real-world economics review, issue no. 106
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Economics of abundance with degrowth

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In recent centuries, spectacular innovations in technology, policy, and business have enabled economies to expand in ways that degrade vulnerable people and places, and that disrupt the earth's atmosphere, biosphere, and hydrosphere. Although balance sheets have largely externalized these costs, they are coming back to bite us. It is time for more radical innovation: economics of scarcity designed to impel profits and growth must be replaced with economics of abundance oriented toward sustaining eco-social wellbeing with less material and energy. Readers who find advocacy of abundance counterintuitive, and its synergy with degrowth contradictory, are invited to read on.

Scientists around the world urge societies to curb exploitation of resources, and to prioritize governance and behaviours that support healthy societies and environments (Steffen et al. 2018, Ripple et al. 2021). In a high-profile example, the IPCC 2018 *Special Report: Global warming of 1.5°C*, developed by hundreds of contributing scientists citing 6,000 references, calls for "rapid, far-reaching and unprecedented changes in all aspects of society, including the way we manage our energy, industry, buildings, transport, and cities."[1]

Key exceptions to this global scientific consensus are found among mainstream economists. Here I make the case that some of their resistance to systemic change is inadvertently constituted through basic concepts and commitments of economic sciences, including ideological narratives that portray key features of contemporary western economies (growthism, scarcity, selfish individualism) as universal realities determined by immutable laws of (human) nature.

This article offers analyses and proposals from degrowth and ecological economics to help forge future economic sciences—and real-world economies—that are more sustainable and equitable, and draws on anthropology and archaeology research to broaden imaginations trapped in scarcity-growth mode. Let's begin by highlighting three objectives shared by degrowth researchers and practitioners:

1. Decrease global quantities of material and energy use.
2. Curb cultural and personal obsessions with growth.
3. Reorient societies around equitable wellbeing and regeneration of humans and other nature.

[1] Visit: https://www.ipcc.ch/sr15/chapter/spm/

Degrowth proposals to bring wealthier economies and select sectors into harmony with planetary systems aim to allow more resources for poorer populations and public services, in shifts that decrease economic and ecological inequalities. Degrowth is not recession—the unwelcome and uncontrolled shrinking of growth-dependent economies. Instead, degrowth works towards purposeful generation of different economies that thrive independently of growth. Such economies may build on long histories of human organization around abundance discussed below. As Jason Hickel (2019: 66) observes

> "While austerity calls for scarcity in order to generate more growth, degrowth calls for abundance in order to render growth unnecessary . . . If we are to avert climate breakdown, environmentalism of the 21st century must articulate a new demand: a demand for radical abundance".

Economics of scarcity

The concept of scarcity is fundamental to economic theory, where scarcity of coveted resources, jobs, and products is understood to incentivize innovation and competition. Relative scarcity, a condition in which market demands for a good or service are greater than supply, thus raising its price, is distinguished from absolute scarcity, used to refer to limited quantities of existing resources. Adel Daoud (2010: 1206) points out that both economic concepts are used with a fateful tendency "to naturalize and universalize scarcity, and thus overlook abundance and sufficiency, which are important states in the social provisioning process".

Mainstream economics can be strengthened by greater attention to historical processes through which concepts of scarcity, and their real-world expressions, have been constructed. Numerous works, for example, trace the emergence of capitalism through a series of moves to create specific forms of scarcity—starting in Europe, then its colonies—via enclosure of commonly managed forests, pastures, and waterways that allowed resource capture by elites, while forcing residents to procure food and shelter through markets (Polanyi 1944, Sevilla-Buitrago 2015). Ongoing expansions that breach earth systems boundaries are seen as extreme forms of enclosure making scarce the fundamental conditions of life (Moore 2017).

