

# **The Future is Degrowth**

**Building blocs for systemic economic transformation**

**Matthias Schmelzer (Jena/Germany)**

# **1. Acknowledging the climate emergency - and acting accordingly**

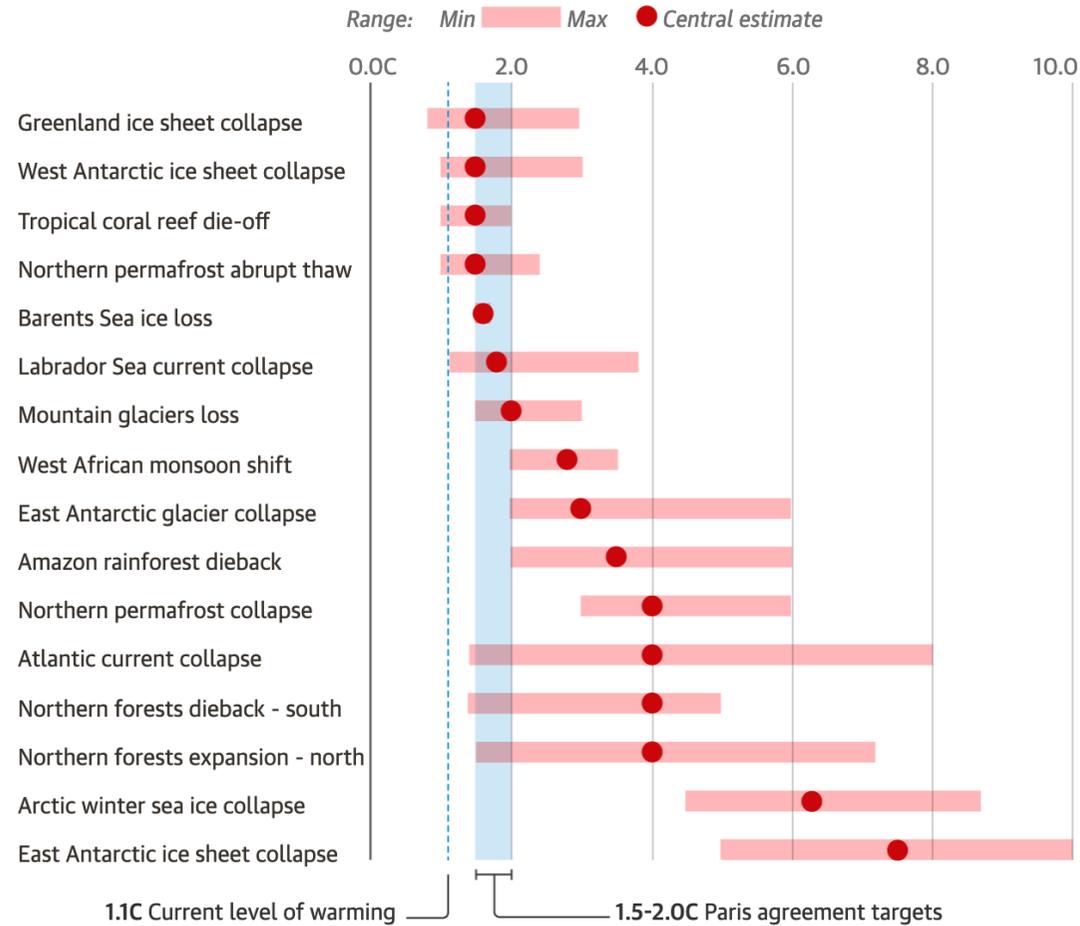
We need a proper understanding of the climate and broader ecological emergency - and the challenge it poses

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To change this, we need deep structural and systemic changes of the economic system (IPCC)

