

Looking Beyond the Vortex of Crises and Debt

Part of Degrowth and Progress

Ajda Pistotnik

15 Feb 2021



Staš Kleindienst, *A Landscape with Stray Dogs*, 2019. Oil on canvas, 130 x 200 cm. Courtesy of Moderna galerija, Ljubljana.

Normality as a problem

Today, we can no longer criticise the domination of authoritarian policies and the rollback of democratic freedoms for the sake of stronger markets and higher economic growth without taking into account the links between the global economic system and the increasing emergence of viruses (including COVID-19). The global industrial agro-food system in capitalist economies that drives the global trade in (wild) animals and destroys natural habitats at an accelerated rate is the driving force behind the growing number of diseases, one of many shortcomings of modern society that was so bluntly unmasked by the pandemic. Once again, countries chose to focus only on the consequences of the crisis rather than its root cause – an economic system based on the principle of endless growth.

The pandemic revealed not only the nonchalant lightness with which governments tend to extend states of emergency, with increased militarisation and social control, but also the failings of our economies, in particular the divide between the public and private interests. For more than a decade, the latter insisted on destructive austerity measures being imposed on the public sector and advocated structural reforms without trying to hide its contempt for education, science, culture, and social welfare, i.e. the most critical services for communities.

If they are to make a living, workers have to work from their factories, warehouses or offices, even during the pandemic. Those who can't or aren't allowed to work from home are forced to return to their closed, unventilated work premises, just to be able to keep their paid jobs. It thus comes as no surprise that the number of infections is constantly on the rise despite the curfews, suspended public transport, complete bans on public gatherings and full lockdowns, as most of the working population move daily to workstations that they share with many others. Social inequality is now higher than it was 30 years ago. Wages haven't grown in more than a decade, and with the economy shutting down unemployment is increasing rapidly. The richest, on the other hand, have seen their fortunes rise to unimaginable heights (at least for most us) even during the pandemic.

The system based on economic growth is generating permanent crises, and has laid the foundations for the accumulation of various crises, from environmental, health, and economic to social and political, all result in deep-rooted exploitation of nature and people. Something we've come to think of as normal, which in itself is a problem, because 'normal' is the source of all crises and the system of 'normal', grounded in economic growth, is the root cause of the mother of all crises.

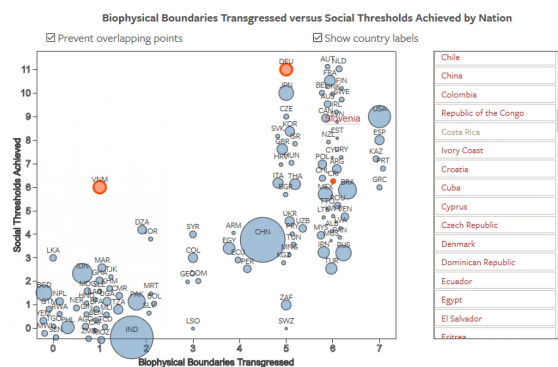
The quest for alternatives has led us to a platform, to practices and strategies, policies for degrowth, teaching us how to live beyond this 'normal'. Degrowth offers a critique of the dogma of economic growth. At the same time, degrowth offers a hypothesis that transformative downscaling of more developed, rich economies into zero-carbon societies is possible, needed and welcome. It aims to answer the crucial question of the age of the Anthropocene: how is our species to survive and how can we all live good, decent lives? In other words: How can we live well without shifting costs and debt to others, to the planet and future generations? This is the key question that occupies the international degrowth community.

Is economic growth a true measure of development?

