
Introduction to Post-growth Economics

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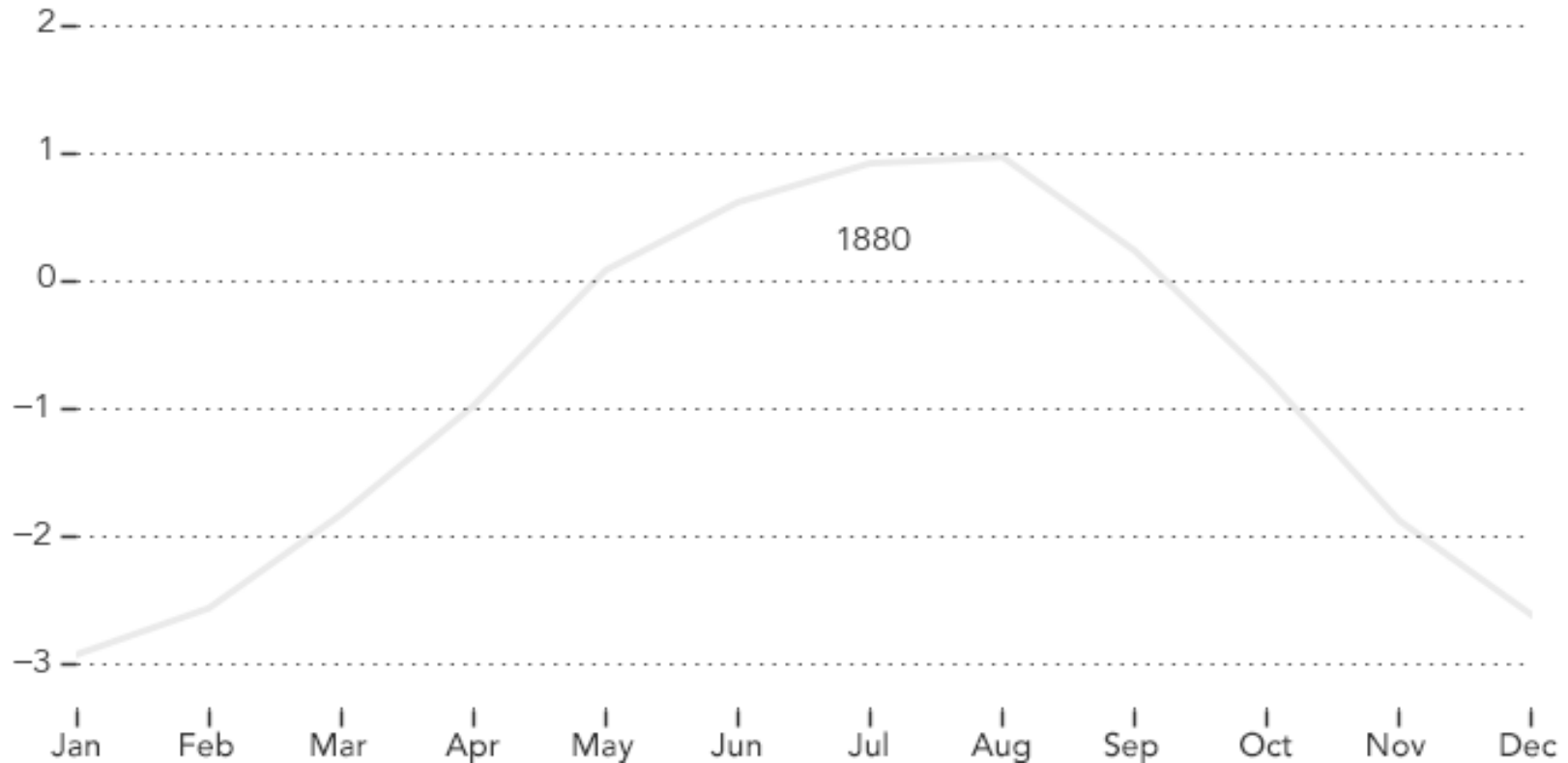
Agenda

1.	Climate protection: Green growth or degrowth?
2.	Green growth does not work
3.	From early growth criticism to post-growth economics
4.	Reduction strategies
5.	Conclusion

Climate change is the most significant limit to growth

Temperature Anomaly (°C)

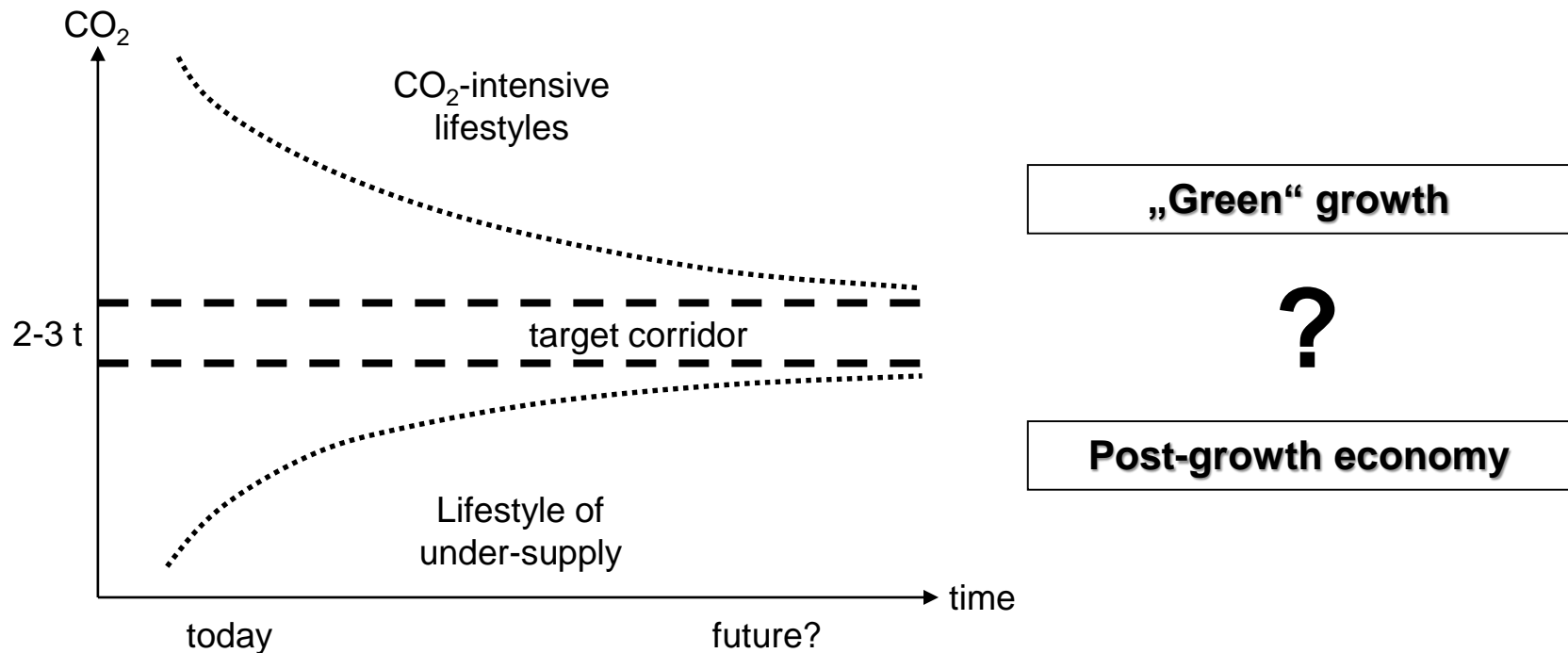
(Difference from 1880-2015 annual mean)



http://earthobservatory.nasa.gov/IOTD/view.php?id=88607&eocn=home&eoci=iotd_title