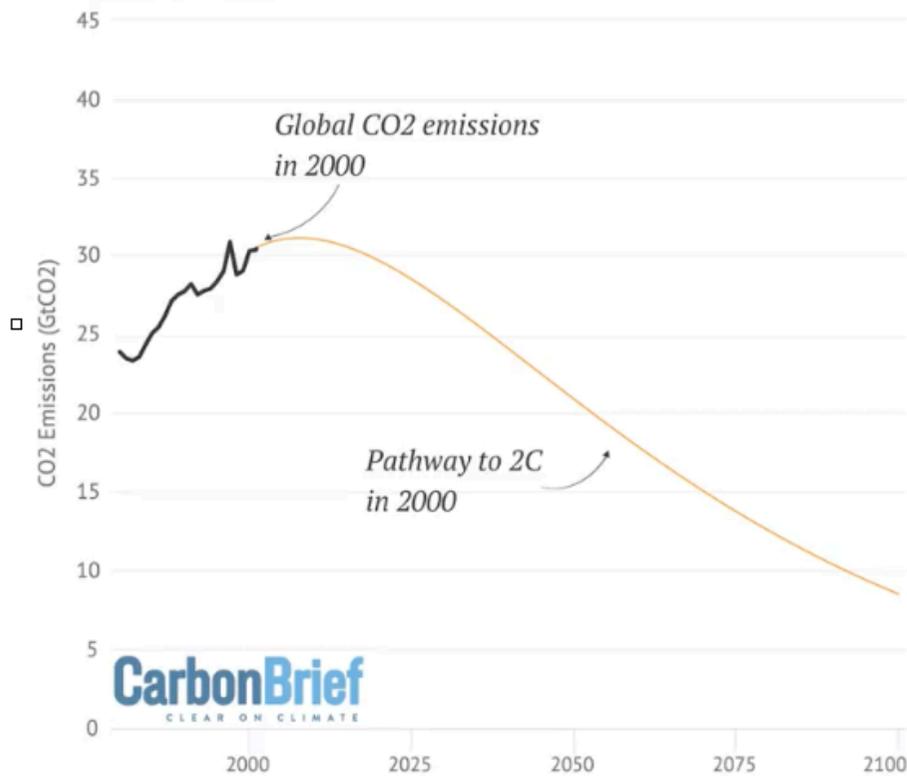
# The risk of climate tipping points is rising rapidly as the world heats up

Estimated range of global heating needed to pass tipping point temperature

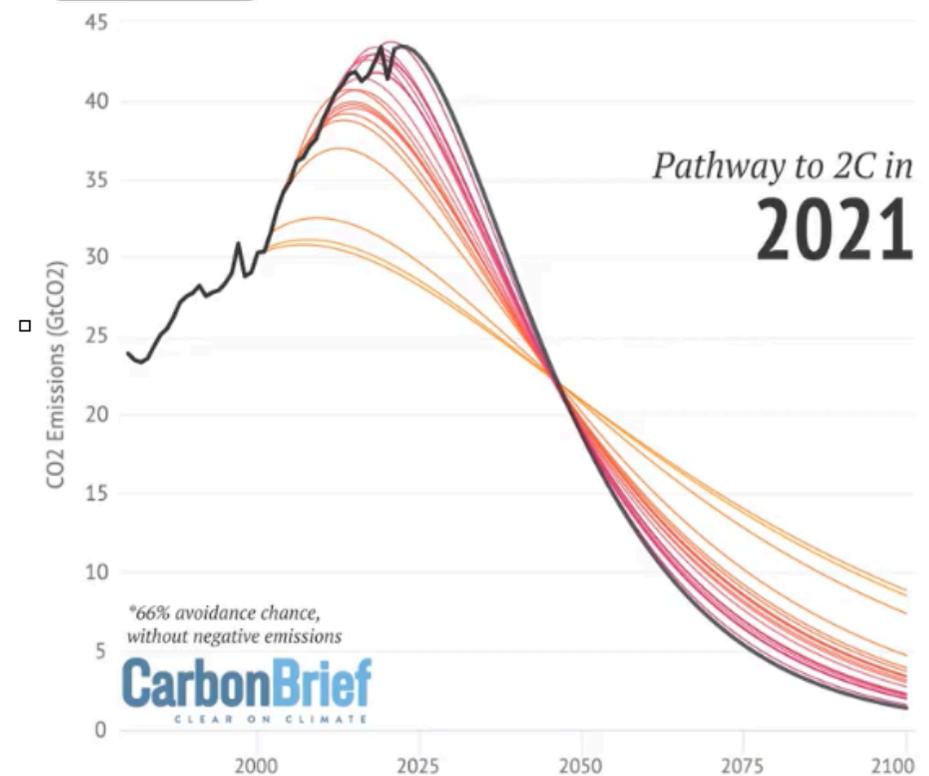


Guardian graphic. Source: Armstrong McKay et al, Science, 2022. Note: Current global heating temperature rise 1.1°C Paris agreement targets 1.5-2.0°C

