

# Degrowth theory module

*a reader for trainers and learners on degrowth*



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## History of Degrowth

Some of the ideas behind degrowth have been part of philosophical debates for centuries. We could probably trace the sources of degrowth back to the ancient Greeks and the critic of hubris.

The word 'Décroissance' (French for degrowth meaning “reduction” in French) appeared for the first time in 1972 as a description of a societal path. “The global equilibrium, for which no-growth – or even degrowth - of material production is a necessary condition, is it compatible with the survival of the (capitalist) system?” M. Bosquet (André Gorz), *Nouvel Observateur*, Paris, 397, 19th June 1972, p. IV. Proceedings from a public debate organized in Paris by the Club du Nouvel Observateur. Later “Décroissance” was mentioned several times (Gorz 1977; Amar 1973; Georgescu-Roegen 1979) in the follow-up of the Meadows report to the Club of Rome, ‘The limits to growth’. The use of the term décroissance is usually traced back to the translation of selection of works by Nicholas Georgescu-Roegen (1979, 2006) by J. Grinevald and I. Rens. In 1982, a conference was organized in Montreal with the title *Les enjeux de la décroissance* (the challenges of degrowth), but the word was used as a synonym of economic recession (ACSALF, 1983).

Décroissance became an activist slogan in France in 2001, Italy in 2004 (as 'Decrescita') and Catalonia and Spain in 2006 (as 'Decreixement' and 'Decrecimiento'). Décroissance, as social movement, only started in Lyon in the wake of protests for car-free cities, meals in the streets, food cooperative and anti advertising (journal *Casseurs de pub*). This was followed, at the beginning of 2002, by a special issue of *Silence* magazine, edited by Vincent Cheynet and Bruno Clémentin. That same year the conference *Défaire le développement, refaire le monde* (Unmake development, remake the world) took place in Paris at UNESCO with 800 participants. Pierre Rabhi friends developed the network for "insurrection of consciences " where they put décroissance in the frontline. In 2004, degrowth entered a larger public debate with the monthly degrowth magazine *La Décroissance*, le journal de la joie de vivre, selling today around 30.000 copies and public talks.

The English term 'degrowth' was “officially” introduced at the first Degrowth conference in Paris in 2008, organised by Research & Degrowth, which also marked the birth of degrowth as an international research area. Several conferences take place in Barcelona 2010, Montreal & Venice in 2012, soon will be the time of Leipzig in september 2014.

## Sources and dimensions of degrowth

Degrowth is a slogan to repoliticize the debate creating dissidence to present economic representations, demystifying growth, development, progress etc.

### DIMENSIONS OF DEGROWTH

However degrowth is not only a slogan, it is a frame for a new social movement which involves the fair and ecological downscaling of production and consumption along a multiplicity of dimensions. Degrowth would likely lead to GDP reduction, but degrowth is not GDP reduction. It is neither the application of a single solution. Degrowth involves simultaneous actions in order to bring multidimensional limits to growth. This involves physical (natural resources, infrastructure), time-wise, psychological (in terms of desires, awareness), financial and regulatory limits: the dimensions of degrowth.

### SOURCES OF DEGROWTH

Apart from dimensions, Degrowth is also grounded in a variety of areas: the sources of degrowth. Within anthropology, concerns have been raised regarding the commodification of human relations, cultural uniformization and criticism to development, both as imaginary and socio-historical realities. Another concern relates to the meaning of life with the idea that non-material exchange and poetry of life are important. Degrowth also calls for a deepening (more direct and participative) and a widening of democracy. Ecology is an obvious source, which is linked to the direct destruction of ecosystems. Moreover, in the line of Georgescu-Roegen and ecological economics, another concern regards the fact that degrowth is inevitable (i.e. from peak oil to peak everything). Finally, Justice is a major concern for degrowth in its social and economic dimensions.

## Thinkers of degrowth

The following notes were collected after the philosophical walk at the GROWL course in Can Decreix, France, May 2014.