Economic growth means an increase in real output, which has an adverse impact on both society and the environment, because it implies that GDP as an economic indicator must grow at exponential rates or we'll end up in a recession that hurts the vulnerable groups most of all. Economic growth as the only measure of progress, development and social welfare has thus become the sole obsession of all countries, promising to create the conditions for better life, eradicate poverty and reduce unemployment. So we are hardly surprised to see political leaders and economists pushing for such growth as a norm and necessity that defines our civilisation. What they don't tell us is that the GDP does not differentiate between good and bad economic activities. Economic growth doesn't rest only on 'good' products like bread, public healthcare or investments in science, but also on 'bad' economic activities, such as epidemics, increased militarisation or oil spills. Nor does GDP take into account unpaid work that benefits the community, such as volunteer and care work, and it wholly ignores ecosystem services. Economic growth serves the needs of corporations and investors, feeds their expansion and profitability, their need to grow and develop their wealth.

The planetary boundaries that define the safe operating space for humanity have already been crossed, but the economy still doesn't seem to be decoupling from resource consumption and pollution, at least not effectively enough. Economic growth is maintained fictitiously through additional borrowing, lower environmental standards, longer working hours, cuts in social security funding and the like. Growth at any cost thus creates social gaps and economic instability, and as such poses a threat to democracy.

As early as 1972 the conclusions of 'The Limits to Growth', the first report to the Club of Rome, suggested that it is impossible for the population, economy and exploitation of natural resources to continue to grow exponentially due to the limited availability of natural resources, and predicted that attempting to do so would sooner or later end in the collapse of socio-economic and ecological systems (needless to say, the report was ridiculed and attacked by mainstream economists). Today, the limits are back on the political agenda, this time as planetary boundaries. There has never been a zero-carbon industrial-consumption economy, but if we are to avoid climate breakdown and our own destruction we will have to reduce carbon emissions by 50% by 2030, as proposed by the Paris Agreement, and bring them down to zero by 2050. Such emissions are a by-product of our socio-economic activities, and grow exponentially along with GDP, as demonstrated by the graph below. The higher the GDP is, the higher are the CO2 emissions.



O'Neill, Dan. 2018. 'Biophysical Boundaries Transgressed versus Social Thresholds Achieved by Nation', 'A Good Life For All Within Planetary Boundaries': <https://goodlife.leeds.ac.uk/>

Fossil fuels and their technologies have transformed agricultural and industrial processes, the mobility of goods and people, and the geographies of cities and rural areas. People's values, ways of understanding and social organisation have coevolved with fossil fuels and their technologies (Norgaard 2019, p. 114). There has never been an industrial economy that was not based on fossil fuels. So a totally new type of economy is necessary, and because economies are dependent on the underlying social structures that would imply new social arrangements and new means of social provisioning. Thus, even if they recognise human-induced climate change as a serious structural problem, the preference of policy-makers, corporations, financiers and all those heavily invested in the fossil fuel economy is to maintain the system and hope for a technology that could provide a counter-mechanism, a technological solution (Spash and Smith 2019, p. 217). However, the

problem is that the very nature and function of our political economies resist recognition of the true scale of the problem and seem reluctant to translate this recognition into concrete and immediate action. (Morgan and Fullbrook 2019, p. 5).

Most economists understand environmental problems as isolated, unique examples of market failure. Kallis et al. (2018, p. 292) describe economic growth as 'an integrated cultural, political, ecological and economic process manifested as an increase in the total market value of all goods and services (GDP)', and degrowth as its opposite, i.e. 'a process of political and social transformation that reduces a society's throughput while improving the quality of life' (ibid.), because it decouples the quality of life, in particular at the common social level, from material and energy throughput. But the fact is that the promise of excessive material wealth for everyone will never be fulfilled, simply because our planet hasn't enough space, neither physical nor ecological, to make that happen, so we must build on the lessons learnt, and make the best of the many social and solidarity initiatives offered.