Asad Zaman (2012) argues that the centrality of scarcity in economics textbooks manifests unstated normative assumptions, starting with political commitment to private property and superficial measures of human welfare and satisfaction; he astutely applies to economics Michel Foucault's revelation that modern sciences purporting to convey universal truths about human nature actually express positions and perspectives of particular societies. The power of contemporary economies to provoke sensations of insatiable desire and ever-escalating demand does not prove that we humans are intrinsically greedy and selfish, incapable of experiencing satiety or embracing self-limitation. Historical and cross-cultural evidence reveals plenty of healthy humans finding satisfaction in sufficient (not limitless) amounts of food, sex, rest, warmth, and other culturally-shaped goods. Giorgos Kallis' (2019) exploration of sufficiency versus scarcity shows how diverse communities through history voluntarily institutionalize cultures of sharing and collective self-limitation.

Anthropology of abundance

The tendency of economists to portray competition over scarce resources as the fundamental driver of human history is at odds with anthropological and archaeological research on diverse modes of human organization, many of which have endured and adapted over millennia. Field studies document examples of collective satisfaction with low resource use in contexts ranging from centuries of adaptive regeneration of Bushmen worlds in Southern Africa (Suzman 2017) to real-existing degrowth in island and Mediterranean contexts (Kallis et al. 2022). A special issue edited by Konstantinos Retsikas and Magnus Marsden (2018) explores modes of conceiving and achieving abundance and prosperity that do not fit the confines of neoliberal capitalism. During 30 years of intermittent field research in Andean and Amazonian communities, I have studied collective, ritualized stewardship of watersheds and forests; and learned in dialogue with others studying how diverse communities forge and sustain material and meaningful worlds oriented around inclusive wellbeing, not growth (Paulson 2017).

Contributors to the volume *Abundance: The Archaeology of Plenitude* (Smith 2017) re-examine archaeological evidence to interpret human development and social complexity as driven mainly by cooperation to regenerate abundance, not by competition over scarce resources. David Graeber and David Wengrow (2021) similarly contest determinist histories that naturalize (and thereby justify) hierarchy and expansion, as they rewrite the story of civilization protagonised by humans' creative agency to experiment with diverse social arrangements.

Practical economics to create abundant worlds with less resources and less damage

To be clear, the point is not that all populations can or should emulate Bushmen or Amazonian cultures of abundance, but rather to recognize a richer realm of possibilities. Expanded horizons empower populations to explore their own answers to how economies motivated by one basic equation (maximize financial profit while minimizing financial investment and risk) might shift to another (maximize social wellbeing while minimizing environmental degradation). There is no single way this might be achieved. Relevant strategies include forms of voluntary simplicity supporting pleasurably frugal abundance (Alexander 2012, 2017), as well as investment in public goods and services supporting inclusive abundance in ways that are economically and ecologically efficient (Hickel 2019). Let's consider two areas of contention.

What might transportation economics look like in a system designed to offer the most abundant travel options with the least resources and pollution?

Production of electric cars to replace fossil-fuelled cars is likely to play out quite differently than development of smart cities that optimize walking, cycling, and public transport. Both contribute to decreased GHG and black carbon emissions. However, since private cars tend to sit idle 95% of the time, it makes sense in degrowth logic to opt for better choreographed circulation of fewer vehicles, which also decreases use of metals, rubber, and cement. Reducing the multitude of direct and indirect public subsidies that favour private vehicles can make driving lanes, parking lots, garages, and fossil fuels scarcer. Meanwhile, reorienting investments to information technologies and public services can make smart transportation more abundant. These systemic changes need not be mutually exclusive with electric or self-driving vehicles. However, following a century of investment in creating identities (including power, freedom,

virility) around car ownership, creative engagement of the advertising sector will be vital in nurturing new desires and paths toward pleasure.

How could food economics be adapted to maximize provision of healthy nutrition while minimizing inputs of material and energy?

The drive for profits has provoked innovations that have expanded quantities of food produced (e.g. agroindustry technologies and subsidies) and increased consumption (e.g. ultra-processed foods engineered to provoke insatiable desire). These same tools, together with computerized supply chains, chemistry and biology research, economies of scale, and more can certainly be mobilized in different dynamics that make wholesome food and environments more abundant. And that help to escape bizarre scenarios in which epidemic obesity coexists with malnourishment, and where growing corporate profits and GDPs rest on unconscionable waste and environmental degradation, including GHG emissions.

