Degrowth

Consume less. Share more.

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Summary

Indian business—perhaps even society at large—is currently buoyed by the expectation that we are entering a period of sustained economic growth that might finally make poverty a problem of the past. In this context, it might seem counter-intuitive to draw attention to the possibility of a decelerating global economy and projections about reversals in human well-being.

However, there is mounting evidence to show that the prevailing models of economic growth cannot continue unchecked to the end of the 21st century. Apart from the truism that infinite growth is not possible on a finite planet, the accelerating impacts of climate change are set to play havoc with a reliable supply of many natural resources—including food. Unless growth is redefined, degrowth will be forced upon the global economy, as a consequence of chaotic instability in eco-systems and due to the brittleness of political, social, and economic systems.

There are now broadly two choices before nations and the global private sector:

- Make a gradual but radical transition to a sustainable economy—that is, an economy that is not dependant on indefinite growth, or
- Slip into a period of unplanned non-growth that would be chaotic and will destroy much of the comforts and lifestyles that the rich and the middle classes across the world take for granted

But this looming crisis is also an opportunity to expand our imagination and open new vistas. For India, therefore, "re-growth" might be a more meaningful descriptor than the "degrowth" scenario being articulated by West European academics and activists. Its essence would be similar to what Mahatma Gandhi called "sarvodaya"—or an equitable and ecologically and socially sustainable spread of prosperity, instead of GDP-related growth that only measures the total of money-based transactions and/or the total exchange of materials and services.

Degrowth or re-growth as a choice broadly has five dimensions:

- Development as actual well-being, not just throughput of materials
- Steady-state economics, instead of systems in which growth is a survival imperative
- Fostering a solidarity economy through sharing and cooperation so that the same resources can serve far more people
- Reconfiguring consumption so that the judicious use of resources is a popular aspiration—and manufacturers foster it by abandoning business models based on planned obsolescence and instead design products to last and be reused.
- Redefining value so that the value of anything is not just what it is worth to a potential buyer in monetary terms, but rather in terms of the actual well-being it generates immediately as well as in the long term

The related challenges and opportunities for businesses and policy makers in India are:

- Think long term, in a frame of at least decades if not a century
- Adopt holistic metrics, replacing GDP with a metric that reflects actual well-being
- Invest in research on steady-state economic policies and business models

- Make a structural shift towards triple bottom-line valuation for private sector and government programmes

Introduction

"Your recession is not our degrowth"
A slogan of the International Conference on Degrowth, Leipzig, September 2014 [1]

"All nature is dovetailed together in a common cause. Nothing exists for itself. When this works out harmoniously and violence does not break the chain, we have an economy of permanence"
J. C. Kumarappa in *Economy of Permanence* [2]

Indian business—and perhaps even society at large—is currently buoyed by the expectation that we are entering a period of sustained economic growth that might finally relegate poverty to history.

To suggest then, at this juncture, that it is instead "degrowth" that is a big opportunity for India will seem at best counter-intuitive and at worst a form of lunacy.

However, there is now mounting evidence to indicate that unless the concept of "growth" itself is redefined in the near future, chaotic instability in eco-systems and the brittleness of political, social, and economic systems could plunge the global economy into a fatal deceleration.

If India is to buck these trends and fulfil the dream of sustained prosperity at all levels of the economy and society, then it is imperative that Indian policy-makers and business leaders look closely at the creative potential of the emerging global discourse on degrowth—or what in India might be more appropriately called "sarvodaya".

But how can a degrowth approach possibly be an opportunity for developing countries, where a vast majority of people still don't have access to basic levels of food, shelter, clothing, health, and education? If re-configuring the parameters of "growth" is the key to preventing a global economic deceleration, then what would be the characteristics of the emergent re-globalisation**?**

1. Degrowth by force of circumstance

In India, excitement about returning the economy to a high growth trajectory, and aiming for a 7- 9% annual growth rate, is often accompanied by various qualifiers—ministers in the union government and leaders of large private companies alike highlight the need for "inclusive growth" and "distributed growth". That is, GDP growth that creates enough jobs or livelihoods to cater to India's massive demographic dividend.