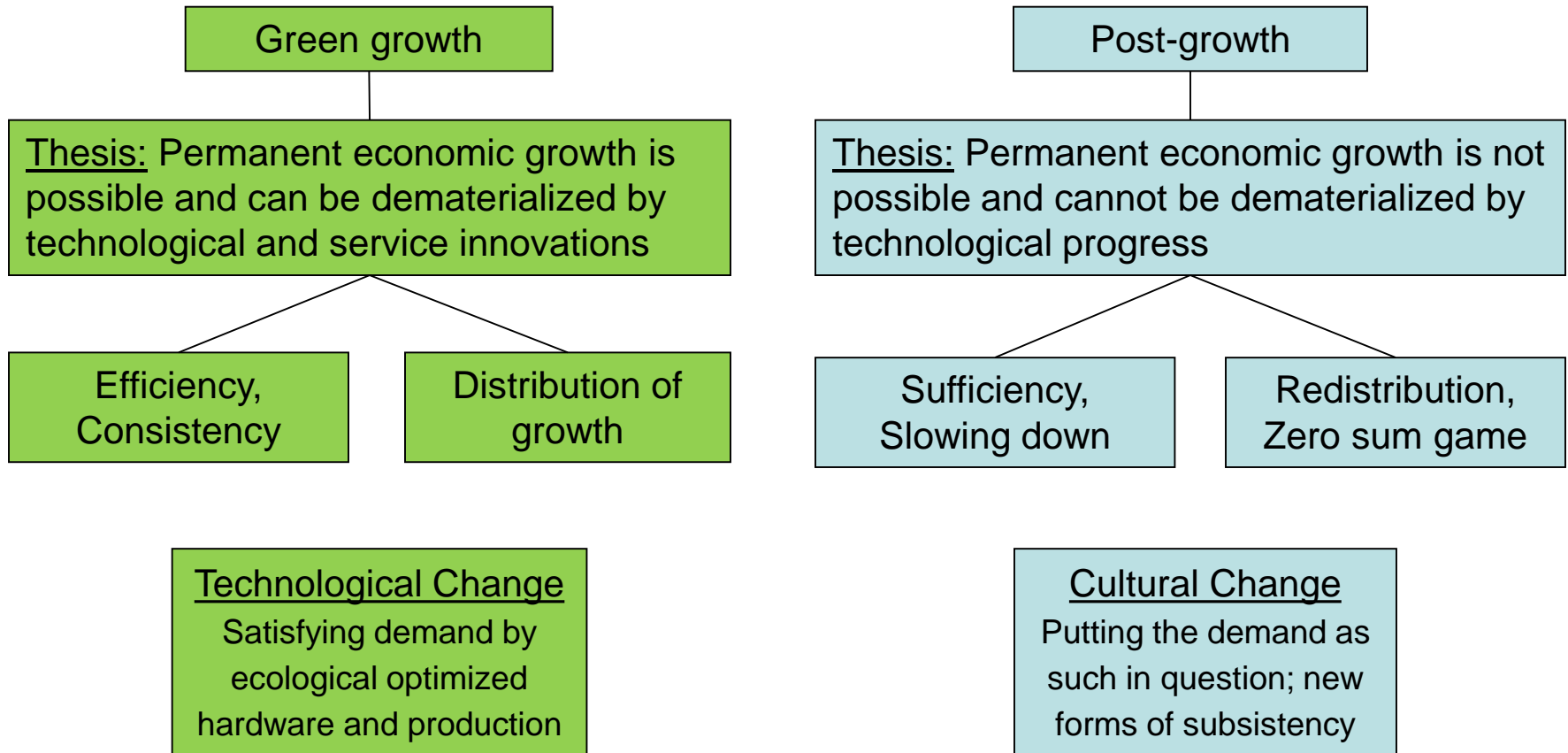
What is sustainability? Social justice within ecological limits!

- Meeting the 2 degrees celsius climate protection target
- Global budget: 750 billion tons of CO₂ until 2050
- 7,3 billion people \Rightarrow 2,5 tons of CO₂ per capita p.a.



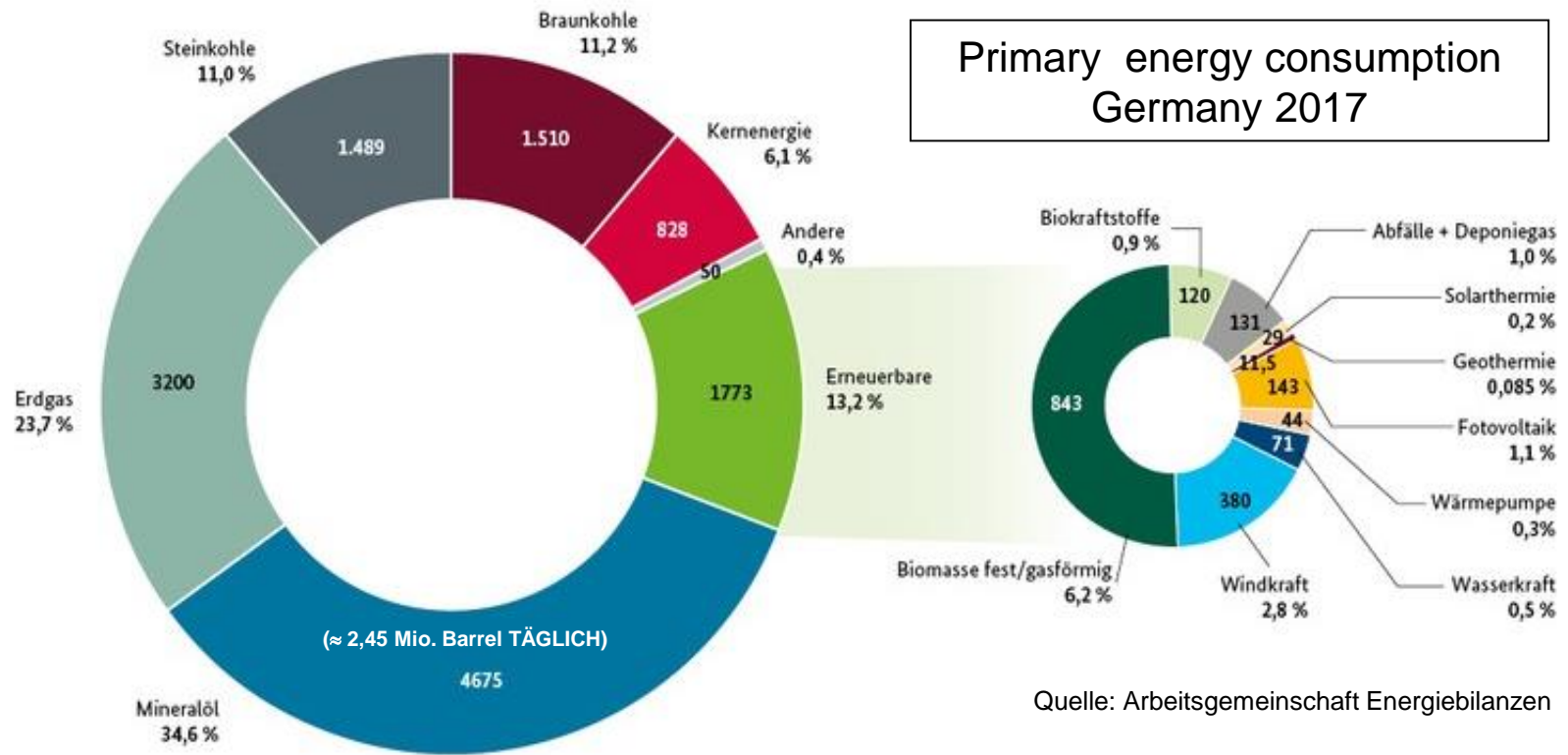
How much materialized freedom and self fulfillment may an individual claim without living beyond his or her ecological and social means?