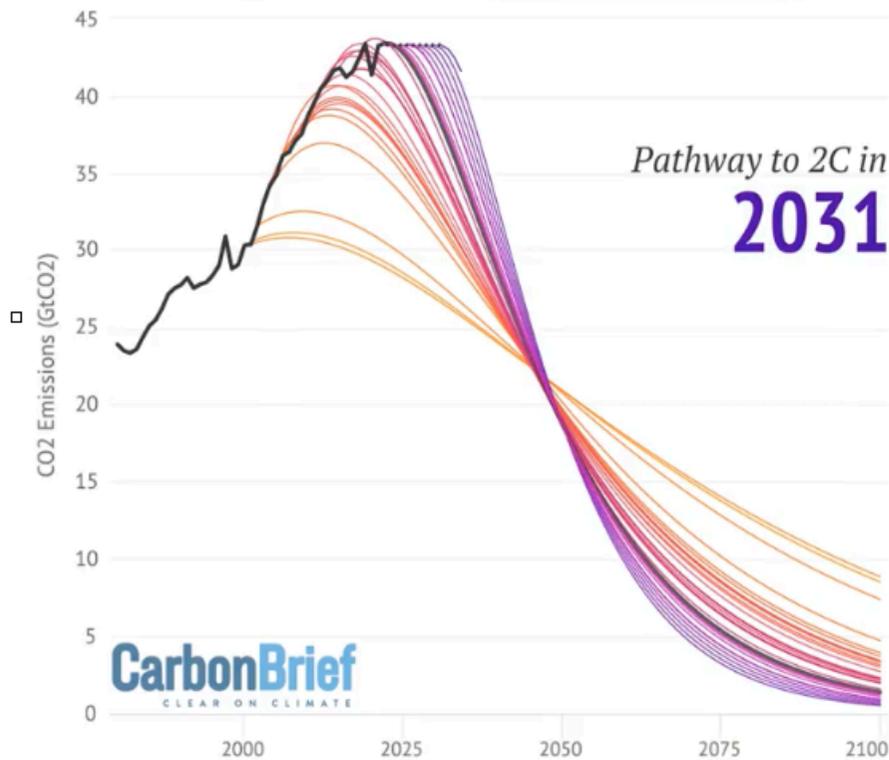
a **2% annual fall** would have been enough to stay below 2C



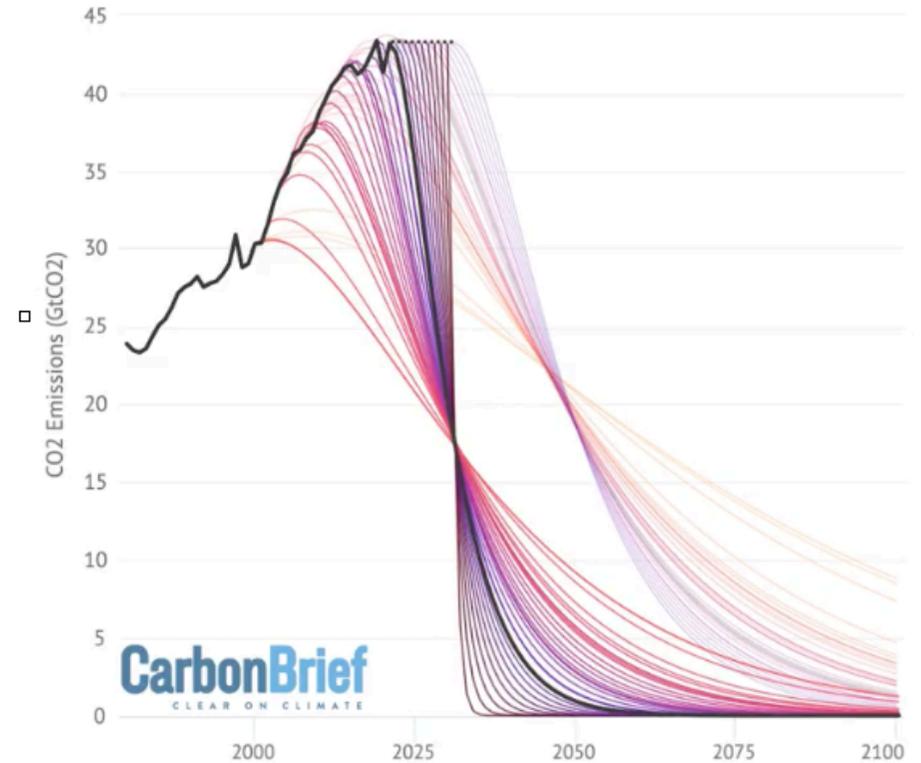
From 2021, emissions would have to fall **5% a year** to stay below 2C\*



