

Degrowth: a theory of radical abundance

Jason Hickel [University of London, UK]

Copyright: Jason Hickel 2019

You may post comments on this paper at

<https://rwer.wordpress.com/comments-on-rwer-issue-no-87/>

As the climate crisis worsens and the carbon budgets set out by the Paris Agreement shrink, climate scientists and ecologists have increasingly come to highlight economic growth as a matter of concern. Growth drives energy demand up and makes it significantly more difficult – and likely infeasible – for nations to transition to clean energy quickly enough to prevent potentially catastrophic levels of global warming. In recent years, IPCC scientists have argued that the only feasible way to meet the Paris Agreement targets is to actively scale down the material throughput of the global economy. Reducing material throughput reduces energy demand, which makes it easier to accomplish the transition to clean energy.

Ecological economists acknowledge that this approach, known as degrowth, is likely to entail reducing aggregate economic activity as presently measured by GDP. While such a turn might seem inimical to human development, and indeed threaten to trigger a range of negative social consequences, proponents of degrowth argue that a planned reduction of throughput can be accomplished in high-income nations while at the same time maintaining and even improving people's standards of living. Policy proposals focus on redistributing existing income, shortening the working week, and introducing a job guarantee and a living wage, while expanding access to public goods.

As debates unfold around what these policies might look like and how to implement them, here I step back to consider the deeper economic logic of degrowth theory. On the surface, degrowth sounds like an economics of scarcity, as many on both the right and left have been quick to allege. But in fact exactly the opposite is true. A long view of the history of capitalism reveals that growth has always depended on enclosure. The Lauderdale Paradox first articulated by James Maitland holds that an increase in "private riches" is achieved by choking off "public wealth". This is done not only in order to acquire free value from the commons but also, I argue, in order to create an "artificial scarcity" that generates pressures for competitive productivity.

Degrowth seeks to invert the Lauderdale Paradox. By calling for a fairer distribution of existing resources and the expansion of public goods, degrowth demands not scarcity but rather abundance (see Sahlins, 1976; Galbraith, 1998; Latouche, 2014; D'Alisa et al., 2014). I build on this insight to show that such an approach not only embodies an alternative to a growth-oriented economy, but in fact offers an antidote to the driving mechanism of growth itself, thus releasing both humans and ecosystems from its grip. By advancing a theory of abundance, degrowth provides a feasible political pathway toward an ecological economy fit for the Anthropocene.

The Paris Agreement and the degrowth imperative

In 2018 the UN Intergovernmental Panel on Climate Change (IPCC) published a special report outlining what it will take to prevent global warming of more than 1.5°C over preindustrial levels. The report concluded that global emissions must be halved by 2030 and reach net zero by the middle of the century. It is a dramatic trajectory, and requires a rapid

reversal of direction for our civilization. There is at present no agreed plan for accomplishing this. The voluntary pledges made by signatories to the Paris climate agreement in 2015 entail no absolute reductions to global emissions, and set us on a path to 3.4 degrees of warming by the end of the century – significantly exceeding the 1.5 and 2°C limits established by the Paris agreement.

The primary reason for this problem is that economic growth is projected to drive energy demand up at a rate that outpaces the rollout of clean energy capacity (Raftery et al., 2017). This has already presented a problem in the 21st century. Today the world is producing 8 billion more megawatt hours of clean energy each year than in 2000, which is a significant increase. But over the same period, energy demand has grown by 48 billion megawatt hours. In other words, new clean energy capacity covers only 16% of new demand. It is of course technically possible to scale up clean energy output to cover total global energy demand (Jacobson and Delucchi, 2011). But the question is whether it is feasible to do so at a rate that is fast enough to respect the carbon budget for 1.5 or 2°C, while at the same time growing the global economy at the usual pace.

We can assess this question by looking at projected rates of decarbonization. If we assume that global GDP continues to grow at 3% per year (the average from 2010-2014), then decarbonization must occur at a rate of 10.5% per year for 1.5°C, or 7.3% per year for 2°C. If GDP slows down and grows at only 2.1% per year (as PWC predicts), then decarbonization must occur at 9.6% per year for 1.5°C, or 6.4% per year for 2°C. All of these targets are significantly beyond what existing empirical models indicate is feasible (see Hickel and Kallis, 2019). A few brief examples will serve to illustrate this point. Schandl et al. (2016) indicate that decarbonization can happen by at most 3% per year under highly optimistic policy conditions. The C-ROADS tool (developed by Climate Interactive and MIT Sloan) projects decarbonization of at most 4% per year under the most aggressive possible abatement policies: high subsidies for renewables and nuclear power, plus high taxes on oil, gas and coal. In a recent review of existing evidence, Holz et al. (2018) find that the rate of decarbonization required to meet the Paris targets is “well outside what is currently deemed achievable, based on historical evidence and standard modelling.”