Sustainability and growth: Two different perspectives



The german „Energiewende“ completely failed

Primary energy consumption
Germany 2017



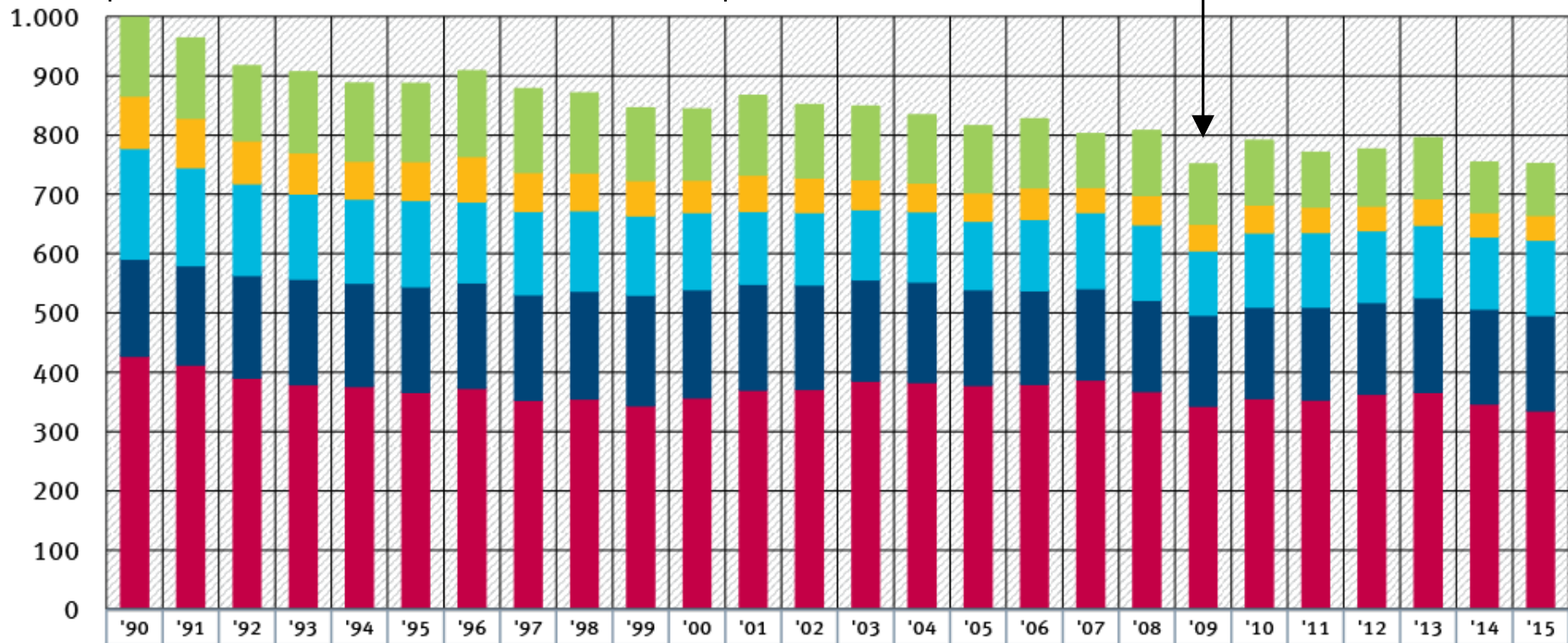
Quelle: Arbeitsgemeinschaft Energiebilanzen

* Vorläufig

Significant CO₂ reductions were caused by degrowth effects

Honecker-Degrowth-Effekt

Lehman-Degrowth-Effekt



Quelle: Umweltbundesamt (UBA)

Not technological innovations but shrinkings of industrial production turns out to protect the climate.



NATS

A small (and incomplete) history of growth criticism/scepticism

Older points of view against growth

1. Is permanent growth possible?

- Quesnay (1758)
- Malthus (1798)
- Mill (1848)

2. Is growth advisable?

- Keynes (1941)
- Erhard (1957)
- Kohr (1957)
- Boulding (1966)
- Mumford (1967)

3. Is growth harmless?

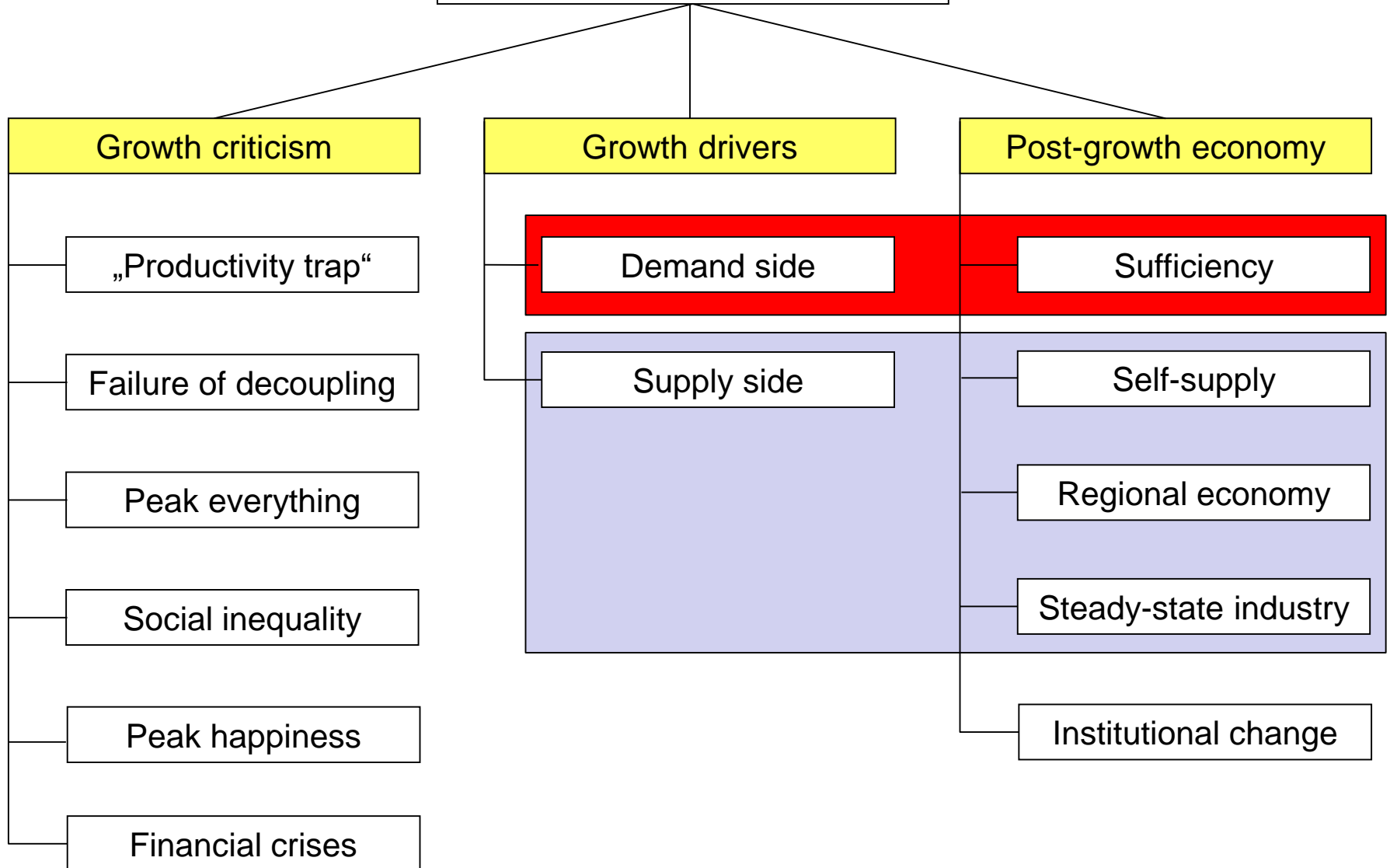
- Georgescu-Roegen (1971)
- Meadows (1972)
- Schumacher (1973)
- Illich (1973)
- Fromm (1976)
- Gorz (1977)
- Daly (1977)/Hueting (1980)