What is mentioned far less often is the challenge of forging a model of growth that is compatible with environmental limits, and which generates a dispersed and widely distributed prosperity. And this is what makes the mantra of "inclusive growth" hollow. It ignores the reality that the prevailing GDP-driven model of growth is past its expiry date; and even if that model were to work, it shows no signs of generating prosperity for all.

It is a truism that infinite growth is not possible on a finite planet. Nevertheless, global businesses and public policy-makers have continued to run corporations and nations on the assumption that human ingenuity and the resulting technologies will somehow support indefinite economic growth. And even if there are unavoidable limits, these will be reached in some distant future.

But alarm bells ringing loud and clear in three different domains—climate change, inequality, and unemployment—clearly show that these are false assumptions.

1.1 Climate change

Extreme weather is the new normal, the journal *New Scientist* declared in January 2014. Even if emissions are drastically cut right now, the effects of the cuts will be felt only after 2050, and the real dividends will kick in only by 2100. [3]

There is an emerging scientific consensus that in order to avoid catastrophic climate change, carbon emissions must be almost eliminated by 2050. This cannot be done without radically different modes of production, lifestyles, and patterns of consumption.

Climate change is accelerating trends that had been projected by the *Limits to Growth* reports, first published by the Club of Rome in 1972, which were dismissed by some as being alarmist. [4]

According to a study done at the Melbourne Sustainable Society Institute, based on data from various multilateral agencies and government sources, over the next half century per capita food availability and industrial output are poised to decline. . More importantly, serious negative fall-outs of these trends are expected to act as road blocks to GDP growth within the next two decades. [5]

While these negative trends are global, they have particularly dire implications for developing economies, which have the bulk of people who are still awaiting a rise in standards of living. Developing countries have historically had the lowest carbon emissions, but they are likely to bear the greatest brunt of climate change-related extreme weather disasters—for example floods or droughts that destroy crops.

1.2 Inequality

In January 2015, Reserve Bank of India governor Raghuram Rajan wrote about "…a palpable sense of gloom in the developed world, a feeling that growth is unlikely to take off in the foreseeable future. If secular stagnation persists, these countries will have to undertake painful structural reforms, figure out how to restructure their promises (debts, social-security commitments, and pledges to keep taxes low), and distribute the resulting burden.” [6]

Rajan’s assessment is shared by the International Monetary Fund’s managing director Christine Lagarde, who has spoken about the world economy as being stuck in a “new mediocre”. Similarly, former U.S. treasury secretary Larry Summers has described the world economy as going through a period of “secular stagnation”.

These signals indicate that the prolonged and continuing recession in western countries is not the low end of a cyclical phenomenon. Instead, it is indicative of a structural crisis that includes rapidly approaching ecological limits, chronic financial instability, and the possibly irreversible trend of exponential concentration of wealth.

One of the starkest symptoms of the crisis is this: conventional economic growth has led to an unprecedented concentration of wealth. Despite sustained growth, income disparity has worsened and it has featured among the top four items on the World Economic Forum’s ‘Global Risks Index’ in 2013 and 2014. [7]

Between 2000 and 2014 global wealth increased from $117 trillion to $262 trillion. However, according to a study by Credit Suisse, 94.5% of the world’s household wealth is now held by just 20% of the adult population, and 69.8% of the world’s population has less than $10,000 in assets. [8] Even in developed countries, where the basic needs of a majority of the people are fulfilled, happiness levels have been stagnant or declining well before the meltdown of 2008 brought unrest about growing inequality to the surface. [9]

It is doubtful if renewable sources of energy, even as they become more efficient, sophisticated, and cheaper, can enable the 9 billion people who are expected to inhabit the earth by 2050 to adapt lifestyles that match what the affluent are today accustomed to. [10]

1.3 Unemployment

The International Labour Organisation’s (ILO) ‘World Employment and Social Outlook’ for 2015 presents a grim picture, with no signs of the world economy closing the employment and social gaps that were exacerbated by the financial crisis of 2008.

