

Anna DORY

Master's Student at Sciences Po Paris

Phone: +33 6 68 94 03 82

E-mail address: anna.dory@sciencespo.fr

Growth *versus* Degrowth: Relocalization as an Impediment to Equality in a Post-growth
Society

Abstract:

This article feeds into the growth-degrowth debate by comparing the two systems of production from the point of view of equality. According to the dominant neoclassical economic discourse, growth favors equality in that it increases the amount of goods and services available to everyone. This idea has been challenged by scholars from different fields including economists (notably, Joseph Stiglitz) and growth objectors who contend that, in the absence of redistributive policies, growth has led to increasing inequality. Can degrowth therefore be said to present an opportunity, not only to devise and construct an ecologically viable system, but one that also acts in accordance with the principle of equality? Based on a review of the French degrowth movement and the literature written on the implication of degrowth in terms of equality and justice, this paper argues that degrowth does not intrinsically favor equality, both amongst people and amongst countries. One of its core policy proposals, re-localization, poses a real challenge in terms of equality as, in the absence of genuine redistributive mechanisms, it solidifies preexisting inequalities both at the international and intra-national scale. In order for degrowth to be conducive to a more equal society this issue has to be acknowledged and addressed within the movement and mechanisms fostering equality – including redistributive mechanisms – have to be actively devised.

Keywords: growth, degrowth, inequality, relocalization.

Introduction

We often compare growth and degrowth, as competing systems of production (which have economic, cultural and political implications), based on their environmental impact. The degrowth movement stems from the realization that our current economic system: capitalism, which is based on infinite growth, production and consumption, is not environmentally sustainable, meaning that it threatens the environment and, ultimately, the existence of species including our own (Latouche, 2006). According to growth objectors, in order to protect our environment and ourselves from destruction we need to drastically reduce our production and consumption rates, be it of natural resources or goods and services (Martínez-Alier, Pascual, Vivien, & Zaccai, 2010).

Economic growth, according to neoclassical economists, is the source of many benefits, including political and economic stability as well as decreasing inequalities (Muraca, 2012). This argument has been refuted by both scholars and quantitative evidence in the last three decades. In the absence of redistributive mechanisms infinite economic growth actually favors the concentration of income and wealth, thereby increasing economic inequality (Stiglitz, 2015). Degrowth can thus be conceived not only as a system compatible with environmental preservation but also as an opportunity for a more equal society.

However, degrowth does not intrinsically favor equality. Decreasing production and consumption rates entail lower wealth creation, which presumably means that fewer resources will be available to governments for redistribution and welfare programs.

Although these policies were and are not sufficient to ensure material equality they do participate in closing the gap between the poor and the rich. Therefore, theorizing degrowth means developing new ways to ensure equality and solidarity both amongst people and amongst countries.

This paper compares growth and degrowth from the perspective of equality.¹ The impact of economic growth on equality will first be assessed before analyzing what that of degrowth could be. Research has already highlighted some issues degrowth might pose in terms of equality mainly based on predictions made by degrowth thinkers. Yet few studies have examined the implications of their actual policy proposals. This article focuses on the implications of one important policy proposal of the French degrowth movement: re-localization. It is argued that, in the absence of redistributive mechanisms, re-localization actually solidifies inequalities generated by the capitalist economic system.

Economic Growth and Equality

According to neoclassical economic theory economic growth intrinsically favors equality. This theory is commonly summarized by one well-known statement: “a rising tide lifts all boats”, meaning that economic growth, materialized in the increased availability of goods and services, benefits everyone. Neoclassical economists predominantly rely on the “trickle-down effect” to justify this statement. They argue that

¹ Although I do believe, in line with the capabilities approach, that to measure equality one should not only look at the distribution of resources but at what individuals are able to accomplish with the latter depending on a multiplicity of factors, I will be comparing growth and degrowth from the perspective of material equality for simplicity reasons.

increase in wealth will automatically ‘trickle-down’ in the form of jobs and higher income to lower economic and social classes (Stiglitz, 2015). Therefore, according to this line of argument policies encouraging economic growth are to be at the core of any attempt to provide relief for the poor (Kenworthy, 2011).