If emissions fail to drop, then the 2C carbon budget will be used up **within 27 years**



However, the carbon budget for 1.5C\*...  
...will be used up within the **next 8 years**



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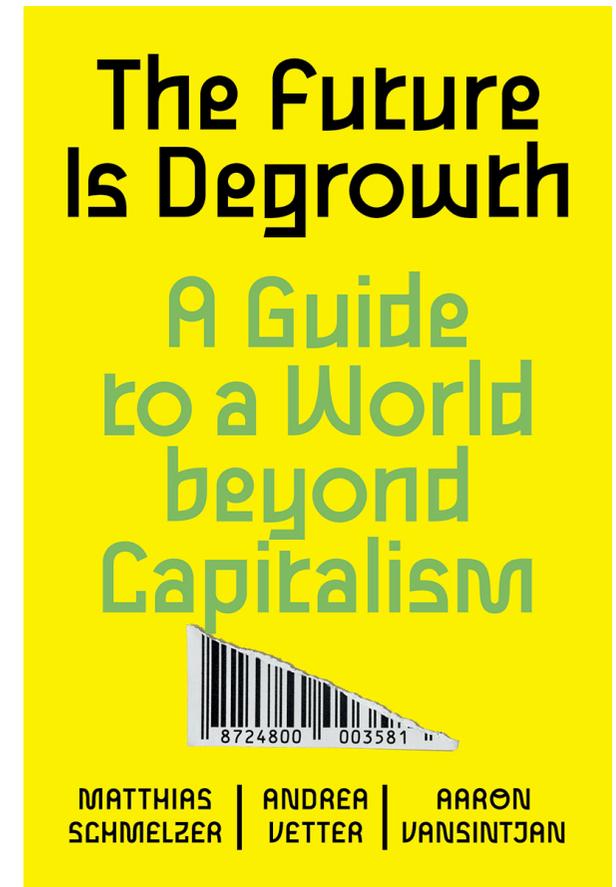
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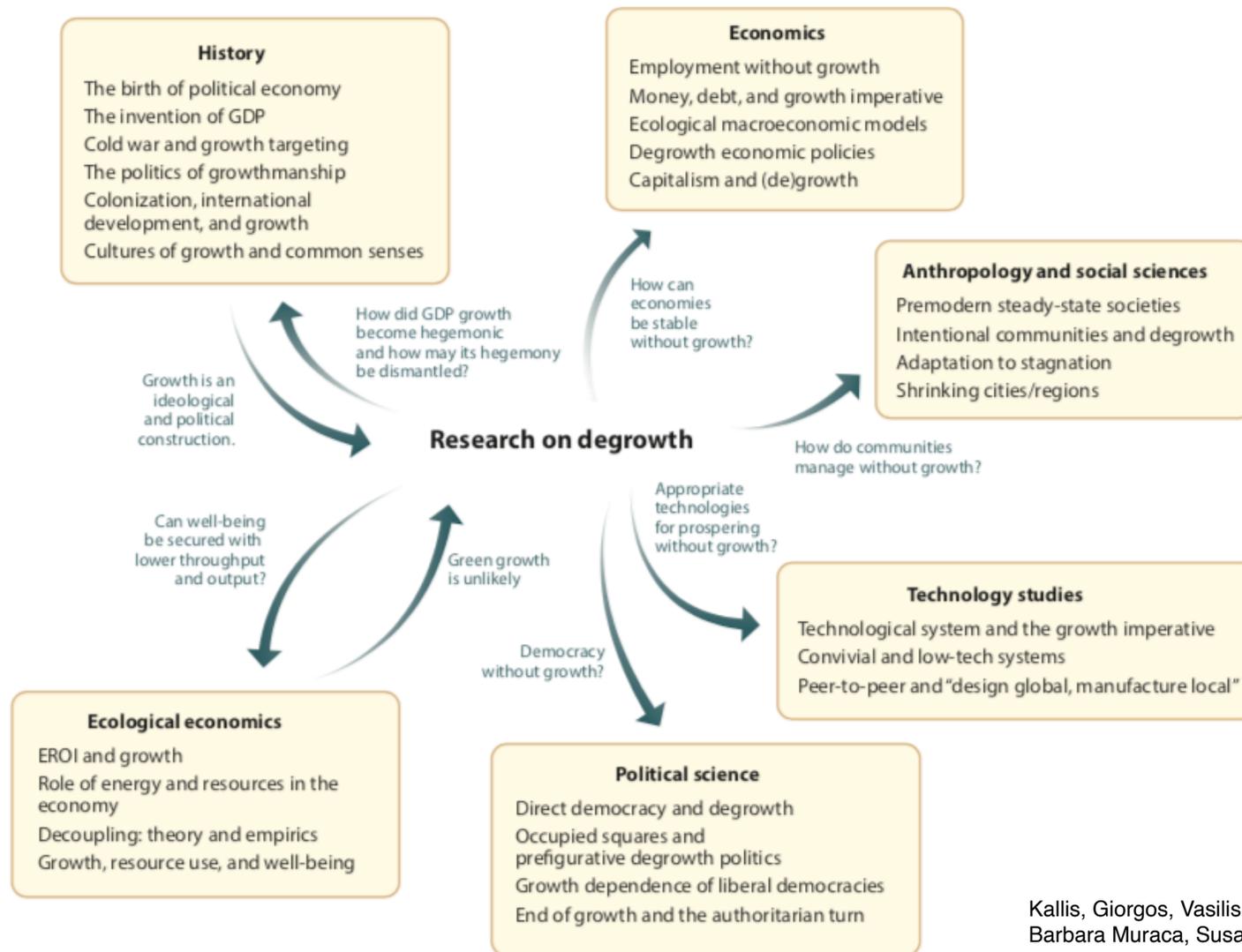
Current alternatives still focus on green growth (even often implicitly): rising energy and resource demands, importing LNG, land, compensations