Over 201 million people were unemployed in 2014 around the world, 31 million more than before the start of the global crisis. The ILO projects that the global employment outlook will continue to deteriorate for the next five years. Its report says: “The challenge of bringing unemployment and underemployment back to pre-crisis levels now appears as daunting a task as ever, with considerable societal and economic risks associated with this situation”. [11]

Even more significantly, the youth unemployment rate in 2014 was almost three times higher than that of older people in the work force. The heightened youth unemployment situation is common to all regions, according to the ILO report, and is occurring despite overall improvements in educational attainment, thus fuelling social discontent.

These diverse factors are a powerful incentive for re-thinking many of the assumptions on which the global economy currently operates. The most urgent question now is not how nations can get rich, but how to ensure widespread well-being through economic models that can actually work for all, and that can give human civilisation the chance to have a sustainable long-term future.

It is in this context that the emerging discourse on degrowth requires serious attention, both by governments and businesses. While the term "degrowth" is more recent, the basic concerns and aspirations associated with the term go all the way back to Mahatma Gandhi's call for "sarvodaya" or the uplift of all. Even more significantly, the basis of *sarvodaya* was articulated by Gandhi's disciple J. C. Kumarappa in his book *Economy of Permanence*, which was among the influences that led internationally influential economist E.F. Schumacher to advocate an "economics as if people mattered".

2. Degrowth as a choice

In the first week of September 2014, about 3000 academics, activists, and professionals gathered in Leipzig for the fifth international conference on degrowth. Since the first such conference was held in Paris in 2008, academics associated with the concept of degrowth have published over a hundred articles in professional journals. [12]

The gathering at Leipzig offered a bird's eye view of how the term "degrowth" is used in diverse ways. It is at the same time deemed to be an ideology, an economic concept, a framework, a paradigm, and even a social movement that seeks an ecologically wise vision of the good life and how to attain it for all—in other words, Gandhi's concept of s*arvodaya*.

Degrowth as a choice broadly has five dimensions:

1. Development as actual well-being, not just throughput of materials
2. Steady-state economics, instead of growth as a survival imperative
3. Fostering a solidarity economy
4. Reconfiguring consumption
5. Redefining value

2.1 Development as actual well-being, not just throughput of materials

For many who deploy the term, degrowth is a political slogan that signals a revolt against the claim that greater material consumption equals development. As a counter, the term degrowth shifts attention to the quest for a good life as well-being, based on environmental balance and nurturing social ties. For European scholars, degrowth is partly about rebuilding pre-consumerist cultures and learning from societies that have otherwise been deemed to be "un-developed".

The objective of degrowth, according to an editorial in the *Journal of Cleaner Production* "… can be called the *umran* (flowering) as by Ibn Kaldûn*; swadeshi-sarvodaya* (improving the social conditions of all), as by Gandhi; *bamtaare* (to be well together) as by Toucouleurs; or *fidnaa/gabbina* ("the radiance of a well-fed and carefree person) as with the Borana of Ethiopia". [13]

In some parts of Latin America, a similar concept called "buen vivier" now forms the basis of many social and political movements. Roughly translated as "good living" or "well living", *buen vivir* expresses a commitment to community-centred, ecologically-balanced, and culturally-sensitive ways of life and modes of production. It is the opposite of equating development with a net increase in money-based transactions and/or the total exchange of materials and services.

In the Indian context, the kernel of the degrowth vision already exists in the Gandhian concept of *sarvodaya*, which equates development with nurturing eco-systems and enriching the "commons" or the shared public resources of nature, social services, and economic functions.

2.2 Steady-state economics instead of growth as survival imperative

The economic model which took shape after World War II on both sides of the Atlantic, and went on to dominate across the world, is critiqued by degrowthers are being a "bicycle model"—because just as a bicycle, it is aloft only when its motion is not a phase or a choice but a survival imperative. It is assumed that both public and private sector business must either grow, or stagnate and die.