IPCC scientists and authors have been aware of this problem for some time. In the Fifth Integrated Assessment Report (AR5), they dealt with it by assuming the future existence of speculative “negative emissions” technologies. The theory is that while business-as-usual growth will cause emissions to exceed the carbon budget in the medium term, that is fine so long as we find a way to remove carbon from the atmosphere later in the century. The dominant proposal for achieving this is known as BECCS, or bioenergy with carbon capture and storage. BECCS entails developing large tree plantations around the world to absorb CO₂ from the atmosphere, harvesting the biomass, burning it for energy, capturing the emissions at source and storing the waste underground. In AR5, the vast majority of scenarios for 2°C (101 of the 116) rely on BECCS to the point of achieving negative emissions.

BECCS is highly controversial among scientists, however. There are a number of concerns. First, the viability of power generation with CCS has never been proven to be economically viable or scalable (Peters, 2017). Second, the scale of biomass assumed in the AR5 scenarios would require plantations covering land two to three times the size of India, which raises questions about land availability, competition with food production, carbon neutrality, and biodiversity loss (Smith et al., 2015; Heck et al., 2018). Third, the necessary CO₂ storage capacity may not exist (De Coninck and Benson, 2014; Global CCS Institute, 2015).

Anderson and Peters (2016) conclude that “BECCS thus remains a highly speculative technology” and that relying on it is therefore “an unjust and high stakes gamble”: if it is unsuccessful, “society will be locked into a high-temperature pathway”. This conclusion is shared by a growing number of scientists (e.g., Fuss et al., 2014; Vaughan and Gough, 2016; Larkin et al., 2017; van Vuuren et al., 2017), and by the European Academies’ Science Advisory Council (2018).

Responding to these concerns, the IPCC (2018) has for the first time published a scenario for reducing emissions in line with the Paris Agreement that does not rely on speculative negative emissions technologies. Developed by Grubler et al. (2018) and known as Low Energy Demand (LED), the scenario works by reducing global energy consumption by 40% by 2050, which makes it much more feasible to achieve a transition to 100% clean energy. The key feature of this scenario is that global material production and consumption declines significantly: “The aggregate total material output decreases by close to 20 per cent from today, one-third due to dematerialization, and two-thirds due to improvements in material efficiency.” LED differentiates between the global North and South. Industrial production and consumption declines by 42% in the North and 12% in the South. Given improvements in energy efficiency, this translates into industrial energy demand declining by 57% in the North and 23% in the South.

The LED model represents a “degrowth” scenario – a planned reduction of the material and energy throughput of the global economy. Its inclusion in the IPCC report as the only scenario that does not rely on questionable negative emissions technologies suggests that degrowth may be the only feasible way to achieve the emissions reductions required by the Paris Agreement. This is a major milestone in climate mitigation theory. What is appealing about this approach is that it not only addresses emissions and climate change, but also reduces ecological impact across a range of other key indicators, including deforestation, chemical pollution, soil depletion, biodiversity loss, and so on (Rockstrom et al., 2009; Steffen et al., 2015).

There are a number of policies that would help to achieve reductions in material throughput in line with the LED scenario. One would be to legislate extended warranties on products, so that goods like washing machines and refrigerators last for 30 years instead of ten. Another is to ban planned obsolescence, and to introduce a “right to repair” so that products can be fixed cheaply and without proprietary parts. We could legislate reductions in food waste (as South Korea, France and Italy are doing), tax red meat to promote a shift to less resource-intensive foods, ban single-use plastics and disposable coffee cups, and end advertising in public spaces to reduce pressures for material consumption. Ultimately, however, to accomplish significant and sustained reductions will likely require imposing a cap on annual material use and tightening it year by year until it reaches what ecologists identify as sustainable levels (50 billion tons per year on a global scale, or 6-8 tons per capita; see Dittrich et al., 2012; Hoekstra & Wiedmann, 2014; UNEP IRP, 2014; Bringezu, 2015).

The degrowth hypothesis

The idea of degrowth was first articulated in the early 21st century by ecological economists and post-development theorists (e.g., Latouche, 2009; Victor, 2008; Jackson, 2009; Alier, 2009; Kallis, 2011; Kallis, 2018), and in recent years has captured public attention, even appearing in popular media outlets. The objective of degrowth is to scale down the material

and energy throughput of the global economy, focusing on high-income nations with high levels of per capita consumption. The idea is to achieve this objective by reducing waste and shrinking sectors of economic activity that are ecologically destructive and offer little if any social benefit (such as marketing, and the production of commodities like McMansions, SUVs, beef, single-use plastics, fossil fuels, etc.).