Necessary reductions of 6-10% very unlikely to impossible with economic growth

## 2. We need systemic alternatives - degrowth provides key building blocs

- Movement of activists, academics and practitioners
- Ensemble of growth **critiques**
- **Proposal** for the Global North to live well within limits: „a planned contraction of economic activity aimed at increasing wellbeing and equality“ (Schmelzer 2015)
- Provocation, umbrella, mosaic of alternatives beyond growth, industrialism and capitalism
- Emerging field of research





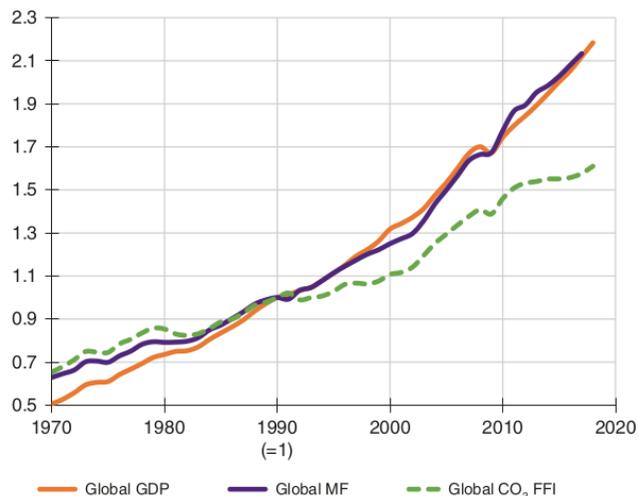
Kallis, Giorgos, Vasilis Kostakis, Steffen Lange, Barbara Muraca, Susan Paulson, und Matthias Schmelzer. „Research on Degrowth“. *Annual Review of Environment and Resources* 43 (2018): 291–316.

**3. Any feasible alternative needs to answer to key growth critiques**

# Critiques of growth

<b>Critiques of growth</b>	<b>Economic growth...</b>
<b>Ecological critique</b>	... destroys the ecological foundations of human life and cannot be transformed to become sustainable
<b>Socio-economic critique</b>	... mismeasures our lives and thus stands in the way of well-being and equality of all
<b>Cultural critique</b>	... produces alienating ways of working, living, and relating to each other and nature
<b>Critique of capitalism</b>	... depends on and is driven by capitalist exploitation and accumulation
<b>Critique of industrialism</b>	... gives rise to undemocratic productive forces and techniques
<b>Feminist critique</b>	... is based on gendered over-exploitation and devalues reproduction
<b>South-North critique</b>	... relies on and reproduces relations of domination, extraction and exploitation between capitalist center and periphery

# Not relying on decoupling but setting binding limits



**Fig. 1 Relative change in main global economic and environmental indicators from 1970 to 2017.** Shown is how the global material footprint (MF, equal to global raw material extraction) and global CO<sub>2</sub> emissions from fossil-fuel combustion and industrial processes (CO<sub>2</sub> FFI) changed compared with global GDP (constant 2010 USD). Indexed to 1 in 1990. Data sources: <https://www.resourcepanel.org/global-material-flows-database>, <http://www.globalcarbonatlas.org> and <https://data.worldbank.org>.