Yes, this model of a consumer economy did make goods and services available to the mass of people in western nations on an unprecedented scale. But rising inequality and the rapidly accelerating environmental crisis have shown that this model cannot be carried into the future—even in the nations of its origin.

Therefore the degrowth discourse is a quest for what some are calling a "tricycle model"—just as a tricycle, it is naturally balanced and does not need to stay in motion in order to stay aloft. Such a degrowth economic model growth would be better balanced with the environment and with livelihood needs. In a tricycle model, growth would be a phase, a choice, not a compulsion.

It is important to emphasise that most "degrowthers" are not in favour of an all-powerful state providing welfare to its people. Instead, they seek to foster social and economic structures that enable people to help themselves and be free from a dependence on welfare as well as from a marketing culture that generates infinite wants.

Therefore even "green growth" and "low carbon growth" are inadequate goals—since this leaves the phenomenon of indefinite growth unchallenged. The de-growth critique seeks a reconfiguration, possibly a downscaling, of the economy to make it compatible with the rhythms and limits of the biosphere and atmosphere. [14]

This perspective long pre-dates the emergence of the current degrowth discourse in Europe. Herman Daly, an American economist who is known as the "father" of ecological economics, developed the concept of "Steady State Economics" in a book published in 1991. Daly defined a steady state economy as follows:

"An economy with constant stocks of people and artifacts, maintained at some desired, sufficient levels by low rates of maintenance 'throughput', that is, by the lowest feasible flows of matter and energy from the first stage of production to the last stage of consumption." [15]

Kanchan Chopra, a founder member of the New Delhi-based Indian Society for Ecological Economics and currently visiting professor at the TERI University, also located in Delhi, suggests that in some contexts green growth could converge with "selective degrowth"—provided the definition of growth itself goes beyond green GDP.

2.3 Fostering a solidarity economy

The emphasis of a solidarity economy is on the evolution of alternative economic practices that are not dependent on exponential increase in order to thrive, and which produce a combination of social, cultural, and ecological well-being.

The key insight of the degrowth perspective is that at present the purposes of the economy are too narrowly conceived. Degrowth is seen as a way of transforming capitalism so that commercial enterprise is not dominated by monetary gain alone, and "profit maximisation" comes to include an enhancement of the commons in terms of both ecology and human well-being, along with private gain.

This approach is based on the understanding that the commons are the pond in which the fish of private property swim. [16] Unfortunately in India, the commons are now more threatened than ever before as greed dominates market relations—instead of the profit motive operating in a more holistic social-environmental context.

Freedom from growth as a survival imperative will depend on fostering a solidarity economy based more on cooperation and win-win interdependence rather than brutal competition that turns nature and labour almost completely into commodities.

Interestingly, quite independent of ideology-driven interest in a solidarity economy, a combination of technology and new outlooks on ownership are propelling the fast-growing phenomenon of the "sharing economy". Homes, cars, tools, even clothes, are being shared through peer-to-peer networks based on temporary access to what otherwise would have been under-utilised goods or services. The better known examples of this are Uber, Lending Club, Taskrabbit, Helpling, Zipcar, Philips lighting, eBay, and freecycling groups on Facebook.

If this were to happen on a large enough scale, sharing and reusing would reduce the global economy's burden on the earth's eco-systems. It would foster an economic dynamism that is not based on GDP growth.

2.4 Reconfiguring consumption

Degrowthers are emphatic that in countries like India, where a large segment of the population still does not have the essentials of life, consumption by the entire population must first grow before it reaches a steady state.

Curtailing or reconfiguring consumption is a central theme of the degrowth discourse in, and for, rich countries. Degrowthers draw inspiration from the American cultural movement called Voluntary Simplicity, which is promoting mindful rather than reckless consumption. It is no surprise that one of the key inspirations for Voluntary Simplicity is Mahatma Gandhi, as well as American author and poet Henry David Thoreau.