New and current concepts of degrowth

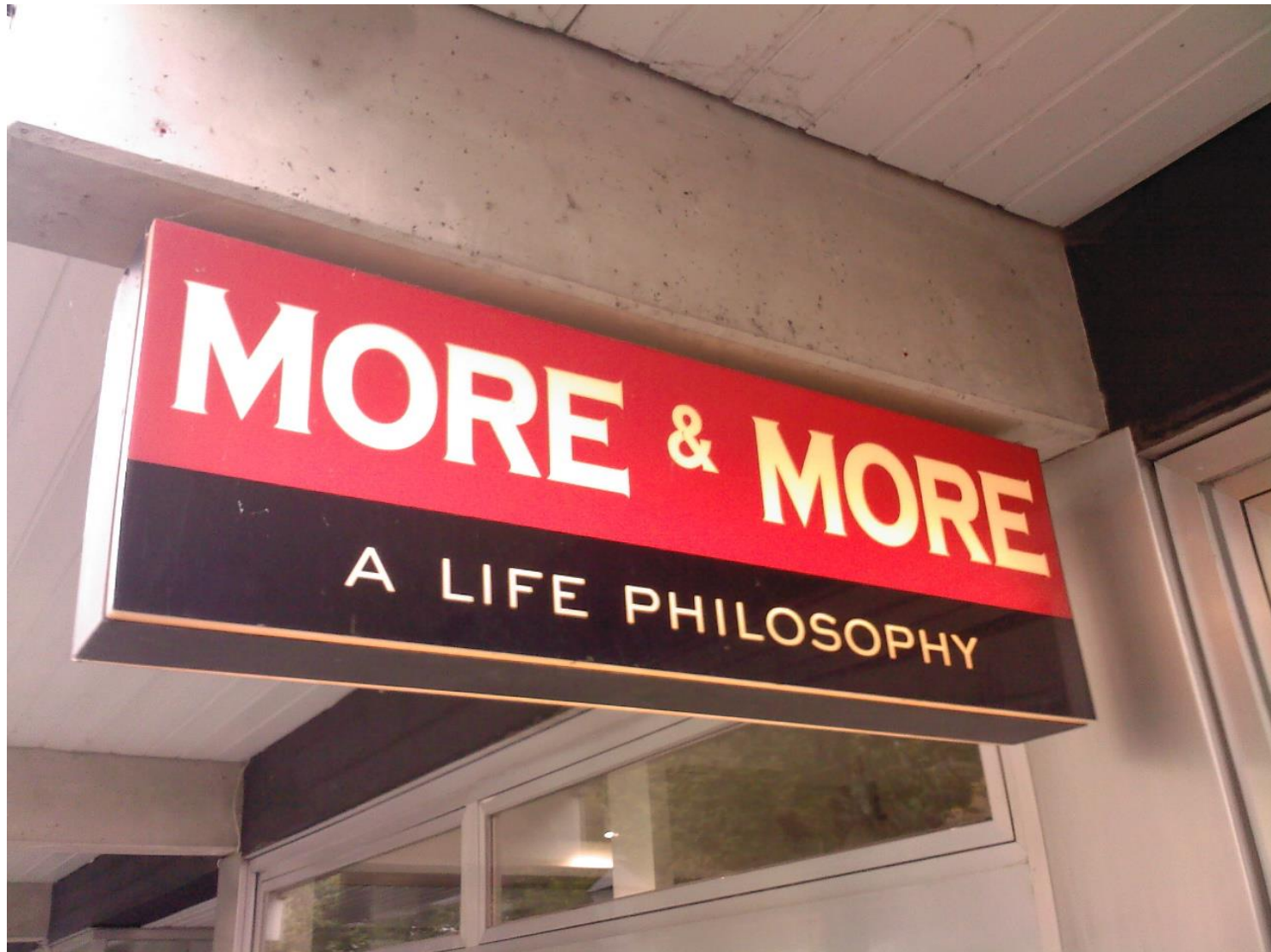
4. Is degrowth possible?

- Gronemeyer (1988)
- Neiryneck (1992)
- Sachs (1992)
- Sakar (2001)
- Pallante (2005)
- Layard (2005)
- Paech (2005, 2012)
- Binswanger (2006)
- Latouche (2006)
- Trainer (2007)
- Victor (2008)
- Martinez-Alliez (2009)
- Jackson (2009)
- Miegel (2010)
- Schor (2010)
- Seidl/Zahrnt (2010)
- Welzer (2013)
- D'Alisa/Demaria/Kallis (2016)
- Gran (2017)

