Degrowth economics

By Serge Latouche

Last December we published an article about contraction economics - décroissance or ‘degrowth’- a topic that has become a major subject of debate, not just within the counter-globalisation movement but in the wider world. The big question is: how should ‘degrowth’ apply to the South?

THE logic of advertising so dominates the media that it views anything new - material, cultural or otherwise - as a product launch. And in any product launch, the key word is concept. So as discussion of décroissance (literally “degrowth”, that is economic contraction or downscaling) spread, the media naturally started to ask what was the concept. We are sorry to disappoint the media, but degrowth is not a concept. There is no theory of contraction equivalent to the growth theories of economics. Degrowth is just a term created by radical critics of growth theory to free everybody from the economic correctness that prevents us from proposing alternative projects for post-development politics.

In fact degrowth is not a concrete project but a keyword. Society has been locked into thought dominated by progressivist growth economics; the tyranny of these has made imaginative thinking outside the box impossible. The idea of a contraction-based society is just a way to provoke thought about alternatives. To accuse its advocates of only wanting to see economies contract within the existing system rather than proposing an alternative to that system, and to suspect them (as do some counter-globalisation economists) of wanting to prevent the underdeveloped world from resolving its problems reflects at best ignorance and at worst bad faith.

Proponents of contraction want to create integrated, self-sufficient and materially responsible societies in both the North...
and the South. It might be more accurate and less alarming if we replaced the word degrowth with "non-growth". We could then start talking about "a-growthism", as in "a-theism". After all, rejecting the current economic orthodoxy means abandoning a faith system, a religion. To achieve this, we need doggedly and rigorously to deconstruct the matter of development. The term "development" has been redefined and qualified so much that it has become meaningless. Yet despite its failings, this magical concept continues to command total devotion across the political spectrum. The doctrines of "economism" (1), in which growth is the ultimate good, die hard. Even counter-globalisation economists are in a paradoxical position: they acknowledge the harm that growth has done but continue to speak of enabling Southern countries to benefit from it. In the North the furthest they are prepared to go is to advocate slowing down growth. An increasing number of anti-globalisation activists now concede that growth as we have known it is both unsustainable and harmful, socially as well as ecologically. Yet they have little confidence in degrowth as a guiding principle: the South, deprived of development, cannot be denied at least a period of growth, although it may cause problems.

The result is a stalemate where neither growth nor contraction suit. The proposed compromise of growth slowdown follows the tradition in these debates in that it lets everyone agree on a misunderstanding. Forcing our economies to grow more slowly will never deliver the benefits of a society free from constant growth (that is, being materially responsible, fully integrated and self-sufficient) but it will hurt employment, which has been the one undeniable advantage of rapid, inequitable and environmentally catastrophic expansion. To understand why the creation of a non-growth society is so necessary and so desirable for North and South, we must examine the history of the idea. The proposal for a self-sufficient and materially responsible society is not new; it is part of the tradition of development criticism. For more than 40 years an international group of commentators had analysed economic development in the South and denounced the harm it has done (2). These commentators do not just address recent capitalist or ultra-liberal development: for example, they have considered Houari Boumediene's Algeria and Julius Nyerere's Tanzania, which were both officially socialist, participatory, self-reliant and based on popular solidarity. And they have also noted that development has often been carried out or supported by charitable, humanist NGOs. Yet apart from a few scattered success stories, it has been an overwhelming failure. What was supposed to bring contentment to everyone in every aspect of life led only to corruption, confusion and structural adjustment plans that turned poverty into destitution.

Degrowth must apply to the South as much as to the North if there is to be any chance to stop Southern societies from rushing up the blind alley of growth economics. Where there is still time, they should aim not for development but for disentanglement -
removing the obstacles that prevent them from developing
differently. This does not mean a return to an idealised version
of an informal economy - nothing can be expected to change in
the South if the North does not adopt some form of economic
contraction. As long as hungry Ethiopia and Somalia still have to
export feedstuffs destined for pet animals in the North, and the
meat we eat is raised on soya from the razed Amazon rainforest,
our excessive consumption smothers any chance of real self-
sufficiency in the South (3).