"(1) there is **no empirical evidence** that absolute decoupling from resource use can be achieved on a global scale against a background of continued economic growth, and

(2) absolute decoupling from carbon emissions is **highly unlikely to be achieved at a rate rapid enough** to prevent global warming over 1.5°C or 2°C."

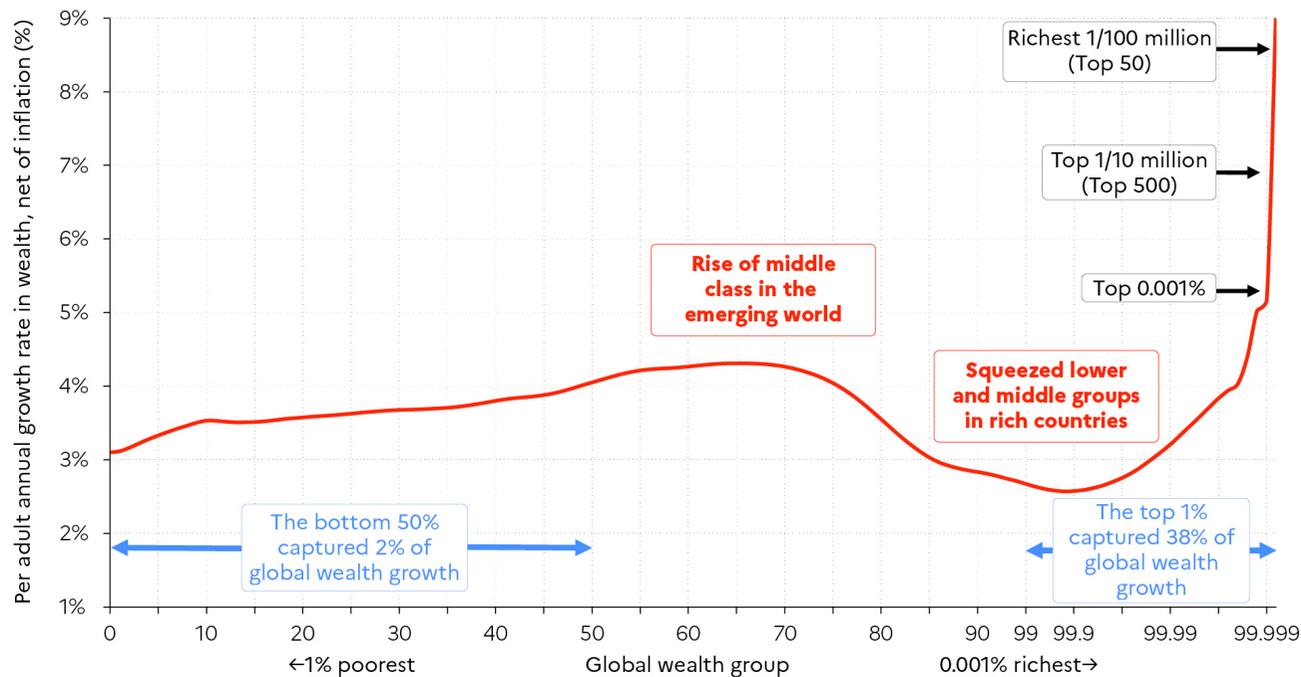
Hickel, Jason, und Giorgos Kallis. „Is Green Growth Possible?“ *New Political Economy*, 17. April 2019, 1–18.

„We conclude that large **rapid absolute reductions** of resource use and GHG emissions cannot be achieved through observed decoupling rates, hence decoupling needs to be **complemented by sufficiency-oriented strategies and strict enforcement of absolute reduction targets.**“

Wiedenhofer, Dominik, Doris Virág, Gerald Kalt, Barbara Plank, Paul Brockway, Tomer Fishman, Daniel Hausknost, u. a. „A Systematic Review of the Evidence on Decoupling of GDP, Resource Use and GHG Emissions, Part II: Synthesizing the Insights“. *Environmental Research Letters* 15, Nr. 6 (Juni 2020): 065003.