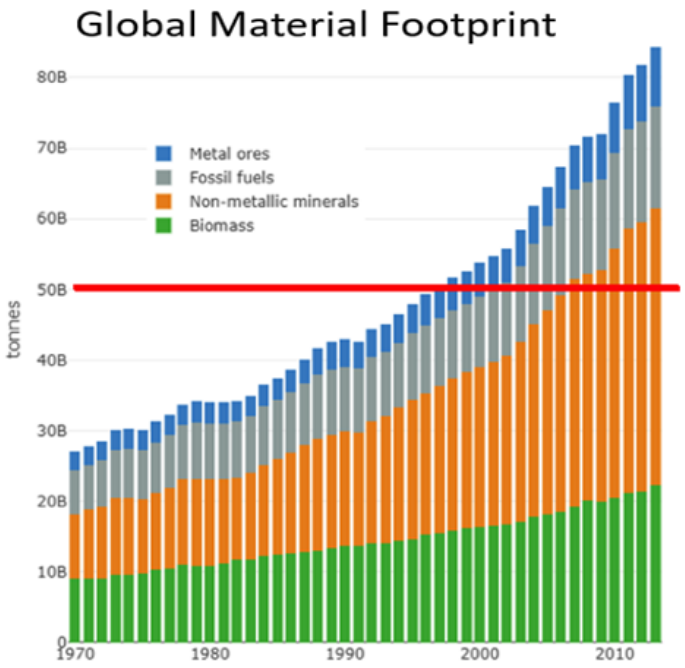
Abundant degrowth is not an oxymoron. In smart cities using less resources, fewer individuals may own private cars, but many more would enjoy comfortable and clean transportation. In resource-efficient global food systems, certain products may be scarcer, but healthy satisfying nourishment more accessible to all.

What is constraining such shifts?

Our first constraint is a conviction that current patterns are unchangeable, inculcated by narratives that portray contemporary economic behaviour as determined by human biology: an innate *Homo economicus* who maximizes utility for individual gain, and a "selfish gene" that makes every human strive to take more than a fair share.

Second, is faith that innovations provoked by scarcity automatically work to preserve natural resources. In 1865, William Stanley Jevons observed that improvements in steam engine efficiency did not result in expected reductions in demand for coal, but instead led to increased coal use in a wider range of industries. A century later, oil crises and environmental outcries prompted innovations that increased miles per gallon in internal combustion engines. Rather than leading to reduced quantities of gasoline burned, however, these innovations contributed to increases in cars per capita, and in size and weight of personal vehicles. As the figure below illustrates, tremendous innovations in production and operational efficiency have coincided with a well-documented “great acceleration” in which global resource use has surpassed the rate of possible regeneration, marked by the red line.[2]

[2] Image by Jason Hickel: https://twitter.com/jasonhickel/status/1112285422091227137.
Visit: http://www.igbp.net/news/pressreleases/pressreleases/planetarydashboardshowsgreatacceleration inhumanactivitysince1950.5.950c2fa1495db7081eb42.html



The good news is that different economic institutions and values can curb the rebound effect. In the short term, efficiency innovations can be matched with carbon fees, subsidy cuts, or green taxes that influence demand by increasing market prices. Longer term moves can nourish desires and arrangements that guide efficiency to support more leisure and pleasure, rather than exploit more labour and resources.

A third constraint is the fantasy that technological innovation will preclude the need to change socioeconomic systems. In 2022, *The Statistical Review of World Energy* reports the largest ever increase in renewable energy at a combined 266 gigawatts. It also reports that carbon equivalent emissions from energy increased by 5.7%.[3] While one region—Europe—is reducing CO2 emissions, the switch to renewables is partly facilitated by displacing costs and damages to the Global South, where demand for biofuel stock drives deforestation, and hunt for minerals for solar panels, windfarms, and batteries provokes desperate expansions of mining.