### *Jacques Ellul ... Technology*

Claudio (with little Kiran) talked about **Jacques Ellul**, a French critic of technology already in the 1960s and 1970s, the problem was not the economy but the technology that prevents local decisions, the problem is all the large projects of the state, the private companies, the nuclear energy, the food system... We use exosomatic tools, energy intensive.

Jean, a French farmer in Carcassone, mentioned **B Charboneau**, a friend of Ellul in Aquitaine

### *Ivan Illich ... Conviviality*

Claudio talked also about Ivan Illich, from Austria who lived in Mexico, and his main idea is Conviviality, one main idea for degrowers. Conviviality is what we do in Can Decreix.

### *François Partant ... Development critique*

Jean, a French farmer in Carcassone spoke about François Partant, a banker who later criticized development, he thought the whole system was wrong, based on financial abuse of poor countries, he was a critic of development (as a uniform path towards an American way of life).

### *Serge Latouche ... Development critique*

This was also mentioned by Federico Demaria (in the railways stairs) explaining that **Serge Latouche** was (like **Arturo Escobar** from Colombia) an economic anthropologist, who took a CULTURALIST approach to degrowth. We want to degrow economically to avoid the loss of diversity, biodiversity loss and the loss of cultures.

### *Karl Polanyi ... Market and commodification*

This is inspired by **Karl Polanyi** (mentioned by Irina), who criticized the growth of the generalized market system, everything was becoming a commodity, land, labour, water. We discussed whether there were counter movements, like the global environmental justice movement.

### *Georgescu-Roegen ... Bioeconomics*

The CULTURALIST approach to Degrowth is complemented by the PHYSICAL approach. **Georgescu-Roegen** wrote *The Entropy Law and the Economic Process* in 1971, and he published *Demain la Décroissance* in 1979. Entropy means that energy cannot be recycled, cannot be used twice. This does not matter if we would use current energy from the sun but we are using „bottled“ photosynthesis from millions of years ago in coal, oil and gas. This links with the *Limits to Growth* report of the Meadows of 1971. The economy is not circular, it is entropic, energy and materials are dissipated.

### *Fred Hirsch ... Social limits to growth*

Giorgos said that there are not only physical limits to growth, there are also social limits to growth. Consumption is done (apart from the minimum endosomatic energy, 2000 kcal per day) to impress other people, to show one's social position by wearing jewels, by buying a Ferrari. If everybody would have a Ferrari, then the prestige does not longer attached to the owners. It is silly to follow this road in life.

### *Cornelius Castoriadis ... Autonomy · Democracy*

Angelos talked about **Castoriadis** (Autonomy as his great idea, and he was also against political bosses). Conviviality and Autonomy are the great POLITICAL ideas in Degrowth. Christos discussed what kind of Democracy was compatible with Degrowth, should degrowth be imposed from above? This point we should discuss further.

### *Walter Benjamin*

Finally we saw **Walter Benjamin** monument in Port Bou, and we thought about his phrase: „Capitalism is a train without emergency brakes.“

## Growth timeline

251 million years ago	“end Permian event”	The average global temperature rise by at least 6°C, leading to the extermination of over 90 percent of species.
History of Growth, as a concept/model in the Western society and how it became a globalized way of living	Degrowth, as a Western concept, reacts to a concept that was emerging with the growth of the Western Empire (sum of many States, and resembling the Roman Empire), which ended up controlling World resources and populations, through colonization and post-colonial economic control. To understand Degrowth, we have to understand how growth emerged as a concept in the West	Starting from the building up of what are now the European states (under the geopolitical orientation of the Vatican), the colonization, change of modes of production, ending up in post-history. The history of these states allow us to understand who is "European Union" and U.S., on what these institutions are built (and what for)
<b>Period 1: 718 - 1492</b>	<b>Age of Crusades</b>	<b>"Movement" ruled by the Vatican</b>
843	Kingdom of France	
907	Duchy of Bavaria	
910	Kingdom of Leon	Which became "spain" in alliance with Castille
10th century	Kingdom of England	
1005	Kingdom of Genoa	Important for further developments in the banking system
1037	Kingdom of Castille	Which became "spain" in alliance with Leon
1143	Kingdom of Portugal	With the support the cruzades, Afonso Henriques and his army conquered territory, started as a condade but in 1143 it was recognized as an independent state by the Vatican - the geopolitical institution of the time
XII century	Re-emergence of Western Banking system to finance the cruzades	In 1162, Henry II of England levied a tax to support the crusades—the first of a series of taxes levied by Henry over the years with the same objective. The