Degrowth doesn't equal recession

We are told that if we give up growth we risk economic and social breakdown, but in truth constant drive for exponential economic growth threatens the ecosystems on which we depend for our survival. We are thus offered one and the same solution to the threat of recession, a universal appeal to revive consumption and renew growth. Those inclined to question this consensus are swiftly denounced as cynical revolutionaries or modern-day luddites (Jackson 2019, p. 213). To be clear, degrowth is not equivalent to recession or negative growth, so the term should not be interpreted literally. The term consists of the prefix de-, which added to the verb implies separation, removal, reversal, or something done completely or thoroughly; and the verb grow, as in 'economic growth', 'GDP growth' or 'explosive growth' (Domazet and Dolenec 2018, p. 101).

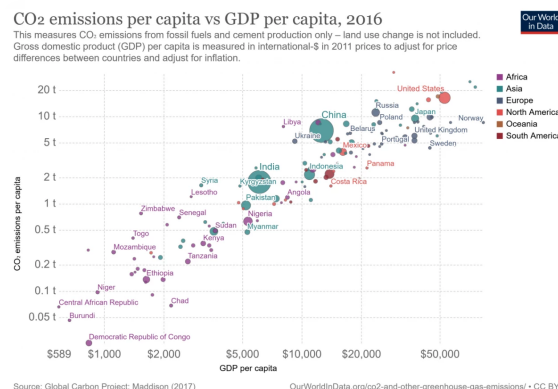
For degrowth, the solution is neither austerity nor higher deficits. Indeed, both approaches are a problem because they are both about renewing growth, and degrowth advocates oppose them precisely because they are rooted in the imagery of growth. Even those who want spending and growth only for the short-term to exit the crises, and hope to move beyond growth afterwards, do not realise that this 'after' will never come, since it is precisely through the fear of the spectre of recession and crisis that growth is permanently legitimised (D'Alisa, Kallis and Demaria 2019, p. 273). Moreover, given the socially disruptive effects of recession, a depoliticising representation of growth as a 'common good' has become the dominant discourse. Opposition to growth is also consistently countered by capitalists' financial dominance of political systems (Andreucci and McDonough 2019, p. 133). Economists and policymakers have become accustomed to equating GDP growth with human progress and improvements in well-being, so it might seem sensible to conclude that a decline in GDP must necessarily entail a decline in well-being. In contrast, degrowth calls for a shift to a different kind of economy altogether (an economy that does not require growth in the first place) (Hickel 2019, p. 57).

Literature about degrowth indicates that it is possible for high-income countries to

maintain or even improve their levels of human development and well-being while reducing throughput and output, and staying within the planetary boundaries. Degrowth is not just a form of critique, but also encompasses diverse and interrelated positive utopian visions for the world. It offers a set of paths for societal transformation in order to make these utopias possible.

Biophysical and social indicators of development

Degrowthers agree that fiscal policies should assess impacts on social welfare and the environment, so the decision-making process should involve quantifying biophysical indicators (CO₂ emissions, exploitation of natural resources and use of pesticides, water consumption and pollution, and similar) and relating them to social indicators (food, income, social equality, education, access to energy, employment, etc.). In short, it should measure how well we live and how close we are to the planetary boundaries. There is not yet a single country in the world that could satisfy both conditions (Graph 2), as shown by a study of over 150 countries conducted by the University of Leeds in 2018. Vietnam (marked VNM in the graph) comes closest, exceeding the least biophysical indicators (horizontal axis) and achieving the most social indicators (vertical axis). Germany (DEU), on the other hand, meets all of the needs measured by social indicators, but similarly to Slovenia exceeds nearly all biophysical indicators.



2016. 'Global Carbon Project: Maddison (2017)',
'Our World in Data', CC BY: <https://ourworldindata.org/grapher/co2-emissions-vs-gdp?tab=chart&country=@ion=World>

