation conferences', it cannot be maintained that they are addressing the growth issue in a systematic way, either at the national or at the European level.⁴⁸ It is greatly to be hoped that the trade unions will soon reconnect with this debate, because just the issue alone of the digitisation of the economy and its disruptive effects on the labour market will indirectly but unavoidably confront them with the growth issue over the coming years.

Whether these champions of post-growth ideas and strategies are able to develop such traction in the wider society that the formal political system can no longer simply block off debate on the topic is an open question. The first signs of hope can be seen by anyone willing to look for them, from the French President's Commission on alternative measures of economic performance (2009) to the growth-critical report 'Prosperity without Growth' from the UK Government Commission on Sustainable Development (2009) and the German Bundestag's Enquete Commission on 'Growth, Well-being and Quality of Life' (2011 to 2013). Notwithstanding this, however, it makes sense in any event to carry out the practical and political work needed to prepare for a society which, for the reasons described here, will have to manage with little or no growth. This will ensure that the transformation processes required for sustainability are carried out rationally and

48 Exceptions prove this rule. Cf. https://www.boeckler.de/39145_39158.htm

programmatically ('change by design') rather than in the form of a chaotic response to catastrophe ('change by disaster').⁴⁹

In conclusion it can be stated with confidence that the second wave of the growth critique has the potential to change our politics. This is particularly due to the fact that it connects with other and wider contemporary trends. New technological developments linked to solar energy and the digital transformation, new attitudes such as the growing demand for time autonomy, and new business models that focus on the sharing economy and on access rather than ownership—all of these offer enormous sustainability potential for the approaching post-growth society. For Europe, that crisis-ridden 'continent of difference' (Hans Magnus Enzensberger), the post-growth debate could turn out to be the fountain of youth—if the political and social decision-makers really open themselves up to it, and to the rejuvenation of their institutions by the younger generation. This would call a halt to the business of buying themselves ever more time by continually making out bad cheques drawn on our common future.⁵⁰

About the author

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49 Victor, Peter A.: *Managing Without Growth. Slower by Design, Not Disaster*, Edward Elgar Publishing, Cheltenham 2008.

50 Streeck, Wolfgang: *Buying Time: The Delayed Crisis of Democratic Capitalism*. Second Edition. With a New Preface. London und New York: Verso, 2017.