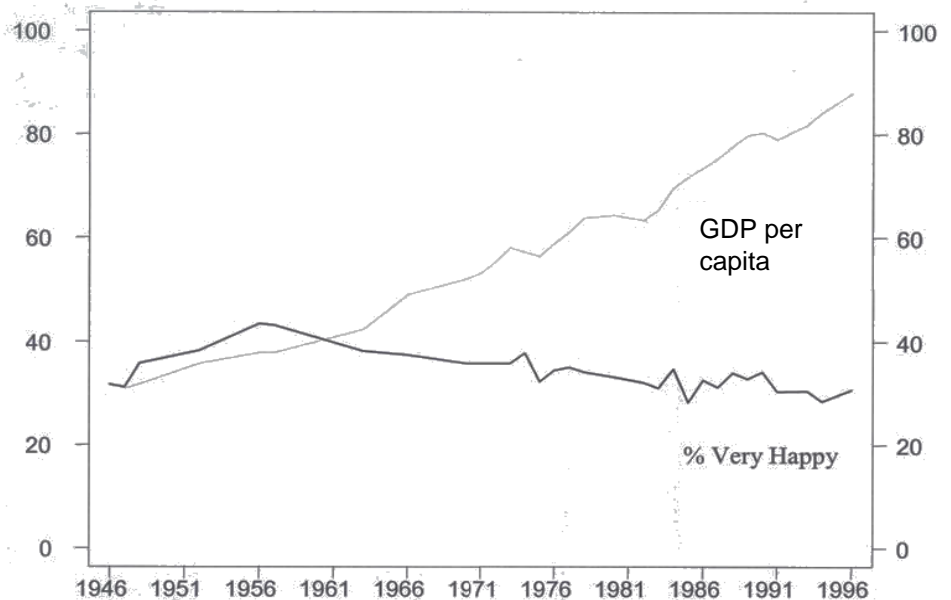
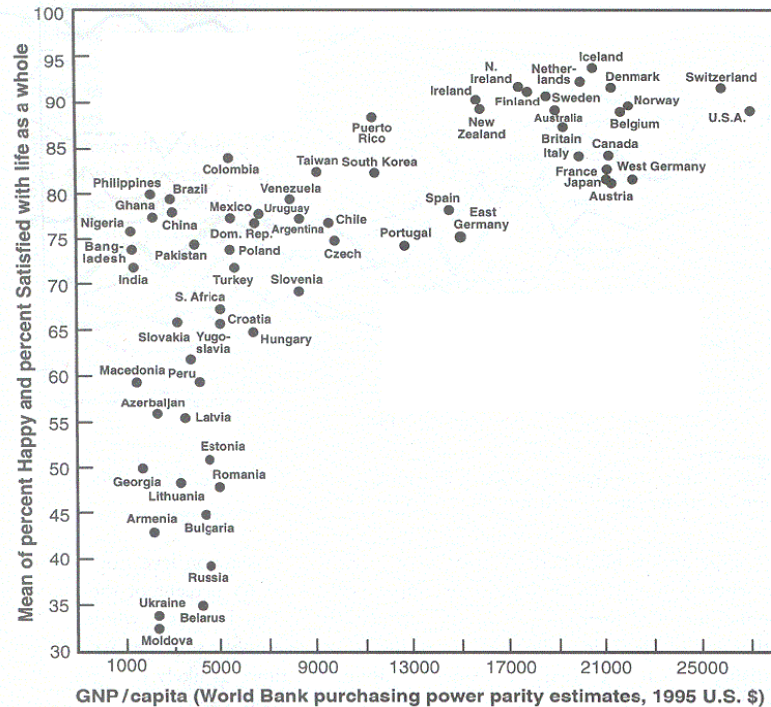
Post-growth economics



Is there a maximum of services/products consumers could desire?



Is happiness related to material wealth? (Layard 2005)



A new consumer theory: The microeconomics of sufficiency

Welfare as a function of own time that has to be invested in every act of consumption

Restriction:

$$T = 24 - t_{\text{work}} - t_{\text{non-market}} - t_{\text{sleep}}$$

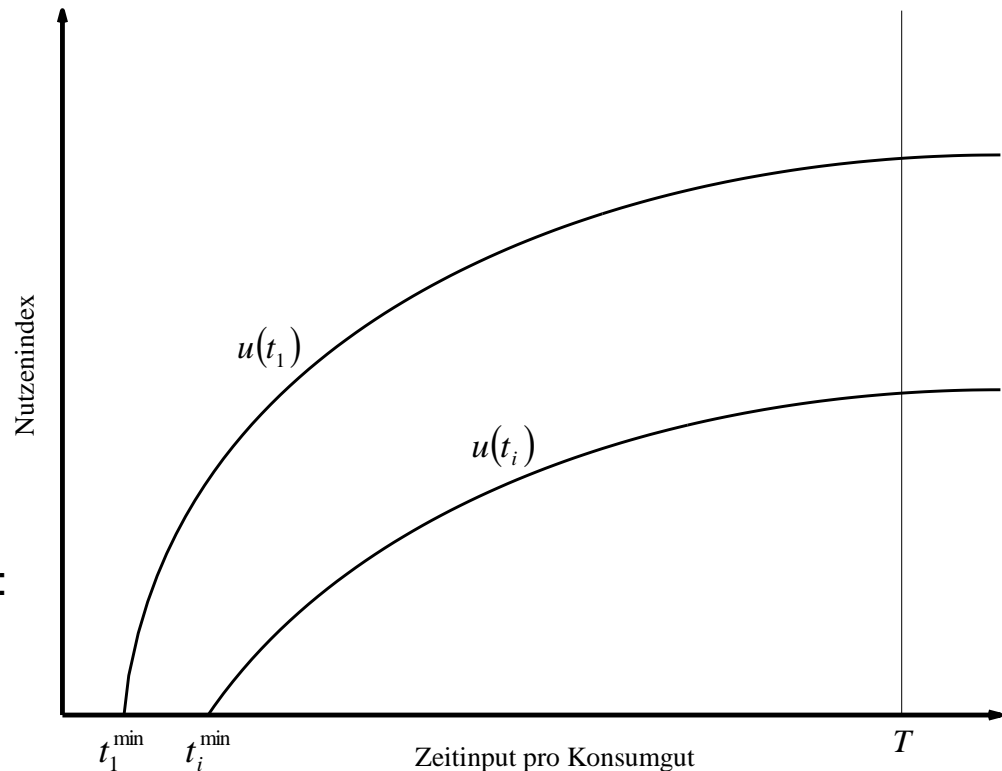
$$\sum_i^n t_i \leq T$$

Fixed consumption time:

$$u(t_i) = 0 \quad \text{if} \quad t_i < t_i^{\min}$$

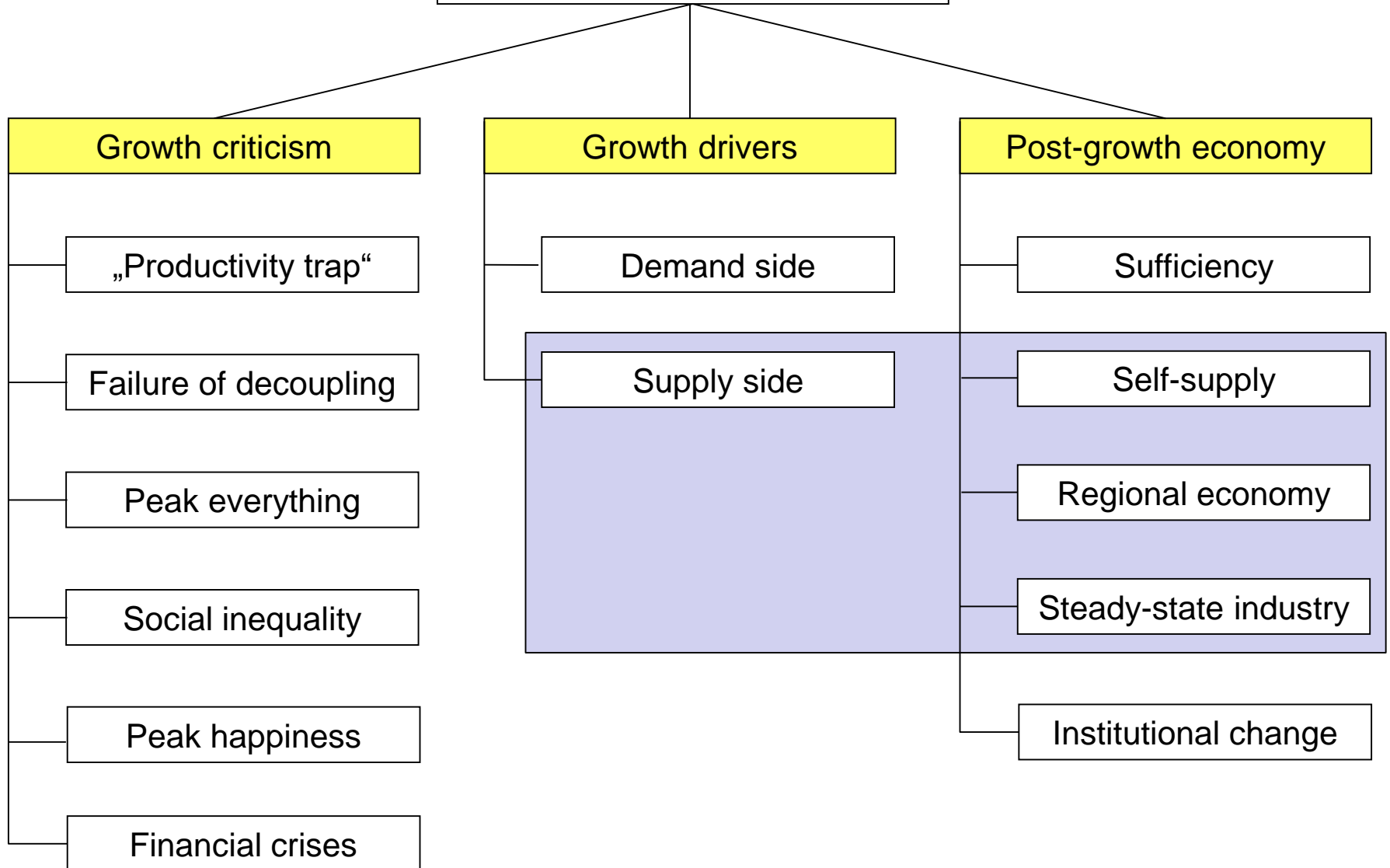
Marginal utility of consumption time:

