

Comment on the report “Social well-being within planetary boundaries”

Speed up the research and realization of growth independence

The report has made essential contributions to the understanding of what growth independence is, why we need it and what it could look like. We desperately need more such research, in particular on obstacles to a rapid transformation and on the role of inequality.

By Steffen Lange and Tim Jackson

The debates on economic growth and the environment have regained momentum across many European countries since the beginning of this century. On the side that sees the solution in continuing economic growth to achieve environmental sustainability, discussions have taken place under the labels green growth and green economy. Such debates have often taken place within international communities, in particular in international organizations such as the United Nations and the OECD. On the side that argues for an end of economic growth, this has been rather different. In several European countries such as France, Spain, Italy and others, discussions were related to the term degrowth. In Anglo-Saxon countries, namely Canada and England, the central terms were prosperity without growth, managing without growth and steady-state economies. In German-speaking countries, the term post-growth (Postwachstum) became popular. Only within the last years, these three discourses have become stronger connected, in particular through the more recent biannual “International Conference on Degrowth”, where prominent proponents of all three have participated. More recently, the debate has entered major policy-debates. On the European level, in September 2018 an international group of activists, scientists and politicians addressed the European institutions with a call for post-growth, named “Europe, It’s Time to End the Growth Dependency”. In Germany, many post-growth ideas have already been addressed on the national policy-level within the parliamentary commission on growth, prosperity and quality of life from 2011 to 2013.

While debates continue and enter new communities and institutions, concrete and detailed policy-proposals for non-growing economies are still difficult to come by. Everybody knows that we have to limit our use of fossil fuels, our CO₂-emissions, our land use, our exploitation of the sea and so forth. Moreover, scientists increasingly agree that this is not compatible with continuous economic growth, in particular in the rich countries of the Global North. But tough questions remain. How to organize income and jobs without growth? What replaces the

role that consumption plays in the social logic of modernity? What happens to international trade? How do we transform our industries? We face a multiverse of questions on the way towards a sustainable economy beyond growth.

Important contributions by the report

The report „Social well-being within planetary boundaries: The precautionary post-growth approach“ has made an essential contribution to this ongoing debate – namely the substantiation of what growth (in)dependence is, why we (might) need it and how it could look like in the labour market and regarding social security systems. Within the international community of scientists working on post-growth and degrowth issues, this is a much needed endeavor. In particular, the question of social security systems has barely been addressed – let alone developing concrete scenarios for concrete countries. From our perspective, there are five crucial insights to take from the report for debates in other countries, in particular in the European Union (next to these points, the report of course gives great insights into how the systems could be reorganized in Germany):

- Whether or not sufficient decoupling is feasible in the long run, a precautionary approach suggests that we need to prepare our societal systems to cope with zero growth or economic reduction, particular when strict environmental regulations are likely to impact on the growth rate.
- It is possible to organize pension and health care systems within a non-growing economy. There is nothing in principle speaking against it, argues the report.
- However, the changes required are likely to bring about conflicts with specific groups who will lose materially, as compared to a growth path. Of course, we know that measures to tackle climate change in the long run will increase overall welfare. Therefore, intelligent solutions need to be found to circumvent opposition, in particular when it comes from small and well-situated groups – so that organizing social security systems without growth becomes possible nonetheless.
- The concrete changes needed, and the obstacles that are likely to occur are country specific. Therefore, the situation will differ between countries and we need single analyses for each country’s social welfare system.
- Finally, the report illustrates that debates on post-growth have left debates in the niche and entered mainstream discussions. For one, this is illustrated by the institutions behind the report. It has been issued by the “Umweltbundes-

amt" (an agency closely connected to the German environmental ministry) and has been written not only by two prominent Institutes on sustainability issues (the Institute for Ecological Economy Research and the Wuppertal Institute for Climate, Environment and Energy) but also by one of the large traditional economic research institutes in Germany (the RWI – Leibniz Institute for Economic Research). Also, the report has led to debates throughout German media.

Urgent research needs

The report thereby advances the debate on growth independence immensely and the points mentioned bring it forward in several ways. At the same time, within the light of the international debate on post-growth and degrowth, there is still much to be done. From our perspective, the report has laid the foundation for a much-needed debate on growth independence. We see in particular three urgent research needs:

- **The time horizon:** The report investigates whether the labour market and social welfare systems can be organized independently from growth in general. However, for example far reaching climate policies need to be implemented within the next couple of years. In this light, the very concrete labour markets and social security systems of European countries need to be organized growth independently within a very short time horizon. Hence, we need research on how this can be achieved within a very limited number of years, at most one or two decades. In the light of a looming climate catastrophe, the famous words of John Maynard Keynes seems all the more true today, though in a different manner than he intended: "In the long run, we are all dead."
- **The role of inequality:** In connection to the urgency to see significant change, it seems to us, that the role of inequality needs to receive much more attention. When it comes to issues such as climate change, the next couple of decades (some even say the next couple of years) are decisive. If the environmental measures, which are necessary to stay below 1.5 degrees, lead to an end of economic growth in the EU, we have to put a focus on redistribution in order to guarantee sufficient pensions and good health care for all. The argument, that this might be difficult in the long run (as pointed out in the report), is not of primary importance at this point in history.
- **The logic of societal transformation:** A specific idea of societal transformation is underlying the logic of the report. It goes as follows: Strict environmental regulation is not applied because it might lead to zero or negative economic growth – and this in turn could lead to unemployment and a break-down of social security systems. Therefore, in order to facilitate environmental regulation, we need to make such systems independent from economic growth. However, is this the only obstacle to radical societal transformation? Certainly not. Equally important are political and eco-

nomical power. First, even environmental regulation that generates jobs does not take place – for example, it has been shown by various studies that supporting renewable energies creates jobs. Nevertheless, it is rarely being done. Second, sometimes strong economic policies are applied, albeit they lead to unemployment and the breakdown of social security systems. In the European Crisis, we have seen in Greece, Spain and other European countries that such measures are implemented when they serve powerful actors, as the owners of government bonds. During the crisis, austerity measures were introduced, which clearly led to a shrinkage of the economy, to more unemployment and to worse social security systems. To prevent misunderstandings: The authors do not support such measures. But the example shows that interests and power are important factors for which economic policies are put into place, and that such interests can even outweigh arguments regarding unemployment and social security systems. Hence, the issue, how measures towards growth independence can be implemented in light of the existing power structures, needs much more research.

The way forward

Further research on growth independence and in particular on these three issues is desperately needed. However, maybe even more important are concrete experiments, how such systems can look like – with a proactive and formative role for policy-makers. Already today, many countries face serious problems regarding unemployment and social security systems. One important reason is that the systems are built on the assumption of a fast growing economy. With the low growth rates in the 21st century, such systems do not work anymore. Let us start working on designing such issues so that all people receive a good income and good health and pension services today. Let us design the systems so that they can cope with zero or negative growth rates.

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