However, quantitative research has shown that over the last decades inequality has actually increased as economies have continued to grow. According to Joseph Stiglitz, we have been witness, in the last thirty years, to a generalized trend of increasing inequality (2015). The Gini Index – which is used to measure income inequality – has increased by 29% in the United States (which is one of the fastest growing economy and most unequal society, indeed, the richest 1% hold 21% of the country’s national income and 41.8% of its wealth), by 17% in Germany, 14% in the UK and 11% in Japan, and these are but a few examples. Moreover, as “developing” countries have adopted liberal economic models resembling that of the United States their Gini coefficient has increased (Stiglitz, 2015).

Therefore, when neoclassical economists argue that economic growth benefits everyone they are not paying close enough attention to how income and wealth are distributed within societies notably depending on class, gender, and “race” (understood as a sociological construct). Economic growth does indeed increase the amount of goods and services available but these tend to concentrate in the same hands. Why? According to Joseph Stiglitz this can be explained by the increase in the value of rent (which has a greater tendency to accumulation than income) at the expense of wages, the ability of the wealthiest (who predominantly work in the financial sector or are non-financial executives) to set their own income and policies which actually have the effect of amplifying inequality (such as favorable tax-treatment for capital gains) (2015).

Therefore, policies are key in defining the impact of economic growth on equality. As Barbara Muraca argues: “the immanent logic of exponential growth seems to lead to increasing inequalities and thus to an increasing gap between rich and poor in the absence of institutional measures of redistribution of wealth” (2012, p. 540). This argument has been backed up by research showing that it is not economic growth but net-government transfers that have led to a rise in the income of the poor and, thus, to a reduction in inequality, although this has seldom been the case due to liberal economic policies, as shown by increasing Gini coefficients (Kenworthy, 2011).

Economic growth does not intrinsically favor equality and, in the absence of redistributive policies, its benefits actually tend to concentrate in already wealthy hands. Degrowth, thus, presents us with an opportunity to devise systems and policies that will form the basis for a more equal society. However, degrowth, conceived of as an economic but also political and cultural alternative to our current capitalist system based on infinite growth, does not intrinsically favor equality as some of the policies it favors might actually work in the opposite direction, as we will now see.

Degrowth and Equality

Degrowth is a transformative political project which seeks to offer an alternative to economic growth and capitalism. It developed mostly in the francophone world (*décroissance*), and more broadly in Europe, although it is close to other movements or

fields of research such as *Buen Vivir* in Latin America and steady-state economics in North America (Martínez-Alier et al., 2010). This paper draws largely from writings of the French *décroissance* movement.

Degrowth anchors itself in the realization that capitalism is the cause of substantial environmental destruction, ultimately threatening life on Earth. Moreover, degrowth also criticizes capitalism as an unsustainable system in the sense that natural resources key to its functioning are close to depletion, the most important one being oil (Sinaï, 2013). Therefore, degrowth thinkers advocate for reducing the production and consumption of both natural resources and material goods, *i.e.* ‘degrowing’. Of course, this has considerable political and cultural implications. Degrowth thinkers put forward a set of policies with two complementary aims: (1) preemptively transforming our societies in order to avoid (if possible) an ecological crisis and (2) boosting our societies’ resilience in order adapt to and survive the changes induced by climate change and the depletion of natural resources (Sinaï, 2013).

Degrowth objectors as well as proponents have already highlighted some challenges degrowth might pose in terms of equality. However, they have mostly focused on the predictions made by growth objectors rather than on their policy proposals. For example, as previously outlined, degrowth scholars believe that key natural resources will soon reach their supply peak, meaning that there will be a shortage of natural resources. This is particularly true for natural resources necessary for energy production, for example, but it is also true for both primary and material goods as well as employment, as implied by a degrowing economy (production decreases, which means less factors of production are required, labor included). Degrowth thinkers have provided some solutions to these

challenges such as rationing of goods and natural resources and sharing work hours or implementing universal basic income (Sinaï & Szuba, 2017). This paper, however, criticizes one of degrowth's core policy proposal: re-localization.