$$\partial^2 u / \partial t_i^2 < 0$$

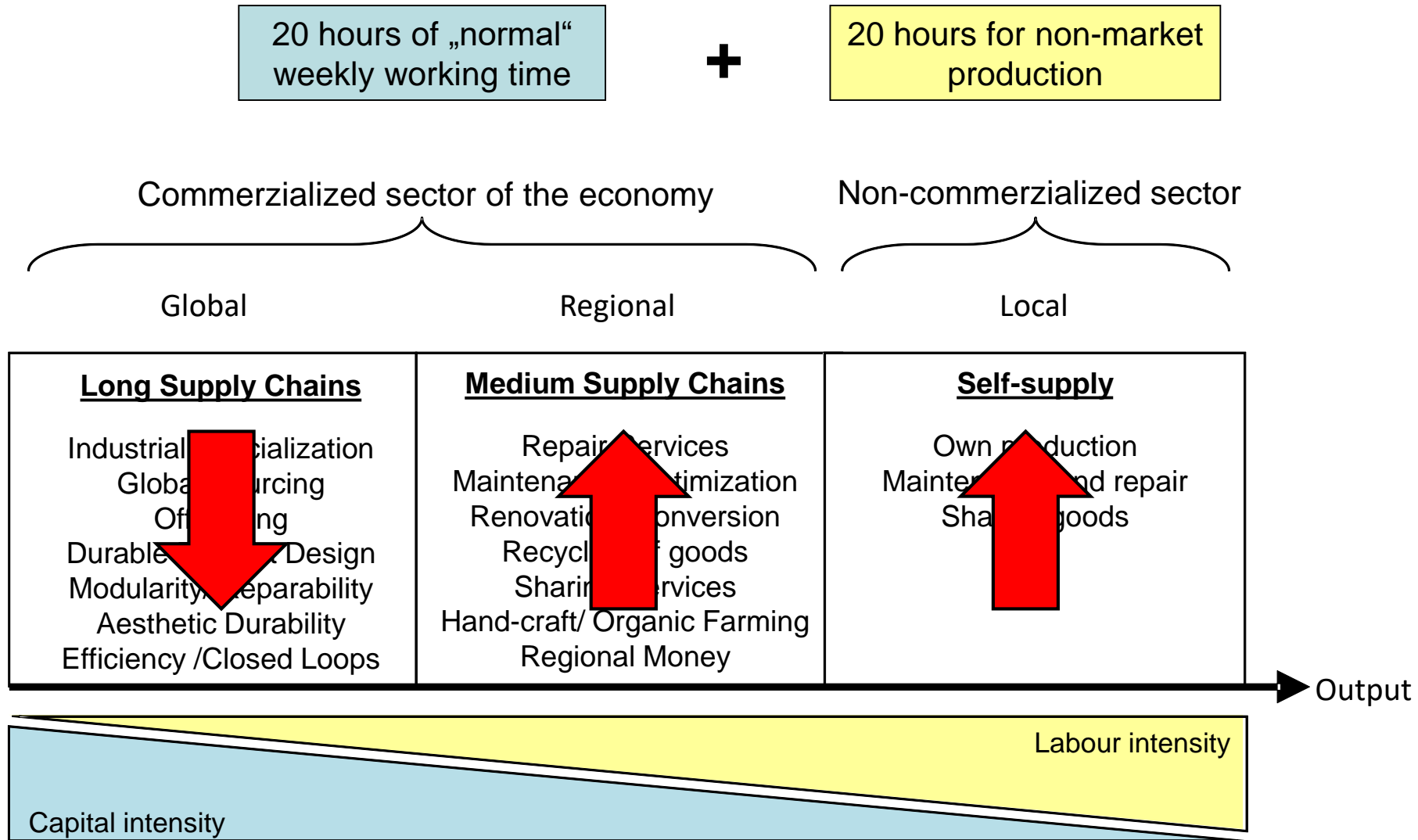


- After reaching a critical amount of consumption activities any further increase of it may even worsen the individual situation.
- Economies of time: sufficiency as rational protection against stress