The term “voluntary simplicity” now covers a wide range of networks and individual efforts across the world, of people who are aiming to reduce their consumption, work time, and possessions. [17]

Ironically, much of what now passes for “voluntary simplicity” in the West was inherent in the traditions of India’s Jains, who were often rich merchants, but lived in elegant simplicity. “Simple living, high thinking” was the value instilled in most middle class families in India, till the arrival of high consumption with liberalisation after 1991 made this value seem like a failing or as behaviour driven by scarcity. [18]

The Australian academic Ted Trainer, a lecturer at the School of Social Sciences, University of New South Wales, has also articulated the concept of a “Simpler Way” based on values and attitudes which would enable a higher quality of life. Like many other advocates of degrowth, his is a vision of small-scale localism based on communal, cooperative, and participatory structures. According to Trainer:

“The increasing difficulties of consumer-capitalist society will force us towards small, local economies whether we like it or not. Local farm, jobs and cooperative systems and frugal ways will tend to be set up as petroleum dwindles and transport and travel become too costly. The most promising development to work within is the rapidly growing Transition Towns Movement.” [19]

Confidence about a voluntary shift leading to a reconfiguring of consumption, and thus of investment patterns, is bolstered by the growing volume of research in what is now called “happiness economics”.

Work from this branch of study, at the interface of economics and psychology, shows that in many prosperous countries happiness has not increased with the rise in national income. One reason for this is that after basic needs are met, happiness is an outcome of the quality of life, which may have no correlation to wealth and assets.

“The policy implications are stark: a more equal distribution of income and investment in public services that make a difference in the quality of life, can have greater welfare effects than generalized growth,” write Kallis, Kerschner, and Martinez-Alier, researchers at the Institut de Ciència i Tecnologia Ambientals, Universitat Autònoma, in Barcelona. [20]

This raises a question that is as important as it is difficult: if money does not buy happiness, why are so many people busy trying to become rich or richer? The researchers concede that richer people do report higher levels of happiness—both because of what they are able to buy and enjoy but also due to the comparative satisfaction of having more than others. However, in societies that have other, non-capitalist modes of exchange, the correlation between consumption and well-being is much lower or absent. This raises the possibility that the less commodified a society is, the less happiness depends on income or monetary assets.

2.5 Redefining value

Redefining value may thus be the most critical intellectual and political challenge if the degrowth imagination is to have any relevance for shaping a more stable and secure future. Here, the work of J. C. Kumarappa, best known as "Gandhi's economist", is deeply relevant. At present, value is equated with utility and measured entirely through money. Thus value is what anything is worth to a potential buyer. This is quite different from how much something matters to you, what it is "worth" in terms of how important it is not only to our immediate well-being but also to that of generations yet to come.

One of Kumarappa's key insights tells us that since human needs and wants are transient and ever-changing, they cannot be the basis of valuation if we want the human economy to have a sustained link with the earth's eco-systems—the "permanent order of things". By permanent Kumarappa meant nature's rhythms with all their cyclical changes, inter-linkages, and inter-dependence. [21]

British ecological economist Tim Jackson calls for a more accurate valuation of the "Cinderella" economy, or those socially-valuable sectors which are at present unnoticed because they appear to be unproductive or invisible by standard GDP metrics—such as caring for children and the elderly, investments that are ecologically sound but offer low money returns, and various forms of work in which the pay may be low but the satisfaction is high. [22]

The degrowth discourse is exploring new equations between the formal or "professional economy" driven by money, and the parallel non-paid, voluntary or "amateur economy", which includes invaluable elements like parenting, caring for the elderly, and voluntarism of various kinds.

In countries like India, where much of the local economy is in the so-called unorganised sector, there is enormous scope to expand spaces for those who operate largely or entirely within the local economy through a mix of market relations and fraternal social networks.