Degrowth thinkers emphasize re-localization as a tool for boosting resilience, understood as the ability of a system to maintain its main functions and processes, even in the face of disturbances (Sinaï, Stevens, Carton & Servigne, 2015). Serge Latouche, argued to be “the main intellectual Francophone reference on degrowth” argues in favor of re-localizing production, exchanges and lifestyles (Martínez-Alier et al., 2010, p. 1742). Re-localization is believed to foster resilience because it favors the autonomy and power of the people. Indeed, so the argument goes, relocalizing for example energy and food production at the local level makes it easier for people to know more about these systems and increases their power to change them. According to Joan Martinez-Alier, Unai Pascual, Franck Dominique-Vivien and Edwin Zaccai the emphasis put on autonomy and, therefore, re-localization is a key characteristic of degrowth *à la française*: “French de-growth thinkers consider economic questions to be political questions. In their writings, we find the aspiration to get rid of capitalism which destroys man and nature, but without explicitly aspiring to construct a ‘radiant socialism’ (see e.g., Ariès, 2005). Instead their keyword is autonomy: autonomy of individuals, small groups, regions, and the like” (2010, p. 1744). French degrowth thinkers thus argue in favor of self-sufficient localities, such as bioregions, which are: “*des zones géographiques définies par des caractéristiques naturelles, incluant le bassin hydrographique, le relief, la composition des sols, les qualités*

géologiques, les plantes et les animaux originaires du lieu, le climat et le temps”² (Sinai & Szuba, 2017, p. 121). Bioregions, as they are envisioned, have their own political and economic institutions. They are made up of a network of smaller localities, which will carry out redundant but diverse activities. Therefore, although localities within bioregions are interdependent, bioregions are supposed to be autonomous and self-sufficient (Sinai et al., 2015). What does this imply in terms of equality both at the international and intra-national scale?

1 - The implications of re-localization at the international scale

Re-localization implies the end of global exchanges. It means that countries will have to depend on their own resources to function, mitigate (if possible) and adapt to the effects of climate change and the depletion of natural resources. However, countries are not endowed with the same amount of wealth and remaining natural resources. It is common knowledge that there is a very high level of economic disparities across countries. The richest countries are more than forty times richer than the poorest countries (Acemoglu & Robinson, 2017). Moreover, countries with the most natural resources (including oil, gold, copper, timber, iron, natural gas *etc.*) are mostly high-income countries such as the United States, Canada, Saudi Arabia, Australia, and countries which are often referred to as ‘newly-industrialized countries’ such as China, Russia and Brazil, *i.e.* countries with high GDPs (Anthony, 2016). Therefore, countries are not on equally able to make the

² Tentative translation: “Geographical areas delineated based on their natural characteristics such as hydrographic basins, landscapes, soil composition, geological characteristics, plants and animals, the climate and the weather”.

necessary (high) investments to create more resilient systems guaranteeing food, water and energy availability as well as transportation, housing *etc.* Furthermore, some countries are already working on boosting their resilience in order to be able to face the consequences of natural resources shortages and climate change, which starts with studying what these consequences will be. Between 2001 and 2010 9 329 papers have been published on the predicted effects of climate change in North-America, 10 544 on its effect in Europe and 8 101 on its effect in Asia. However, only 1 987 and 2 982 papers have studied the consequences of climate change in Latin-America and Africa respectively (GIEC, 2014, p. 38). Moreover, some cities and/or regions, which call themselves ‘transition towns’ have already started implementing policies to reduce their dependency on non-renewable resources and create local solidarity networks (Sinaï, 2013). Therefore, countries are not an equal footing when it comes to preparing or adapting to the effects of ecological changes, which is key in order to find, in Odum’s terms, a “prosperous way down” (Martínez-Alier et al., 2010, p. 1741). This might have important consequences as, according to Hugo Carton: “*en permettant la distinction entre les sociétés assez résilientes pour survivre aux désastres et celles qui ne le sont pas assez – ou trop – et qui sont amenées à disparaître, le discours de la résilience rappelle les lois darwiniennes de l’évolution*”³ (Sinaï, 2013, p.175).