Degrowth scholars acknowledge that reductions in aggregate throughput are likely to entail reductions in aggregate economic activity as measured by GDP, given the historically tight coupling between throughput and output (see Hickel and Kallis, 2019; Ward et al., 2016; UNEP, 2017). At first glance, this may seem a troubling prospect. Economists and policymakers have become accustomed to equating GDP growth with human progress and improvements in well-being, so it might seem sensible to conclude that a decline in GDP must necessarily entail a decline in well-being. After all, a reduction in GDP sounds like a recession, and recessions have a range of harmful social effects: firms lay off workers, unemployment rises, and as people lose their jobs they become unable to pay for access to housing, food, healthcare, education and other basic goods. Moreover, states, firms and households find themselves unable to pay debts, heightening risk of financial crisis.

A recession is categorically different to degrowth, however. A recession is a shrinkage of the existing economy (an economy that requires growth in order to remain stable), while degrowth calls for a shift to a different kind of economy altogether (an economy that does not require growth in the first place). The literature on degrowth argues that it is possible to reduce aggregate economic activity in high-income nations while at the same time maintaining and even improving indicators of human development and well-being. This can be accomplished with a series of integrated policy reforms. For instance, as dirty and socially unnecessary industries close down and aggregate economic activity contracts, unemployment can be prevented by shortening the working week and redistributing necessary labour (into cleaner, more socially useful sectors) with a job guarantee. Wage losses due to a reduction in working hours can be prevented by increasing hourly wages with a living wage policy. To protect small businesses that may find it difficult to pay significantly higher hourly wages, a universal basic income scheme could be introduced, with dividends funded by taxation on carbon, wealth, land value, resource extraction, and corporate profits. These policies have been successfully modelled in degrowth scenarios developed by D'Allessandro et al. (2018) and Victor (2019).

The core feature of degrowth economics is that it requires a progressive distribution of existing income. This inverts the usual political logic of growth. In their pursuit of improvements in human welfare, economists and policymakers often regard growth as a substitute for equality: it is politically easier to grow total income and expect that enough will trickle down to improve the lives of ordinary people than it is to distribute existing income more fairly, as this requires an attack on the interests of the dominant class. But if growth is a substitute for equality, then by the same logic equality can be a substitute for growth (Dietz and O'Neill, 2013). By distributing existing income more fairly we can improve human welfare and accomplish social objectives *without* growth – and therefore without additional material and energy throughput. A shorter working week plus a job guarantee and a living wage policy, as described above, are central mechanisms for accomplishing this. So too is investment in public services. By expanding access to high-quality, generous public healthcare, education, affordable housing, transportation, utilities and recreation facilities, it is possible to enable people to access the goods they need to live well without needing high levels of income to do so.

Existing empirical evidence demonstrates that it is possible to achieve high social indicators without high levels of GDP per capita. Past a certain point, the relationship between GDP per capita and social indicators begins to break down. Take life expectancy, for instance; while there is a general correlation between GDP per capita and longevity (countries with higher GDP per capita generally have better life expectancy), the relationship follows a saturation curve with sharply diminishing returns (Preston, 2007; Steinberger & Roberts, 2010). Longevity depends on other important variables besides GDP, such as investment in universal healthcare. For example, Costa Rica's healthcare system allows the country to match US life expectancy with only one-fifth of the US GDP per capita (Sánchez-Ancochea and Martínez Franzoni, 2016). Similarly, there is a tenuous relationship between GDP per capita and happiness, or well-being (see Easterlin, 1995; Easterlin et al., 2010). In the United States and the United Kingdom, for instance, happiness levels have remained unchanged since the early 1970s, despite significant growth in real GDP per capita. According to the Gallup World Poll, many countries (Germany, Austria, Sweden, Netherlands, Australia, Finland, Canada, Denmark, and most notably Costa Rica) have higher levels of well-being than the United States does, with less GDP per capita.

The same pattern applies to many other social indicators. The GDP per capita of Europe is 40% lower than that of the US, and yet Europe performs better in virtually every social category, as European countries tend to be more equal and more committed to public goods. But even European countries have significant room for improvement. Inequality in Europe has worsened significantly since 1980. From a degrowth perspective, this represents an opportunity: there is no *a priori* reason why Europe's social performance cannot be improved still further – without any additional growth – by distributing existing income more fairly and using progress taxation to expand public goods.