One of the scholarly papers published from the degrowth platform traces the historical shifts in the nature of work and proposes that one way of fostering sustainable degrowth in affluent countries would be to transfer some activities from the professional economy to the amateur economy—where "amateur" means lover of intrinsic value:

Jorgen Norgard, a professor of civil engineering at the Technical University of Denmark, writes, an amateur economy "… will tend to reduce overall labor productivity and hence resource throughput, but increase satisfaction and happiness. A key element in the analysis is combining a reduction in consumption with a reduction in production, which is obtainable through lowering either working time or work productivity and turning some of the leisure time into voluntary activities." [23]

3. Challenges and opportunities for businesses and policy-makers in India

3.1 Think long-term

At present, governments and businesses are both held captive by short-term compulsions—either of winning the next election or catering to markets on a quarter-to-quarter basis. So the first challenge posed by the degrowth discourse is to urge policy-makers and business leaders to see their present endeavour in the frame of at least half a century or even longer.

This will then open up the space to examine the first step of what the degrowthers advocate: growth as sustainable, equitably-spread prosperity, instead of growth as an end in itself.

Aditya Nigam, a scholar at the Centre for Study of Developing Societies in New Delhi, urges that an important way to integrate a long-term approach is for governments as well as the private sector to abandon planned obsolescence—by which products are deliberately made with a view to requiring early replacement in order to keep the production lines on a growth trajectory. According to this model, Nigam writes, "…the mass production of waste is not a by-product but a part of the growth strategy." [24]

3.2 Holistic metrics

The second challenge is to craft holistic metrics of economic dynamism and social well-being. For governments this could mean replacing the GNP with something like a Genuine Progress Indicator—which would show depletion of natural resources and social indicators like poor health, illiteracy, and crime as negatives. In other words, the measure of success would no longer be an increase in the total amount of goods and services produced and exchanged—which is all that the GNP calculates.

This Indicator, launched by a San Francisco think tank called Redefining Progress in the 1990s, and since further developed by various non-governmental entities on both sides of the Atlantic, is one of two notable examples worth studying and applying to suit India's specific needs. [25] The other is the Happy Planet Index, which uses country-wise data on well-being, age expectancy, and ecological footprints to map what matters. [26]

Within India some of this work has already been done for the past decade by the Green India States Trust (GIST), a non-governmental organisation. It was started by, among others, Pavan Sukhdev, a senior executive at Deutsche Bank, who also headed the United Nations Environment Programme's initiative on The Economics of Ecosystems and Biodiversity. GIST was set up in 2004 to promote sustainable development in India. It does this by estimating the economic value of eco-systems and replacing GDP "growth" with an environmentally-adjusted GDP, by accounting for all major externalities. Such work, if expanded, can serve as one of the building blocks of a degrowth approach. [27]

A few private companies, notably ITC, Mahindras, Wipro, and Infosys, have been doing significant work in monitoring the social and ecological implications of their own operations, making efforts to reduce their burden on the environment, and also paying close attention to the mounting data on the accelerating ecological imbalance. This is partly done through an annual sustainability report brought out by each of these companies. This is not yet mandatory by Indian law, and it makes these companies pioneers.

It is vital for all companies to produce sustainability reports that take stock of their full impact—both negative and positive. At present, since the focus is on showing growth in turnover and profits, most sustainability reports take the form of window dressing. [28]

3.3 Invest in research on steady-state business models and public policies

Once the imperative of indefinite growth has been questioned in principle, the third challenge is to recognise that: (a) there are no easy answers or models waiting in the wings, and; (b) there is a need for policy-makers, private companies, and activists/academics to work together to create at least the parameters of how to develop an alternative frame.

For example, it is not enough to know, in general, that it is essential to revive the commons in natural resources, social services, and economic functions. The craft of fully valuing the commons in relation to private property is still in the process of being developed, but it can grow by leaps and bounds with sufficient policy support and buy-in by the private sector.