³ Tentative translation: “By permitting that distinctions be made between societies resilient enough to survive to the disturbances and those that lack resilience and will therefore disappear, the discourse on resilience can be likened to Darwin’s laws of evolution”.

Inequality between countries to face and adapt to the consequences of climate change and natural resources shortages is even more important to take into account for three main reasons.

First, the lack of both economic and natural resources of the so-called “underdeveloped countries” can, in part, be blamed on higher-income countries. Indeed, according to Acemoglu and Robinson income per capita is predominantly dependent upon institutions, institutions that they argue are a relic from colonial times (2001). They find that in countries in which Europeans had a harder time settling (because of diseases or already high population density), such as countries on the Latin-American, African and Asian continents, European settlers created “extractive institutions” whose main purpose was “to transfer as much of the resources of the colony to the colonizer” (Acemoglu & Robinson, 2001, p. 1370). According to their results, a third of income inequality is accounted for by the varying impact of institutions inherited from colonial times, to which can be added the negative impact of the slave trade, the forced implementation of trade laws benefiting western countries and the ongoing exploitation of natural resources in the Global South by higher-income countries (2001).

Second, countries have not equally contributed to the ecological crisis at hand. Western countries’ – especially Europe and the United-States – production and consumption patterns have largely contributed to climate change and to the shortage of natural resources as they released close to half of the carbon dioxide ever emitted. By opposition, countries which are the least prepared and have the least means to prepare and adapt to climate change and natural resources shortages are countries which have the least contributed to the latter: Africa, Latin-America and parts of Asia (Clark & Houson, 2013).

Moreover, the difference in emissions between ‘developed’ and ‘underdeveloped’ is even more important when considering carbon dioxide emissions per capita per country.

Third, climate change as well as natural resources depletion impacts countries with more or less intensity. Countries of the Global South face particularly high risks due to poverty, rising sea-levels and natural catastrophes (Clark & Houson, 2013). Therefore, countries which have the less means to prepare and adapt to the ecological crisis are also the countries whose economic development has been impeded by colonialism, the countries which are the least responsible for the ecological crisis at hand and the countries which are the most threatened by it.

One objection that could be made against my argument is that, as most degrowth scholars agree, countries of the Global South are not required to degrow (Muraca, 2012). Therefore, they are not required to make any changes to the systems structuring their society. However, climate is already changing and some natural resources are already close to depletion, having consequences especially for poorer countries and, even if higher-income countries start reducing their production and consumption rates immediately, things are likely to worsen in the future. Countries of the Global South need to be able to prepare and adapt to the ecological changes they will have to face. They need to be given the opportunity and means to construct resilient systems, which will hold in the face of ecological disturbances. Moreover, if as Serge Latouche argues economic growth and ‘development’ have done nothing and will do nothing for countries of the Global South but increase their dependency upon western countries, should not countries of the Global South be offered the possibility, *i.e.* be given (back) the means, to break with capitalism and growth and construct their own systems (2006)?

Degrowth thinkers have to recognize the comparative economic advantages gained by western countries over countries of the Global South. Although they aim to break with capitalism and economic growth, they need to acknowledge that this system has enabled western countries to accumulate capital and wealth, which will be of use to them in order to adapt to and protect themselves from the ecological crisis they have created. Therefore, as Andreas Exner, Christian Lauk and Werner Zittel argue the “issue of distributional equality is crucial for peripheral countries, since it directly concerns the physical possibility of future (by necessity renewable) energy production”, amongst other things (2015, p.352). If re-localization is to be emphasized by degrowth thinkers as a tool to boost resilience it needs to be theorized in conjunction with mechanisms enabling equality and solidarity at the international scale.

2 - The implications of re-localization at the intra-national scale

Re-localization, as previously highlighted, implies the creation of small self-sufficient territorial entities within preexisting countries, therefore it also has implications for equality at the intra-national scale.

Socio-economic inequalities based on class and “race”, amongst others, do have a spatial dimension to them, meaning that implementing re-localization might lead to the creation of homogeneous – in terms of sociological and economic characteristics – communities, thereby solidifying preexisting inequalities. Indeed, in France, households with lower incomes are concentrated in specific departments (Cazenave & Baruch, 2014). Moreover, lower classes and non-whites are concentrated in some neighborhoods, called

“*quartiers prioritaires*” (priority neighborhoods). In these neighborhoods, the unemployment rate is close to three times that of the national average and the income poverty rate is of 40% (Royer, 2016, p.27).