1215	Magna Carta	Templars and Hospitallers acted as Henry's bankers in the Holy Land. Main role of State is to enforce private property (look for connection between private property in Roman Empire and Magna Carta, namely as a means to help territorial expansion - the Roman law system was still at the basis of the new Kingdoms
1283	End of the "expansionary" cruzades within Europe	
1407	The Bank of Saint George,[152] the first state-bank of deposit,was founded in Genoa	It was to dominate business in the Mediterranean, and Italian bankers take control over European banking system
<b>Period 2: XV century until 1776</b>	<b>Beginning of the sea expansion by Europe and mercantilism. Still domination of Vatican,</b>	<b>Development of world trade - access to raw materials and cheap labor (slaves)</b>
1494	Treaty of Tordesillas	Divided the newly discovered lands outside Europe between Portugal and Spain along a meridian 370 leagues. The author was the Pope Alexandre VI
1668	Development of Central Banking	The Bank of Amsterdam became a model for the functioning of a bank in the capacity of monetary exchange and started the development of central banks. An early central bank was the Sveriges Riksbank, established in 1668, although this was short-lived. In England in the 1690s, public funds were in short supply and were needed to finance the ongoing conflict with France. The credit of William III's government was so low in London that it was impossible for it to borrow the £1,200,000 (at 8 per cent) that the government wanted. In order to induce subscription to the loan, the subscribers were to be incorporated by the name of the Governor and Company of the Bank of England. The bank was given exclusive possession of the government's balances, and was the only limited-liability corporation allowed to issue banknotes.
<b>Period III: XVIII until 2nd World War</b>	<b>Emergence of British empire, and beginning of fight between European Empires (British, French, Dutch,</b>	<b>Geopolitical power from Vatican to UK, Reform, Anglican/Protestant view</b>

	<b>Portuguese, Spanish) in the World</b>	
1707	Kingdom of Great Britain, Anglican state	Associated with the Reform, and loss of geopolitical power of the Vatican
1760 - 1830 (more or less)	Industrial "revolution"	With the access to World resources and labour, it became possible to develop large-scale production units, which supported a strong technological shift. Textiles were the dominant industry of the Industrial Revolution in terms of employment, value of output and capital invested, and expansion of the British empire was allowing reaching cheap raw materials for the textiles industry
1776	The Wealth of the Nations (Adam Smith)	Based on the French phisocrats, and building up in many enlightenment thinks, like David Hume
1776	Independence of U.S.	
1783	Rise of British Empire	As also a consequence to the loss of the U.S.
1789	French Revolution	And subsequeute rise of Napoleon and his empire
1860 until 2nd World War (more or less)	Second industrial "revolution"	It is considered to have begun around the time of the introduction of Bessemer steel in the 1860s and culminated in early factoryelectrification, mass production and the production line.
1861	Book called Utilitarianism by John Stewart Mill	Homos economicus is derived from this.
1867	"First Principles", Book by Herbert Spencer (English)	Social evolutionism, how there are "primitives" (the other) and civilized" (we), based on 1859, Darwin "Origin of Species", transposing it to social issues
		The transition from the 19th to the 20th century was marked by an unprecedented growth of the output. Full employment and output expansion
1870	Neoclassical school of thought in Economics: rational beings perfectly allocate resources, intervention not required, only interest in analysing the equilibrium of microsystems	were regarded as the outcome of the normal functioning of the markets and market failures were practically ignored. Neoclassicals shifted the attention from macroeconomic to microeconomic issues and from expansion of output to a different perspective of scarcity, to a "narrower concern with allocation of a fixed quantity of scarce resources to their best use given the institutions" (Chyper et al, 1997, p. 105), i. e. to efficiency.
<b>Period IV: After the second-World</b>	<b>End of Economy of conquer (enlarge the access of World resources - the world had already been almost all colonized/controlled by Europe), to Economy of Consumerism (controlling through economics and</b>	