This endeavour could build on the work of entities in the non-profit sector, such as the water issues think tank and funding agency Arghyam, based in Bangalore, the Centre for Science and Environment in New Delhi, the Society for Promoting Participative Ecosystem Management in Pune, and the People's Science Institute, Dehradun. [29]

Policy-makers can draw on the experiences and insights of these and other entities to demonstrate that effectively maintained commons are essential because they are the pond in which the fish of private property can exist—commons and private property are inter-dependent, not in conflict.

Kanchan Chopra, of the Indian Society for Ecological Economics in New Delhi, suggests that the government need not just provide individual incentives for green growth—instead, it can promote institutional mechanisms for fostering new approaches to green growth. [30]

3.4 A structural shift towards triple bottom line valuation

Degrowth as *sarvodaya* is only possible if both public and private enterprises are not solely driven by monetary profit maximisation. Public policy can help to nurture such a shift by creating tax structures and other incentives for private businesses to generate social and environmental value.

In this context, India's new Companies Act is seen as a lost opportunity because it defines corporate social responsibility as a portion of turnover to be spent on social good. But it is far more important to create processes of valuation that enable a company to map the social and environmental damage and/or the value it has created through running its operations.

Business must engage with governments in re-thinking the links between infrastructure investment and social-economic sustainability. This is of utmost urgency, as India prepares to spend an estimated $1.5 trillion on infrastructure over the next few years. [31] It is imperative for India to closely examine various models of infrastructure, factoring in sustainability as well as return on investment.

A creative lead by India could have a global impact—potentially influencing the G20, the Asian Infrastructure Investment Bank (AIIB), and the BRICS bank—of all which have a focus on infrastructure.

Fostering sustainable business practices in this sphere would mean unpacking the term "green growth" at two levels:

- Serious "green growth" has to be much more than a reduction of the carbon footprint or of wastes—this reduction is essential but it is still a defensive strategy.

  An assertive and futuristic strategy would be based on intensive research about meeting infrastructure needs in ways that maximise natural resources and eventually restore (rather than just "save") the environment.

  For example, it is not enough just to build a combination of roads + electricity grid + digital connectivity networks that will give rise to an industrial corridor. All aspects of the planned corridor or industrial cluster must be based on incentives (such as tax-breaks and other pay-backs from government and/or banks) which push business towards maximising resources and using materials that have a lower eco-footprint, and involve many more people as labour or providers of the material and services.

  But the prevailing conventional model, by and large, is based on the flawed formula of: less money spent + rapid deployment + ignore externalities = efficiency. Of course the less-money-spent factor inevitably includes less labour required.

  For "green growth" to be socially relevant, governments and the private sector must together keep an eye on the ratio of investment to the number of jobs/livelihoods generated.

- Even the most profoundly “green” strategies may, in the long term, become self-defeating if they are based on economic models that view indefinite growth as a goal in itself. For example, a particular kind of infrastructure may be more equitable and sustainable in the long run, but it may offer only a short growth spurt for businesses followed by a kind of “fallow” period in which only maintenance is required but no new business opportunity is present.

3.5 Limitations

The first and most obvious problem with the concept of degrowth is that “growth” is not merely a component of the prevailing system that can be removed or replaced. Growth is an imperative that is inherent to the entire global economy at present. As Australian academic Trainer writes:

“Growth is integral to the system. Most of the system’s basic structures and mechanism are driven by growth and cannot operate without it. Growth is not like a faulty air conditioning unit in a house, which can be removed leaving the rest of the house to function more or less the way it did before.” [32]

Therefore, the primary limitation being faced by degrowthers is that of opening up spaces for imaginative thinking and out-of-the-box scenario-building. For example, European labour unions refuse to engage with the degrowth platform because they equate it with a reduction of jobs. They are not convinced that a degrowth society would have more jobs, with everyone working less hours, as advocates of the concept believe.

