

A look at a post-growth society

Trees do not keep growing until they reach the clouds. Infinite growth in a finite world is not possible. And even if economic growth is necessary in southern countries to eradicate poverty and create infrastructure in the fields of education, health, energy supply and transport, this will require energy and resources and cause emissions. Consequently, industrialised nations must massively reduce their own consumption, which will require – in addition to all the necessary and positive technological advances – saying goodbye to the Western model of development. Goodbye to the social mantra of “faster, further, more”.

This is easy to say or write, but it is no simple task. The structures and institutions of our society and our economy are built in such a way that they can only function if there is growth. Healthcare needs more money, shareholders want more dividends, employees want higher salaries, consumers want more consumption. If we are to break free of our addiction to growth (and break free we must), we need extensive change in structures and institutions, in technology and culture, in the way we think and live together in society, finding a way to live well, without growth.

A central motive for economic growth is job creation, in pursuit of full employment. As technological advances are boosting labour productivity at an average yearly rate of 2 percent, economic growth of 2 percent is needed simply to keep employment levels constant. As things stand, while it is probably true that the absence of economic growth or a decline in GDP would take some pressure off the environment due to the resulting drop in energy consumption and CO₂ emissions, it would also lead to higher unemployment. There are two ways out of this quandary: reducing labour productivity and shortening working hours.

In general, increasing labour productivity is uncontroversially regarded as a good thing. It increases global competitiveness and is an argument for higher salaries. However, higher labour productivity also means shorter cycle times, intensification of work, a faster pace, merging of positions, all of which lead to an increase in work-related stress, and subsequently stress-related illness. Burn-out is well on the way to becoming an endemic affliction. Health insurance funds are reporting rising costs, showing that the cutting of costs at corporate level results in higher costs to society.

Therefore, reducing labour productivity – as strange as it might sound at first – can be a perfectly legitimate aim for labour unions and politics. One political instrument to this end is an ecological tax reform, whereby efforts to increase productivity are diverted away from the current emphasis on higher labour productivity, towards higher productivity in terms of energy and resources. This requires a redistribution of the tax burden so as to benefit the use of labour and penalise consumption of energy and resources. This would also address the argument that lower labour productivity negatively affects competitiveness as the competitive disadvantage would be compensated for by higher energy productivity. At the same time, labour unions should strive for improved labour conditions in developing and emerging countries, thereby reducing the incentive to ship jobs abroad. Companies profiting from inhuman working conditions should be publicly shamed so that their turnover and financing opportunities suffer, motivating them to improve working conditions both locally and abroad.

The second approach is to reduce individual working hours in order to redistribute less work among more people. Shorter working hours were once the central goal of labour unions, with the introduction of the 5-day, 35- to 40-hour week in the '80s. Since then, unions have focussed primarily on higher wages. There is no fundamental anthropological constant to show that shorter working hours would not suit the human race.

On the contrary, people are increasingly seeking a better work-life balance, which can take any number of different forms. People want more time to devote to family and leisure, to volunteering, to DIY and gardening activities, to achieving a measure of self-sufficiency and freedom from consumer goods.

A post-growth society makes use of both strategies: lower labour productivity – and therefore intensity – provides a more pleasant and stress-free work climate, while various strategies to reduce working hours lead to higher levels of employment. As the shorter working hours are also associated with a lower income – with the exception of the lowest income bands – self-sufficiency will adopt greater significance, as an economic necessity but above all as a meaningful activity. Support to this end will be available in the form of transfer of know-how and domestic skills in various educational establishments. The educational system will promote individual initiative and participation in community projects and politics. More time for a healthier lifestyle, healthy eating habits and more frequent physical exercise, less stress and a greater balance between different fields of activity will lead to lower health costs. The surplus of time will also be used for caregiving activities, as a nursing system based solely on professional services is neither affordable nor desirable.

The importance of consuming material goods will fade, as will demand for status goods such as large cars or the latest fashions – in part due to the narrower income gap. Society will have become more equitable thanks to income and capital tax reforms and greater equality of opportunity created by a varied and universally accessible education system. Communal goods will become increasingly important relative to private property. Publicly accessible goods such as sports and cultural establishments, DIY facilities and urban gardens will be attractive and widely used.

This is what a post-growth society might look like. All of these changes and many others besides, e.g. in the financial markets, in corporate governance, in fiscal policy, have the potential to bring about an economy and a society free from growth, with massively reduced energy and resource consumption, able to provide (and indeed improve on) the necessary conditions for a creative, self-determined life boasting a wide range of activities and social relationships.

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