Similarly to the issues I have sought to highlight at the international scale, the people which will have the less means to prepare and adapt to climate change (lower classes) are the people which will be the most threatened by it as outlined in the 2014 GIEC report: “*Les populations qui sont marginalisées sur le plan social, économique, culturel, politique, institutionnel ou autrement sont particulièrement vulnérables au changement climatique ainsi qu’à certaines stratégies d’adaptation et d’atténuation*”⁴ (p. 50). Indeed, according to a study conducted by Eric Klinenberg, the number of deaths resulting from the heat waves that hit Chicago in the summer of 1995 were disproportionately concentrated in poor, black neighborhoods. He argues these groups of people were particularly vulnerable to the heatwave because of their lack of economic resources and strong social ties (Comby, 2015, p.145). Lower-classes will also have the least contributed to the patterns of production and consumption at the root of the ecological crisis. In Sandrine Rousseau’s words: “*Non seulement l’ampleur du niveau de consommation varie avec le temps de travail, mais la nature des biens consommés change aussi, de sorte que les personnes aux revenus élevés consomment des biens plus néfastes pour l’environnement*”⁵ (Sinaï & Szuba, 2017, p. 205).

⁴ Tentative translation: “Economically, culturally, politically, institutionally marginalized populations will be particularly vulnerable to climate change as well as to some adaptation and mitigation strategies”.

⁵ Tentative translation: “Not only does consumption level increase with working time but the nature of the goods and services consumed also changes, so that people with higher income consume goods and services which are worse for the environment”.

Redistribution and welfare programs were the means by which government were and still are trying to reduce inequalities, including socio-spatial inequalities. However, it is reasonable to presume that in a post-growth societies less wealth will be available for governments to continue carrying out these policies. Moreover, as bioregions are envisioned to have their own political and economic institutions there may be no central government able to redistribute resources and income amongst regions. The unequal spatial distribution of resources, capital and wealth generated by capitalism will, thus, be consolidated by the creation of self-sufficient bioregions in the absence of national redistributive mechanisms. There is also an issue of redistribution within the bioregions themselves. Indeed, some degrowth scholars argue in favor of replacing social services provided for by the Welfare States by emphasizing non-monetary exchanges, such as barter, donation and self-production (Di Méo & Harribey, 2006). As highlighted by Barbara Muraca social services will thus be reallocated to the private sector and the family. She argues: “given that different individuals are differently able to convert resources and chances into functionings, having an equal constraint and equal requirements in terms of self-supply might lead to significant injustice in the absence of coordinating institutions that through politics of redistribution counteract discrimination and exclusion and provide formal and substantial conditions for participatory parity and the good life” (2012, p. 544). Furthermore, re-localization and putting the emphasis on private systems of solidarity may hide relations of domination and oppression, especially from a gender perspective.

Therefore, in the absence of redistributive mechanisms both at the national and regional scales, re-localization might actually solidify preexisting inequalities. Although solidarity and equality seem to be an issue close to the heart of degrowth thinkers, the aim

they explicitly set for degrowth to bring about more equality both amongst people and amongst countries need to be supplemented by clear, tangible propositions on how do so.

Conclusion

As this paper has sought to show, re-localization poses a real challenge to equality in a post-growth society. Indeed, the push for more autonomy and self-sufficiency which translates into re-localization as a policy-objective, might solidify preexisting inequalities both at the international and intra-national scale. In the absence of concrete mechanisms fostering solidarity and redistributing wealth and resources amongst countries, regions, and people, those which are the least responsible for and most threatened by climate change and the depletion of natural resources will be left to prepare and adapt to the latter on their own, with insufficient means. On the other hand, countries and people which have benefited from the capitalist system, often at the expense of their peers, will have the necessary resources (both natural and theoretical) and wealth to create resilient systems and networks, able to hold in the face of ecological disturbances. This is an important issue, which will structure the type of post-growth society in which we will live. Therefore, solidarity and equality should not simply be identified as objectives for a post-growth society but mechanisms fostering the latter should actively be devised in order for degrowth to be a genuine opportunity for a more equal society, including redistributive mechanisms. This depends upon de-idealizing “relational and social networks” as argued by Barbara Muraca at the intra-national scale and acknowledging the social, economic and ecological

debt western countries have on countries of the Global South at the international scale
(2012, p. 544).