This is partly because many of the underlying conditions for a degrowth framework do not yet exist. The challenge for the advocates of degrowth lies in showing how those conditions might be created. For example, at present the entire global economy runs on an interest-based system of finance. This means that capital must keep growing. A degrowth scenario is impossible without forging systems of finance that do not require interest or ever-escalating returns to equity. This seems unimaginable, but the United Nations Environment Programme is currently in the midst of a two-year exercise involving leaders of global finance to work out mechanisms that would be compatible with sustainability. [33]

The idea that the desire to get rich is not the only motivation that can ensure dynamic economic relations is deeply entrenched across the world. Degrowthers will therefore have a tough time demonstrating how micro examples of a solidarity economy can be adopted at the macro level to make structural shifts in favour of generating social and environmental—and not just monetary—value.

In a nutshell, the central question to be explored in depth is this—what kind of market system would foster the kinds of exchanges compatible with the principles of degrowth?

This can possibly happen in subsistence economies and a market system geared for exchange and distribution, rather than accumulating money and assets over time. Ironically, these are precisely the systems which for 70-odd years have been dismissed or condemned as being "un-developed". But now the so-called emerging markets have a chance to leap-frog over the old growth model and adopt a creative degrowth approach.

Perhaps the biggest barrier to such innovative and imaginative thinking is the association of the term "zero-growth" or degrowth with stagnation and decay in all spheres—material, social, and cultural.

In many pre-capitalist pre-modern societies, even in the West, markets served as a forum for exchange but were not driven by exponential accumulation. However, degrowthers are not backward looking. Instead, they visualise an evolution in human social, political, and economic systems that would create radically different forms of exchange—even if these do not immediately seem possible.

In this context the rise of community currencies in the Americas, parts of Europe and Australia, as well as the growing global use of Bitcoins, will need to be studied closely. [34] None of these innovations offer complete answers to complex and knotty questions. They do however stretch the imagination and focus attention on a crucial issue—that there is a clear distinction between a society that has a dynamic economy and a society that is entirely driven by the compulsions for economic growth.

Unless this distinction is clearly established, the degrowth discourse will be equated with the terms "zero-growth" and stagnation. The biggest challenge lies in showing that the opposite of endless growth is not zero growth, which would be anti-life, but a steady state.

Thus much depends on those advocates of degrowth who are trying to understand why some countries, notably Japan and Cuba, have managed to ensure basic material wellbeing even while they did not grow as economies. [35]

Conclusion: Exploring re-globalisation

Most degrowthers are the first to admit that many of their formulations are tentative and a great deal of both conceptual and practical work has to be done before degrowth can become the guiding principle for a process of re-globalisation.

While many of the "how to" claims of the degrowth discourse could be challenged, even demolished, the objective reality which has given rise to this discourse cannot be denied. There are now broadly two choices before nations and the global private sector:

- Make a gradual but radical transition to a sustainable economy, that is, an economy that is not dependant on indefinite growth, or
- Slip into a period of unplanned non-growth that would be chaotic and will destroy much of the comforts and lifestyles that the rich and the middle classes across the world take for granted.

At the very least, both governments and private enterprises have to prepare disaster management strategies to cope with upheavals caused by extreme weather as well as the financial burdens of the resulting damage. Businesses that ignore these realities, not factoring it into their risk assessments, will breach their fiduciary responsibility.

The degrowth discourse is important more as a window to expand the imagination rather than a finished piece of work. This is a relatively new storyline and political project that is more than likely to morph and merge into a complex, not particularly coherent, process of rapid change.

The big question is—what are the prospects for these ideas to grow roots in a global context of competitive nation states with money power playing a big role in both mature and new democracies? The challenges are undoubtedly daunting.

What matters, for the moment, is the articulation of a vision of a society with a stable and leaner metabolism, where well-being stems from equality, relation, and simplicity rather than concentrations of material wealth. As Giorgos Kallis, a research professor at the Universitat Autònoma de Barcelona, writes [36]: “Even if degrowth wanes as a scientific or political project and the truths and desires it represents find expression in a new keyword, its long-lasting legacy will be that it brought important questions back on the table.”

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