Post-growth economics



Post-growth economy: Three dimensions of the supply side



Urban subsistence: Resilience by a prosumer movement

Market Economy

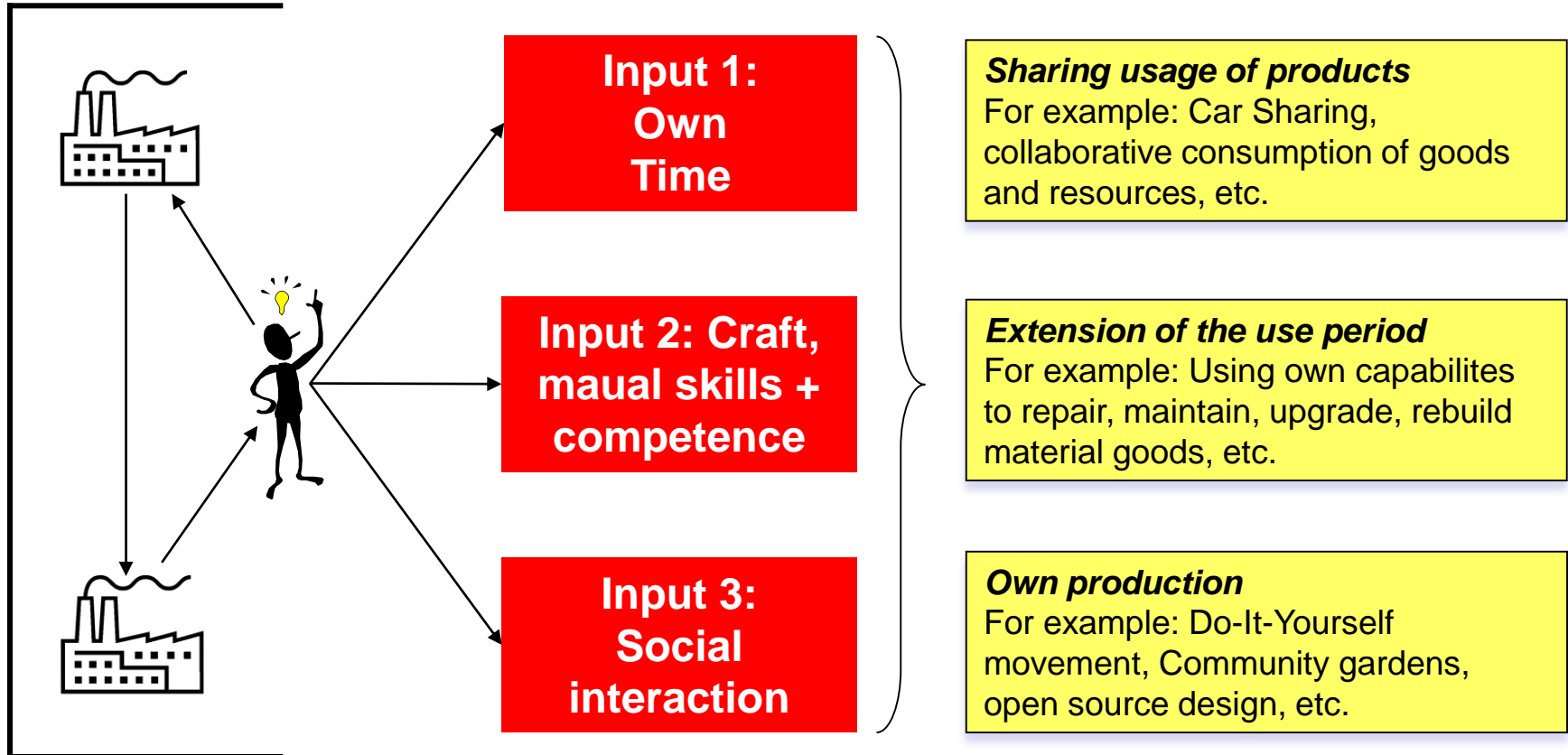
Industrial system

Susistence Resources

Capabilities

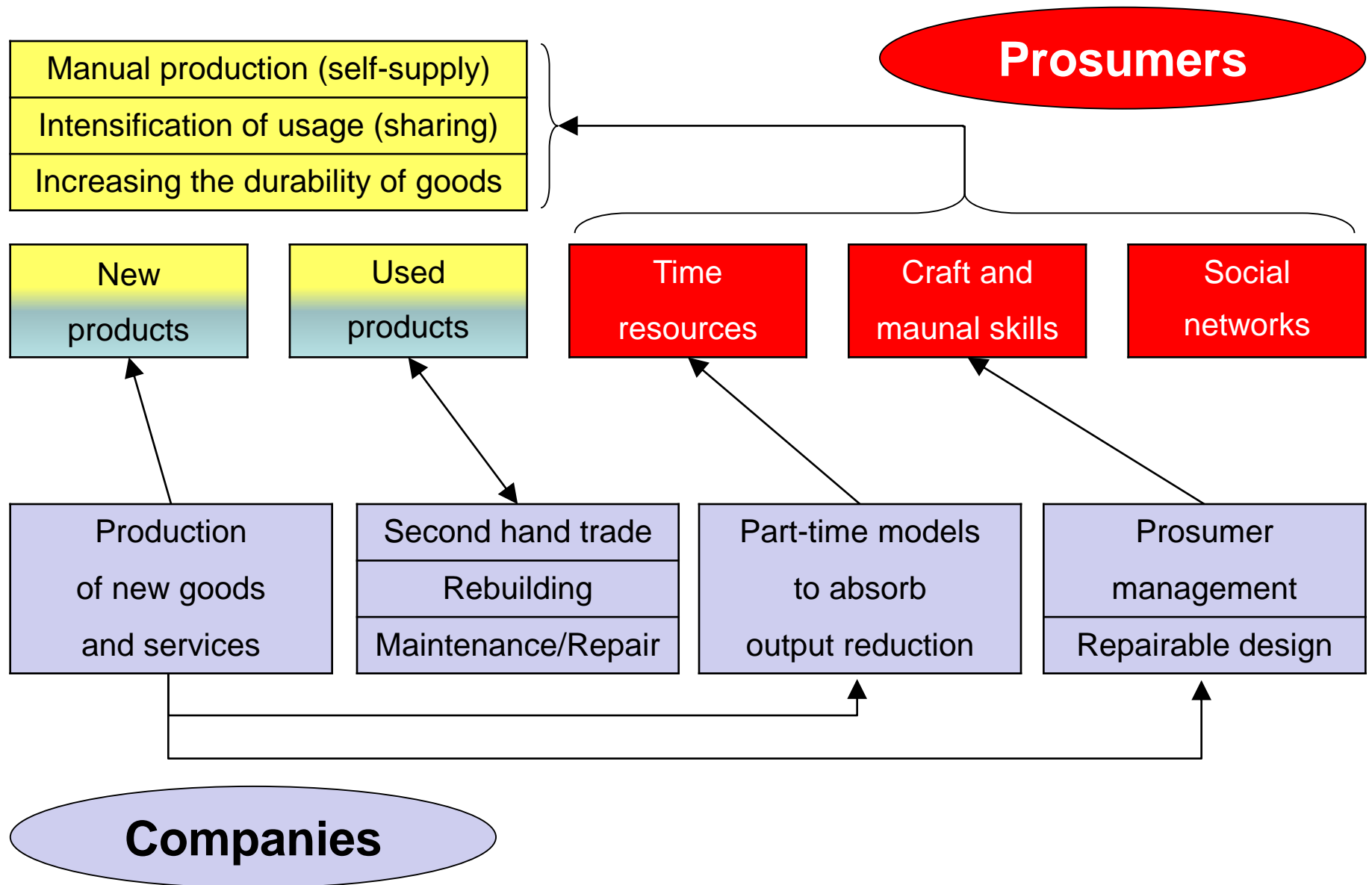
Self-work

Subsistence outputs

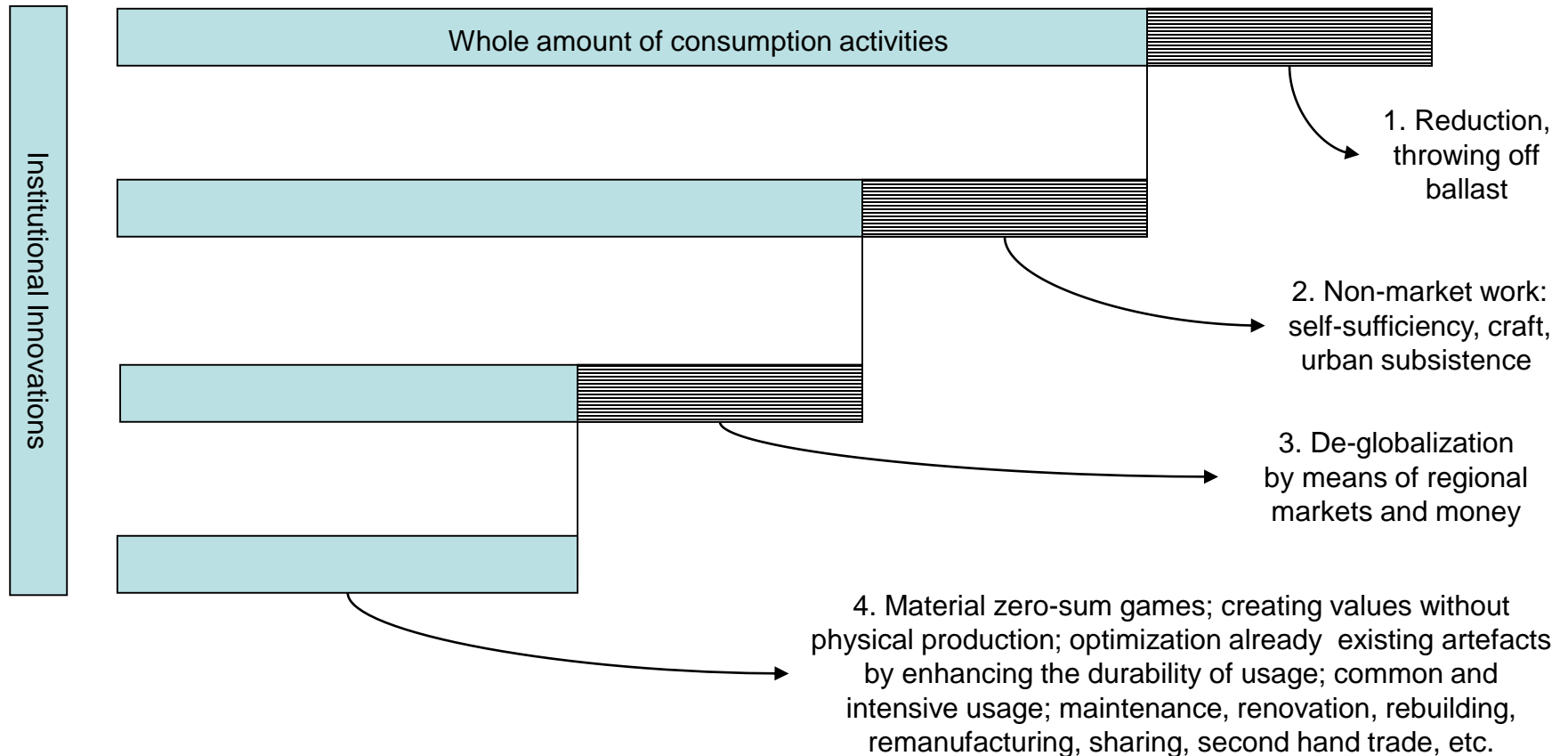


Substitution of industrial production

Interaction between prosumers and companies



Five steps towards the post-growth economy: Reducing the industry



How to get there: Leaving the comfort area... a political program?

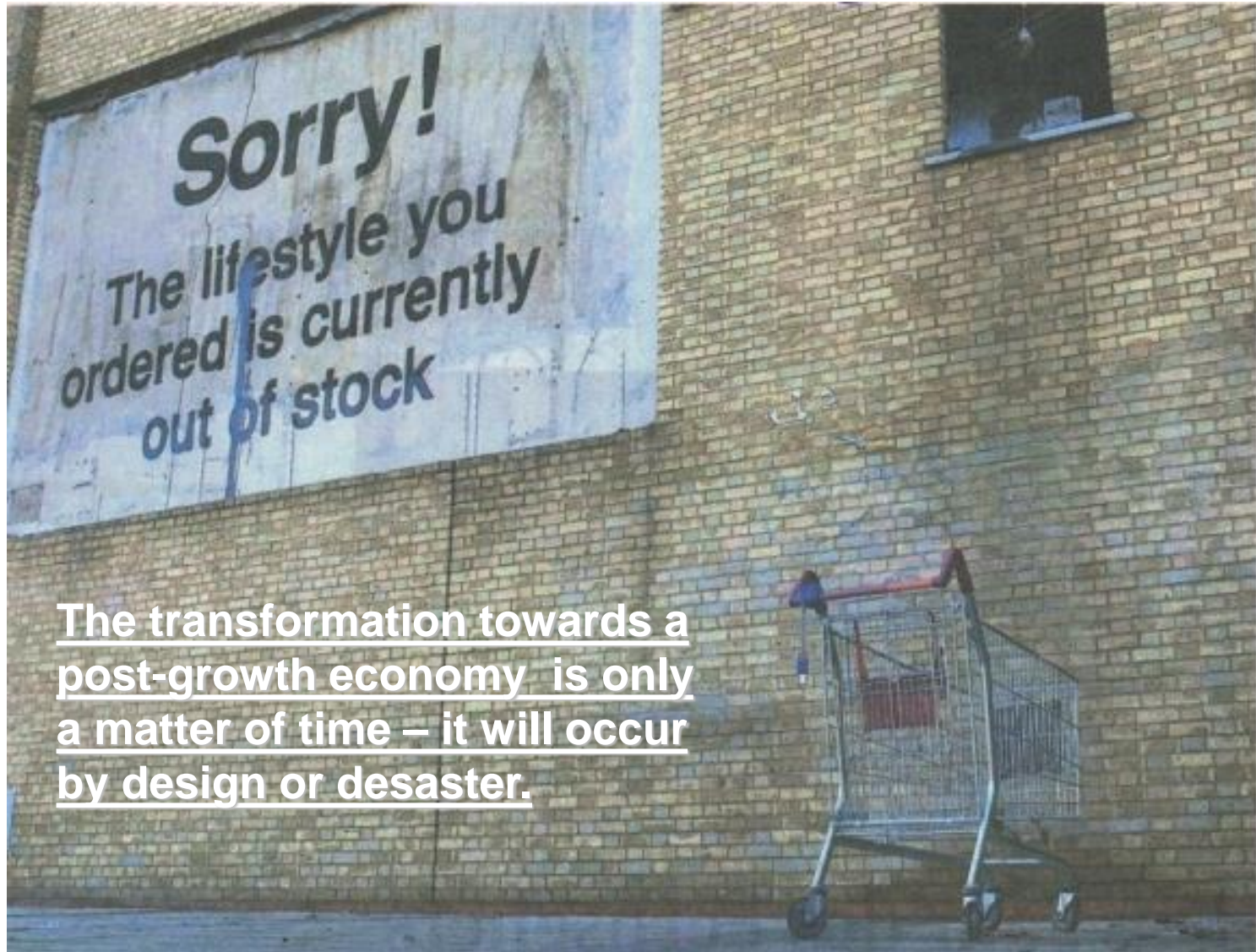
1. Political measures are possible – but only theoretically:

- Personal CO₂ accounts: 2-3 tons per year
- 100% Money approach; regulating banks; Tobin tax
- Commons based institutions to allocate and distribute resources, democratizing capital
- Reform of education systems: craft instead of specialized work
- Reducing and shaping the division of labour (20 hours)
- Abolishment of advertising
- Cutting of harmful subsidies
- Programs to dismantle traffic and industrial infrastructures
- Strict moratorium on projects resulting in soil and land areas being sealed

2. Handling the next probable collapse scenarios

3. Social diffusion of post-growth compatible lifestyles and supply systems

Conclusion: Only options 2 and 3 will work.



The transformation towards a post-growth economy is only a matter of time – it will occur by design or desaster.