Degrowth addresses biophysical and social indicators together, and is the key word that encompasses different approaches and principles, such as democracy, justice, ecology, care, development critique and similar. It is a platform that seeks and connects different alliances with existing practices, initiatives or strategies, including community currencies, a universal basic income and maximum income, cooperatives, unions, back-to-the-landers (or neorurals), work-sharing, debt audits, disobedience, the commons, urban gardens, *buen vivir*, and the like, as well as a lifestyle. Degrowth is a process of political and social transformation that reduces a society's throughput and improves the quality of life, focusing on its needs, concerns and reproduction, the downscaling of consumption and shorter production

chains. It is a normative concept with analytical and practical applications. There are two approaches to degrowth: physical and culturalist. The first is based on the work of Nicholas Georgescu-Roegen (whom some consider the father of the concept of degrowth) on the entropic nature of economic processes. These approaches underline the bizarre logic of infinite growth on a finite planet. The culturalist approach is derived from the works of Ivan Illich on conviviality, Serge Latouche's critique of development, and André Gorz's political ecology (with the latter being the first to have used the word degrowth, Fr. *decroissance*), among others (Liegey et al., 2015, pp. 28–29).

Degrowth proposes a network of change in the access to housing, urban planning, traffic, agriculture, energy systems, finance, redistribution of wealth through taxes, biodiversity, supply chains, production, software management, hardware technologies, employment and working conditions, welfare, healthcare, education, democracy and so forth. Put together, these proposals lead to equitable, planned downscaling of production and consumption.

Let's turn around the logic of debt

The concept of degrowth was proposed in academic circles in the 1970s, and continued to develop until it was first used in practice in the early 2000s in France, in the wake of the protests for car-free cities, communal meals in the streets and campaigns against advertising in public spaces. The experience and findings from these movements shaped new academic insights. Today, the degrowth movement is neither clearly defined nor homogeneous, but is a field of research and discussions that has co-shaped the international research hubs [Research&Degrowth](#) and [Degrowth.info](#), among others. Such interdisciplinary approaches inevitably break out of any academic bubble and actively involve civil society, which makes it easier for the movement to enter the political domain. The most significant and far-reaching spaces for rethinking the aspects of ecological and social sustainability that require a radical reorganisation of society and decolonisation of our imageries are the degrowth biennial international conferences. They serve as spaces for meeting and sharing insights in a diverse community of degrowthers that is increasingly interested in shaping the (international) political agenda.

An overview of research relevant for the degrowth hypothesis offers an insight into scientific questions and a broader understanding of the degrowth platform. Research on the history of ideas and ecological economics offers two fundamental degrowth concepts: that growth is an ideological construction, and that growth is ecologically unsustainable. Making both economies and societies stable without growth raises new issues that are addressed by research communities in these and other scientific disciplines (Kallis et al. 2018).

One of these issues is debt, and the endless borrowing that allows economies to grow and then forces them to grow further to repay this debt. And because economies cannot grow fast enough to repay their debt they turn to austerity measures and privatisation. This leads to stricter controls over welfare spending, income, social services and free time. Here it should be noted that debt doesn't threaten the capitalist economy, but drives it, with social customs and laws prioritising debt repayment over cancellation, thus serving to protect creditors, not

debtors. The economy of debt is an expression of the power and influence of finance, which is a result of its position in the economy (Greaber 2014). There are more than 7,000 financial institutions in Europe, and the European Banking Federation claims the EU banking system is the largest in the world, three times the size of the US system and four times bigger than the Japanese. It is also the fastest growing in the world. It's therefore no surprise that debt cancellation has become a taboo subject, while the non-payment of debt is associated with humiliation and loss of rights, as seen with Greece during the last financial crisis.

A debt audit is one of the strategies of debt resistance that could lead not only to debt restructuring, but also its (partial) cancellation. The degrowth community thus advocates debt audits and cancellations. Moreover, the concept of debt cancellation hasn't always been taboo, as it was applied in ancient Mesopotamia, where kings often annulled citizens' debts to ensure social peace and stability or, in the words of Hamurabi, to ensure that the powerful do not oppress the weak.

More recent movements for debt audits and cancellations were part of the global coalition of civil movements in the 1990s, which advocated the cancellation of debt to the poorest countries of the global South. Their campaign was relatively successful, with more than 70,000 people forming a human chain at the G7 summit in Birmingham, UK, calling for the cancellation of the debt of 52 countries. As a result of these pressures, in 2000 the US Congress allocated USD 769 million for bi- and multilateral debt relief.