	<b>consumerist models the populations) - manifested by the Cold War ("Spheres of Influence" rather than political control - like colonies)</b>	
1946	Harrod-Domar Model and emergence of "Growth Economics"	After the 2nd World War, obsession with growth, and economics to justify it was crucial and unlimited
1951	Treaty of Paris, settling the "European" (only 6 European countries) Coal and Steel Organization	
1956	Solow Model	Extension to the Harrod–Domar model that included a new term: productivity growth. The Solow-Swan model augmented with human capital predicts that the income levels of poor countries will tend to catch up with or converge towards the income levels of rich countries if the poor countries have similar savings rates for both physical capital and human capital as a share of output, a process known as conditional convergence. - Although there were diminishing gains, the idea was that resources were unlimited: GDP if a flux, not a stock - even without its own "growth", it requires a lot of resources
1958	Treaty of Rome, settling the European Community	
1986	AK-Model	During mid-1980s a new beginning of growth theory launched by Paul Romer in 1986,[1] where he tried to explain the growth process in a different manner. Thus the dissatisfaction out of neoclassical model motivated to construct new growth theories where the key determination of growth theories are endogenous in the model as in these new theories, the long run growth is not determined by exogenous factors setting up endogenous growth theories. The simplest version of endogenous model is AK models which assume constant exogenous saving rate and fixed level of technology. The stickiest assumption of this model is that production function does not include diminishing returns to capital. This means that with this strong assumption the model can lead to endogenous growth.
<b>Period V: 1989</b>	<b>Post-history, the self-declared</b>	



**onwards triumph and collapse of the West**

1992	“The end of History and the last man” (1992), written by the American thinker Fukuyama.
1993	Treaty of Maastricht
1999/2001	Euro
2004	Enlarging to the East of EU
2008	World Financial Crisis, from which the West hasnt (a probably wont, in the Growth terms) recover

It was a call for a post-historical reading of the world. The end of the cold war represented a victory of economic and political liberalism against all the other models. It meant “the end of history as such: that is, the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government”, being impossible to imagine a better world that is not capitalist and democratic – the last and inevitable stage of development.

## Degrowth timeline

Year	Event	Description
412-323 BC	Diogene in his clay jar	
1971	publication of 'The Entropy Law and the Economic Process' by Georgescu-Roegen	
1972	Club of Rome report	MIT researchers prepare 'Limits to Growth' - a report on practical solutions to global problems "The global equilibrium, for which no-growth – or even degrowth - of material production is a necessary condition, is it compatible with the survival of the (capitalist) system?" M. Bosquet (André Gorz), <i>Nouvel Observateur</i> , Paris, 397, 19th June 1972, p. IV. Proceedings from a public debate organized in Paris by the Club du Nouvel Observateur.
1972	Debate at Club du Nouvel Observateur	
1979	Demain la décroissance'	Texts by Georgescu-Roegen translated to French and published
1982	Montreal conference	Les enjeux de la décroissance (the challenges of degrowth)
2002	Conference at UNESCO	conference Défaire le développement, refaire le monde (Unmake development, remake the world) took place in Paris at UNESCO
2004	Start of 'La Décroissance' magazine, conference of UNESCO, degrowth walk!!	In 2004, degrowth entered a larger public debate with the monthly degrowth magazine <i>La Décroissance</i> , <i>le journal de la joie de vivre</i> , a large conference in UNESCO challenging development where décroissance is introduced
2008	International conference in Paris	The First International Conference on Economic Degrowth for Ecological Sustainability and Social Equity of Paris