If the South is to attempt to create non-growth societies, it
must rethink and re-localise. Southern countries need to escape
from their economic and cultural dependence on the North and
rediscover their own histories - interrupted by colonialism,
development and globalisation - to establish distinct indigenous
cultural identities. The cultural histories of many societies reveal
inherently anti-economistic values. These need to be revived,
along with rejected or forgotten products and traditional crafts
and skills. Insisting on growth in the South, as though it were
the only way out of the misery that growth created, can only
lead to further westernisation. Development proposals are often
born of genuine goodwill - we want to build schools and health
clinics, set up water distribution systems, restore self-sufficiency
in food - but they all share the ethnocentrism bound up with the
idea of development. Ask the governments of countries what
they want, or study surveys of populations duped by the media,
and they do not ask for the schools and clinics that western
paternalism considers fundamental needs. They want air
conditioning, mobile phones, fridges and, above all, cars
(Volkswagen and General Motors are planning to start producing
3m vehicles a year in China, and Peugeot is also investing
heavily there). For the benefit of their governing elites, we might
also add nuclear power stations, fighter jets and tanks to the
wish list.

Or we could listen to the exasperated Guatemalan leader cited by
Alain Gras (4): "Leave the poor alone and stop going on about
development!" All the leaders of popular movements, from
Vandana Shiva in India to Emmanuel Ndione in Senegal, say the
same thing. Advocates of development may pontificate about the
need to restore self-sufficiency in food; but the terms they use
prove that there was self-sufficiency and that it has been lost.
Africa was self-sufficient in food until the 1960s when the great
wave of development began. Imperialism, growth economics and
globalisation destroyed that self-sufficiency and make African
societies more dependent by the day. Water may not have come
out of a tap in the past, but most of it was drinkable until
industrial waste arrived to pollute it.

Are schools and clinics really the right ways to achieve and
maintain good standards of education and health? The great
polemicist and social thinker Ivan Illich (1926-2002) had serious
doubts about their effectiveness, even in the North (5). As the
Iranian economist Majid Rahnema puts it, "What we call aid
money serves only to strengthen the structures that generate poverty. Aid money never reaches those victims who, having lost their real assets, look for alternative ways of life outside the globalised system of production which are better suited to their needs" (6).

There is no prospect of just returning to the old ways - no more than there is a universal model of progress on contraction or non-growth lines. Those millions for whom development has meant only poverty and exclusion are left with a weak mixture of lost tradition and unaffordable modernity, a paradox that sums up the double challenge that they face. But we should not underestimate the strength of our social and cultural achievements: once human creativity and ingenuity have been freed from the bonds of economism and development-mania, there is every reason to believe that they can tackle the task.

Different societies have different views of the shared basic aim of a good life. If we must give it a name, it could be beumran (thriving or flourishing), as used by the Arab historian and philosopher Ibn Kaldûn (1332-1406); Gandhi’s swadeshi-sarvodaya (self-sufficiency and welfare); bamtaare (shared well-being) in the language of the West African Toucouleurs; or fidnaa/gabbina (the shine of someone who is well-fed and free of all worry) in the vocabulary of Ethiopia’s Borana people (7). What really matters is that we reject continuing destruction in the name of development. The fresh and original alternatives springing up point the way towards a successful post-development society.

However, neither North nor South will overcome their addiction to growth without a collective and comprehensive detoxification programme. The growth doctrine is like a disease and a drug. As Rahnema says, Homo economicus had two strategies for taking over virgin territories: one operated like HIV, the other like a drug pusher (8). Growth economics, like HIV, destroys societies’ immune systems against social ills. And growth needs a constant supply of new markets to survive so, like a drug dealer, it deliberately creates needs and dependencies that did not exist before. The fact that the dealers in the supply chain, mainly transnational corporations, benefit so much from our addiction will make it difficult to overcome. But our ever-increasing consumption is not sustainable; sooner or later we will have to give it up.