References

- Acemoglu, D., Johnson, S., & Robinson, J. A. (2001). The colonial origins of comparative development: An empirical investigation. *American Economic Review*, 91(5), 1369-1401.
- Acemoglu D. & Robinson J. (2017, January 30) The Economic Impact of Colonialism. *VOX*.
Retrieved from: <https://voxeu.org/article/economic-impact-colonialism>
- Angeles, L. (2007). Income inequality and colonialism. *European Economic Review*, 51(5), 1155-1176.
- Anthony, C. (2016, September 12). 10 Countries with the Most Natural Resources. *Investopedia*. Retrieved from <https://www.investopedia.com/articles/markets-economy/090516/10-countries-most-natural-resources.asp>
- Carton, H., Servigne, P., Sinäi, A., & Stevens, R. (2015). *Petit traité de résilience locale*. Paris : Editions Charles Leopold Mayer.
- Cazenave, F., & Baruch, J. (2014, July 9). Impôt sur le revenu : la carte de France des inégalités. *Le Monde*. Retrieved from:

http://www.lemonde.fr/argent/article/2014/07/09/les-inegalites-vues-a-travers-l-impot-sur-le-revenu_4453997_1657007.html#

Clark, D., & Houson, R. (2013). The Carbon Map. Retrieved from:

<http://www.carbonmap.org>

Comby, J. B. (2015). La question climatique: genèse et dépolitisation d'un problème public. *Raisons d'agir*.

Di Méo, C., & Harribey, J. M. (2006). Les dangers du discours de la décroissance. *Politis*, (917).

Exner, A., Lauk, C., & Zittel, W. (2015). Sold futures? The global availability of metals and economic growth at the peripheries: Distribution and regulation in a degrowth perspective. *Antipode*, 47(2), 342-359.

GIEC (2014). *Changements climatiques 2014: incidences, adaptation et vulnérabilité*.

Résumés, foire aux questions et encarts thématiques. Retrieved from

<http://www.ipcc.ch/report/ar5/index.shtml>.

Harribey, J. M. (2008). Du côté de la décroissance : questions encore non résolues. *Cahiers marxistes*, (238), 175-195.

Kallis, G., Kerschner, C., & Martinez-Alier, J. (2012). The economics of degrowth. *Ecological Economics*, 84, 182-180.

Kenworthy, L. (2011). *Progress for the Poor*. Oxford: Oxford University Press.

Latouche, S. (2006). *Le pari de la décroissance*. Paris : Fayard.

Martínez-Alier, J., Pascual, U., Vivien, F. D., & Zaccai, E. (2010). Sustainable degrowth: Mapping the context, criticisms and future prospects of an emergent paradigm. *Ecological economics*, 69(9), 1741-1747.

Martinez-Alier, J. (2012). Environmental justice and economic degrowth: an alliance between two movements. *Capitalism Nature Socialism*, 23(1), 51-73.

Muraca, B. (2012). Towards a fair degrowth-society: Justice and the right to a 'good life' beyond growth. *Futures*, 44(6), 535-545.

Patnaik, P. (2015). Capitalism and Inequality. *Agrarian South: Journal of Political Economy*, 4(2), 153-168.

Royer, D. (2016). Inégalités territoriales en France. *Après-demain*, (2), 27-30.

Sinaï, A., & Szuba, M. (2017). *Gouverner la décroissance : Politiques de l'Anthropocène*

III. Paris : Presses de Sciences Po.

Stiglitz, J. E. (2015). 8. Inequality and Economic Growth. *The Political Quarterly*, 86(S1), 134-155.

Sinaï, A. (2013). *Penser la décroissance : Politiques de l'Anthropocène*. Paris : Presses de Sciences Po.