In 2006, Norway became the first creditor country to unilaterally cancel the debt of five countries, totalling USD 62 million. More recently, in spring 2020, during the pandemic, the International Monetary Fund announced debt relief of USD 200 million for 25 countries over six months. While it was good to see an institution such as this being aware of the gravity of the global health crisis and its implications, and allowing countries to respond to the pandemic by investing in healthcare and social protection rather than debt repayment, the IMF holds USD 27 billion and more than USD 135 billion in gold. The degrowth movement therefore calls for debt relief for more countries and for a longer period, as this is the fastest financial aid available, necessary for healthcare systems as well as for the humanitarian and economic crisis that are likely to follow the pandemic.

A degrowth mosaic as the answer

Degrowth tries to offer a solution to the systemic crises we are facing with a mosaic of alternative proposals and practices, aware that a complex, multi-layered and dynamic system requires more than a single, straightforward solution. It is therefore vital that the proposals, critiques and hypotheses offered by degrowthers are based on scientific findings, which are then put to the test by the inquisitive civil society. Equally important is constant, mutual cooperation, because transformation requires research as well as organising for change. In this context it is important to remember that we wouldn't be aware of climate change if it wasn't for science, as it was the recording and collection of data, and complex forecast models with their interpretation of this data, that raised public awareness of the (until recently still invisible) threat of climate change and the fact that it is us who are causing it. Had civil society not listened to these voices, the climate change movement wouldn't

exist, the young wouldn't go into the streets demanding to have their future back, and there would be no Greta, whose message to politicians is simple: 'Listen to the scientists!' If we want degrowth to become a mainstream concept, then winning the battle of ideas is not enough. We must help build a mass social movement that will force politicians to abandon the growth imperative. Bringing significant changes to political systems requires significant measures to be taken.

To begin with, we should be humbler about how smart we are. If we were smart, we wouldn't be in such trouble now, and living in various crises would not be the norm. Science and the scientific community can become a part of the solution, but we should acknowledge that they are also a part of the problem. Science education, research and participation in management and policy need to shift from the hubris of scientists as agents of material progress through specialisation, to scientists as humble seekers of understanding of holistic and rapidly changing systems (Norgaard 2019, p. 114). We must believe there are alternatives we can choose from. If there aren't any, if everything is predetermined, there is no point in even debating these issues.

Transformative policies require special forms of repoliticisation that correspond to the current state of the world. More attention should be paid to care, and the jobs of frontline workers, who turned out to be so essential during the crisis, should be properly revaluated. To ensure a just transition, workers from destructive industries need access to training for new types of work that is regenerative and cleaner. Overall, we have to reduce working time and introduce work-sharing schemes. We have to democratically define a minimum and maximum income or the maximum difference between them. While some sectors of the economy, like fossil fuel production, the military and advertising, have to be phased out as fast as possible, we need to foster others, like healthcare, education, renewable energy and ecological agriculture (Degrowth: New Roots for the Economy).

The wrongs done are now evident and returning to 'normal' isn't an option, because normal was the problem. The pandemic's disruption of business-as-usual opens new pathways in our ongoing struggle to emancipate ourselves from the growth paradigm that is warming the atmosphere, destroying the biosphere and deepening socio-economic inequalities. In the aftermath of the pandemic, we have the opportunity to reorganise our societies in ways that better promote the sustainability of life. This sustainability would be rooted in collective decision-making in the production and reproduction of common and public wealth. This current crisis calls us to reflect on the priorities of our global economy at large, our daily priorities, and what the alternatives to 'back to normal' might be: more time for community, relationship building, and care for the planet and for each other (Feminist degrowth reflections).

Translation from Slovenian: Andreja Šalamon Verbič
Copy-editing, English text: Paul Steed

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