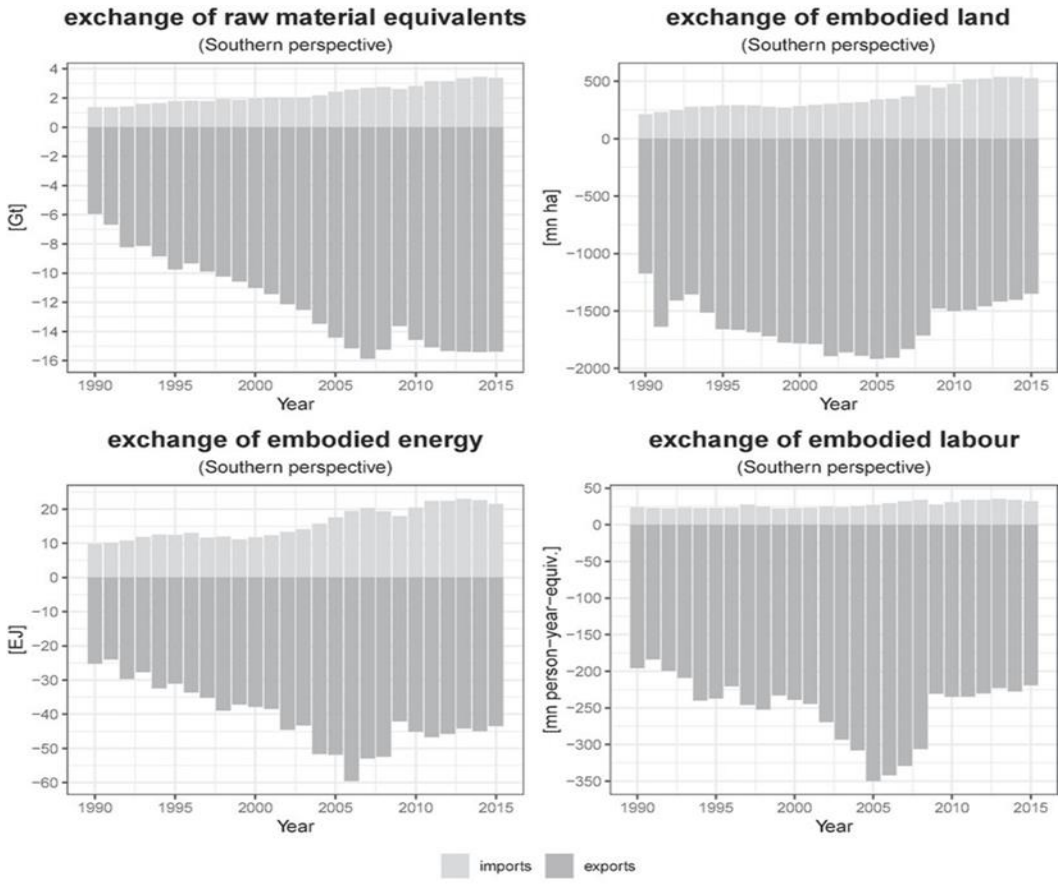
These economic myths interact to justify "green growth", a path that prioritizes economic expansion to generate financial resources to invest in technological innovations that may shift societies toward sustainable wellbeing. As Hickel (2019, 58) asks: Why not work directly toward abundant wellbeing, rather than grow the whole dirty destructive economy hoping for a different outcome? What seems like an eminently rational proposal is constrained by one of our most fundamental myths: that growing production and profits are the (only) way to abundance. Economists and politicians continue to use GDP as a proxy for population wellbeing, despite evidence of weak correlations (above extremely low economic thresholds) between higher GDPs and other desired outcomes. I live in a country with one of the highest GDPs and largest material and energy budgets in the world, in absolute and per capita measures. Yet comparative data do not indicate that the United States enjoys more abundant wellbeing than many other nations, measured in terms of life expectancy (47th), gun deaths (2nd), incarceration

[3] Visit: https://www.bp.com/content/dam/bp/business-sites/en/global/corporate/pdfs/energy-economics/statistical-review/bp-stats-review-2022-full-report.pdf

rates (1st), happiness, mental health, literacy, social equity, child labor, murder, suicide, addictions, obesities, or maternal and infant mortality (54th).[4]

