

Communication Skills 1

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Degrowth

We live in a society where we are taught that growth is always a positive thing. In this abstract we will try to explain why do we fundamentally disagree with that statement and introduce our perspective for growth phases.

From plants to humans, growth is always taught to be the basic direction of progress. That also applies to our economics. We are taught that our society is progressing as much as our economics are growing. The world's GDP, or in other words our consumption indicator, has increased dramatically in last 200 years. The curve has a shape of an exponential function which took a very sharp turn in the last century. Just in the last 70 years our GDP increased 10 times. Maybe at the first glance that looks like a positive thing, but in reality it isn't.

Population increase curve actually looks very similar to the GDP curve. And the trend is set to continue, by 2100 the population is predicted to surpass 11 billion. And no one knows how can this planet host such an amount of people. The other scary indicator is the temperature rise, in other words global warming. In the last century the global temperature anomaly increased by 1 degree Celsius. Which is a huge amount comparing it to the previous time periods. Not to mention how unequal the global wealth is spread, 8 richest people own the same wealth as the poorer half of the population, 3,6 billion people.

Our generation should take those numbers as a warning. As a motivation to start rethinking our progress perception and switch our focus because growth phase has an end. If a doctor told someone that they have a growth, suddenly growth wouldn't feel so good for them. That's because when something tries to grow forever within a healthy, living and thriving system it's a threat to the health of the whole. And we should realize that that applies to our economy as well. It has to follow the natural phases of growth like trees and human beings. Our resources are limited and this planet can't sustain the infinite growth that capitalism strives for. What we should strive for is a balance between using resources to fulfill our human needs and protecting the planet life support systems.

Growth in GDP has been the first measure of economic progress for half a century, but the 21st century requires a far more ambitious and global economic goal. Capitalism measures growth by GDP, Gross Domestic Product, which simply is the sum of the final goods and services produced in a country within a year. But is this really the right way to measure economic progress?

Let us show you a simple diagram to propose to you a different approach in measuring growth: The diagram below, Figure 1, shows the overlapping of social and natural capital. The social capital – based on our cultural world – is basically the GDP, like intangibles. The natural capital – based on the material world – is the resources a country needs in order to produce, like oil or minerals.

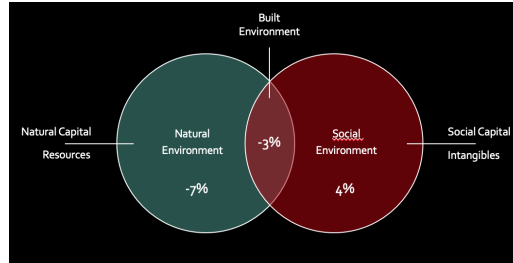


Figure 1: Diagram representing the overlapping of the natural and social capital.

When calculating GDP we don't take the natural capital into consideration. Let me show you a very simplified example. Let us say a country's social capital has an increase of 4% over a year. This is great, right? The GDP have just had an increase of 4%, hence the growth, according to capitalism, has been 4%. But hold on. To achieve this increase in GDP, the country has needed to spend 7% of its resources. In other words, the reduction of the natural capital is 7%.

This is where degrowth as an economic mindset comes into play. If we look at the combination of natural and social capital, we turn out with a growth at -3%. This is of course just an example and a very simplified way of imagining degrowth.

Degrowth is a bit more complex than this example, but how do we illustrate it? We need to define an ambitious and global economic goal. Kathy Raworth defined it like this: Meet the needs of all within the means of the planet[1]. If this goal is drawn on one page, it comes out – as weird as it sounds – like a doughnut. See figure 2.

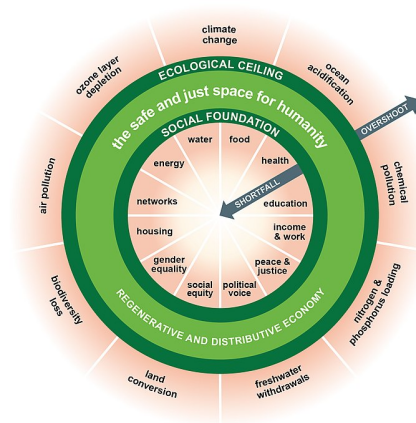


Figure 2: Degrowth doughnut[1].

We think that this switch of purpose transforms the meaning and shape of economic progress: from endless growth to thriving in balance. This pursuit of balance is nothing new. It has been the focus of our ancestors for centuries. From the Maori Takarangi, to the Taoist Yin Yang, the Buddhist endless knot, the Celtic double spiral.

How can we reach this balance? There is no simple solution to this question. Have a look at the doughnut. It really depends on the demographic circumstances. If you live in an underdeveloped country running below the social foundation your approach of applying degrowth will be totally different than if you live in a developed country which is overshooting the ecological ceiling.

However, we would like to point out two things here. First, it's about sufficiency and individual change. We have to change the mindset from growing to thriving. Being aware of our devastating perception of growth. Second, it's about system change. There need to be global laws and regulations which make sure that developed countries don't overshoot while underdeveloped countries get help to develop in a sustainable way.

Now, this second point might let you feel a bit helpless, right? How do you want to change global politics? Well, there actually is one thing you can do. And this is education. If you agree with us and you think that the concept of degrowth is interesting; talk about it with your friends, kind of in the same way we have been reaching out to you this abstract. Raise awareness about our questionable perception of growth. Explain them the sustainable mindset behind the economic concept of degrowth, focusing on well-being rather than money, thriving rather than growing. Help us spreading the idea of degrowth.

References

- [1] Kathy Raworth. Seven ways to think like a twenty-first-century economist. <https://www.resilience.org/stories/2017-04-06/doughnut-economics/> Accessed 13 December 2019.