# Who benefits from economic growth?

**Figure 4.2** Average annual wealth growth rate, 1995-2021



**Interpretation:** Growth rates among the poorest half of the population were between 3% and 4% per year, between 1995 and 2021. Since this group started from very low wealth levels, its absolute levels of growth remained very low. The poorest half of the world population has captured only 2.3% of overall wealth growth since 1995. The top 1% benefited from high growth rates (3% to 9% per year). This group captured 38% of total wealth growth between 1995 and 2021. Net household wealth is equal to the sum of financial assets (e.g. equity or bonds) and non-financial assets (e.g. housing or land) owned by individuals, net of their debts **Sources and series:** wir2022.wid.world/methodology, Bauluz et al. (2021) and updates.

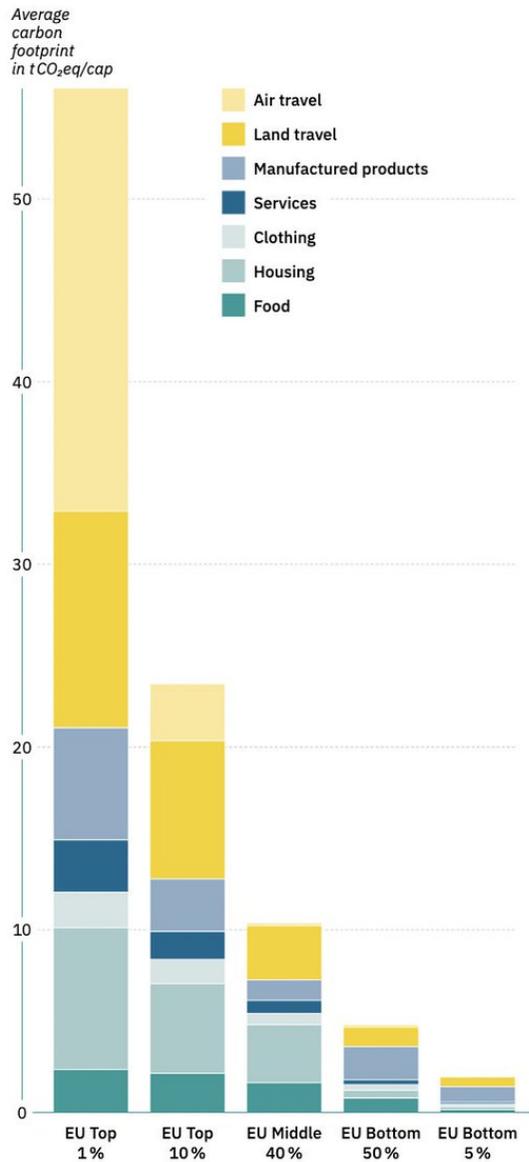


Figure 5: Average carbon footprint (CF) distribution by consumption category in the European Union (Ivanova et al., 2017)

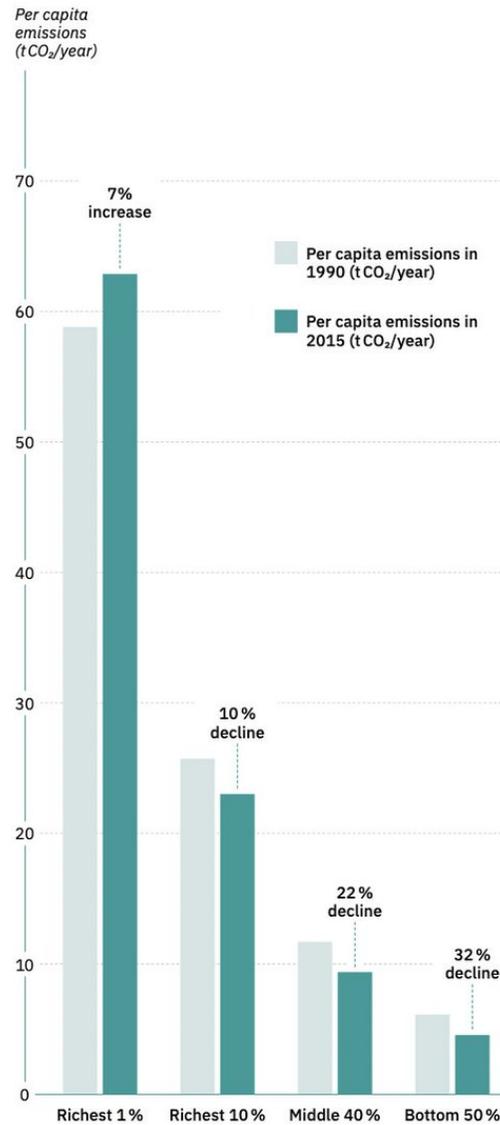


Figure 6: Per capita consumption emissions (tCO<sub>2</sub>/year) by EU income group in 1990 and 2015 (Source: Gore & Alestig, 2020)