Unequal exchange

As the figures below indicate, the question of whether economic growth produces abundant wellbeing for humanity is tangled up in unequal ecological and economic exchanges that are instrumental to accumulation and expansion.[5]



Experiences of abundance in some places have been contrived by applying transport and information technologies to displace workloads and environmental impacts onto subordinated people and distant places (Hornborg 2009, 2023). Even within countries, growing pies do not always mean more for everyone. After the brutally unequal Gilded Age, it is true that many countries experienced mid-20th century growth together with greater opportunity and

[4] Visit: https://www.worldometers.info/demographics/life-expectancy/; https://www.cia.gov/the-world-factbook/field/infant-mortality-rate/country-comparison/; https://worldpopulationreview.com/country-rankings/incarceration-rates-by-country; https://worldpopulationreview.com/country-rankings/gun-deaths-by-country

[5] These figures are drawn from Jason Hickel, Christian Dorninger, Hanspeter Wieland, Intan Suwandi, "Imperialist appropriation in the world economy: Drain from the global South through unequal exchange, 1990–2015". *Global Environmental Change*, 73: 102467.

intergenerational mobility, leading to more equitable education and incomes. Since 1980, however, tides have turned on all these fronts, so rising GDPs do not "lift all ships". On the contrary, incomes of the richest 1% worldwide have grown 100 times more than those of the poorest 60%,[6] and The World Economic Forum reports: "Over the past four decades, there has been a broad trend of rising income inequality across . . . most advanced economies and major emerging economies."[7]

Innovation toward abundant postgrowth worlds

While it is not easy to balance radical social innovation with profit-making, new opportunities are arising. Financial costs and logistic challenges posed by new forms of scarcity, as well as concern with human and environmental degradation, are motivating searches for ways to thrive without destructive growth.[8] Longstanding prioritization of corporate growth and profits in all scales of governance is shifting rapidly under heated contestation (Paulson and Paulson-Smith 2021). Given the needed changes, countries, cities, organizations, and initiatives that anticipate shifts in resource and policy landscapes will be ahead of the curve.

In *The Economics of Abundance,* Wolfgang Hoeschele (2010) makes the case for dismantling mechanisms and institutions designed to create profit-enhancing scarcities (by limiting quantities of good or service, placing barriers to access, or creating new desires and demands), and replacing them with various forms of cooperatives, commons, and participatory decision-making designed to create and share abundance. Tobias Froese et al. (2023) review hundreds of business case studies to identify real-world shifts in which companies move beyond prevailing parameters of value creation to also contribute to degrowth, defined as voluntary transition to just, participatory, and ecologically sustainable societies. Actionable examples provided contribute to overcoming economic growth dynamics, engaging consumers in sufficiency-oriented presumption, open and decentral creativity, slowing and extending resource cycles, equalizing inequalities, and practicing democratic purpose-driven and transparent governance.

Conclusion

Changes in ecosystems, planetary dynamics, and cultural and policy landscapes are generating needs—and opportunities—for radical innovations in economic science. In an era decreasingly hospitable for human survival, responding is not only an academic challenge but an ethical and political one that acknowledges the entanglement of economies with the real worlds that they help to build, and that give them meaning and purpose. Political and business leaders are beginning to question myths and costs of growth. To contribute to changing course, they need economic principles and tools that help move societies away from cultures of scarcity designed to provoke relentless striving to get ahead of others; and instead move toward

[6] Visit: https://wir2018.wid.world/download.html

[7] Visit: https://www.weforum.org/agenda/2021/12/global-income-inequality-gap-report-rich-poor/

[8] Visit: https://www.uu.nl/en/news/new-study-provides-strong-economic-case-for-climate-action-and-limiting-warming-to-below-2-degrees

cultures of abundance that incentivize and reward actions oriented to increase equitable wellbeing, pleasure, community, conviviality, and regeneration of life.

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SUGGESTED CITATION:
Susan Paulson, "Economics of abundance with degrowth", *real-world economics review*, issue no. 106, December 2023, pp. 158–166, http://www.paecon.net/PAEReview/issue106/Paulson106

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