## Whose emissions are we talking about?

Carbon inequality is extreme - not just globally, but also within the global North

EU carbon footprints by consumption category shows, which activities are particularly carbon intensive (air travel, cars, consumer goods, clothing)

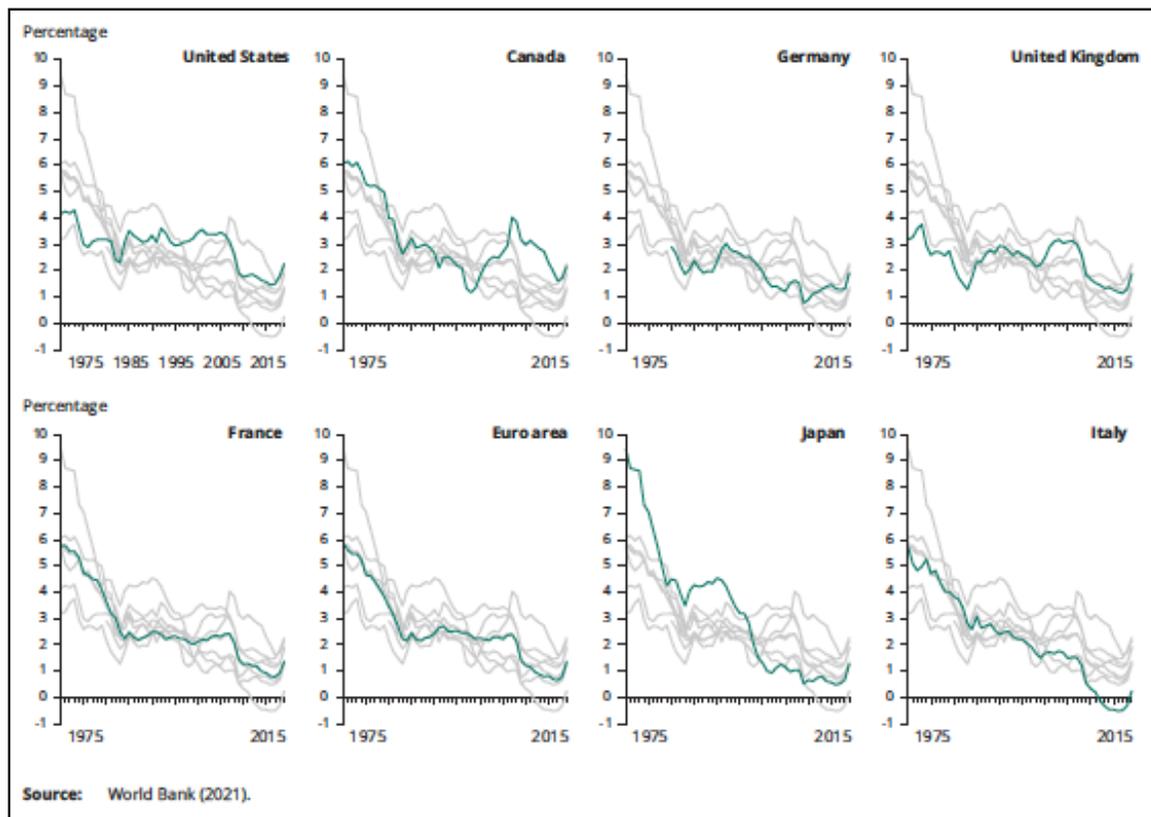
Inequality increased since 1990

> Really important to focus on reducing the consumption of the global top 10%

> Its not just the energy system, but an entire mode of living

# Does economic growth deliver, independently of ecological questions?

Annual growth of GDP (2010 USD), rolling average for previous 10 years



"The broader 'post-growth' concept seems highly relevant for Europe and other developed regions as they face increasing uncertainties about future GDP growth."

Source: European Environment Agency 2021, Reflecting on green growth

**4. Creating independence from economic growth is a key precondition for effective climate security - by whatever name**

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Selective de/growth of sectors - moratoria - caps on resource use - eliminate planned obsolescence - limiting ownership of large companies - end wasteful consumption - just transitions

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## 6. International solidarity and reparations

(Ecological) reparations - transformation of international trade and financial system - delinking, regionalization, deglobalization - globally just re-linking