It is not just that GDP is not strongly correlated with human development after a point – it is also that GDP growth past a certain threshold tends to have a negative impact. Alternative metrics of economic progress, such as the Genuine Progress Indicator (GPI), make this effect visible. GPI starts with personal consumption expenditure (also the starting point for GDP) and adjusts using 24 different components, such as income distribution, environmental costs and pollution, while adding positive components left out of GDP, such as household work. Kubiszewski et al. (2013) find that in most countries GPI grows along with GDP until a particular threshold, after which GDP continues to grow while GPI flattens and in some cases declines. The authors draw on Max-Neef (1995) to interpret this threshold as the point at which the social and environmental costs of GDP growth become significant enough to cancel out consumption-related gains (Deaton, 2008; Inglehart, 1997).

Of course, one might argue that economic growth is necessary for mobilizing resources to invest in the technological change required to shift the world toward sustainability. But there is no evidence for the assumption that *aggregate* growth is necessary for achieving this. If the objective is to achieve specific kinds of technological innovation, it would make more sense to invest in those directly, or incentivize innovation with policy measures (e.g., caps on carbon and resource use), rather than to grow the whole economy indiscriminately (which would include growth of dirty and destructive industries) while blindly hoping for a specific outcome.

The scarcity machine

While the scholarship on degrowth has outlined the policy changes that would be necessary to achieve a safe and equitable transition to an ecological post-growth economy, the deep logic of such an economy remains undertheorized. Are the reforms that degrowth scholars propose in and of themselves sufficient to euthanize the capitalist growth imperative? Here I want to address this question by elaborating further on the argument that expanding public goods and services is central to a successful degrowth scenario. This argument is much deeper and more profound than it appears at first glance, and opens up a number of fruitful lines of inquiry.

Let us begin with an example that is close to my own experience. In London, house prices are astronomically high, to the point where a normal one-bedroom flat may cost £2,000 per month to rent, or £600,000 to buy. These prices are fictional; they are no indication of the actual cost of building a house, or even of land, but are rather largely a consequence of the rapid privatization of the public housing stock in Britain since 1980, as well as financial speculation, zero-interest rate policy and quantitative easing, which has driven asset prices up in the wake of the 2008 financial crisis to the extraordinary benefit of the rich. Meanwhile, wages in London have not kept pace with housing prices. In order to purchase housing, then, Londoners have to either increase their aggregate working hours or take out loans, which are effectively a claim on their future labour. In other words, people are required to work unnecessarily long hours to earn additional money simply in order to access shelter, which they were previously able to access with a fraction of the income. In the process, they produce additional goods and services that must find a market, thereby creating new pressures for consumption – pressures that manifest in the form of, for example, aggressive and increasingly insidious advertising schemes.

The fictionally high housing prices in London therefore ultimately compel everyone to contribute unnecessarily to the juggernaut of ever-expanding production and consumption, with all of the corresponding ecological consequences that this entails.

This is a problem that is as old as capitalism itself. And it has a name: enclosure. Ellen Eiksins Wood (1999) has argued that the origins of capitalism lay in the enclosure movement in England, during which wealthy elites – empowered by the Statute of Merton of 1235 – fenced off commons and systematically forced peasants off the land in a violent, centuries-long campaign of dispossession. This period saw the abolition of the ancient “right to habitation”, once enshrined in the Charter of the Forest, which guaranteed ordinary people access to land, forests, game, fodder, waters, fish and other resources necessary for life. In the wake of enclosure, England’s commoners found themselves subject to a new regime: in order to survive they had to compete with each other for leases to farm on newly privatized land. Leases were allocated on the basis of productivity, and were reassessed at regular intervals. In order to retain their leases, peasants had to find ways to intensify their production *vis-à-vis* their competitors (with whom they used to relate convivially and in cooperation as kin and neighbours), even if it was in surplus to their actual needs or even desires. Those who fell behind in the productivity race would lose their access to land and face starvation.

There are two things going on here with enclosure. The first is straightforward primitive accumulation, whereby the commons (land, natural resources, etc.) are acquired for free. This process is essential to the creation of capitalist surplus, or profit: capitalism always needs an outside, external to itself, from which it can draw uncompensated value. But there is also

something else at stake here – something even more important, a more powerful and dynamic force. The emergence of the enormous productive capacity that characterizes capitalism depended in the first instance on subjecting humans to artificial scarcity. Scarcity – and the threat of hunger – created the impetus for competitive productivity and *served as the engine of growth*. The scarcity was *artificial* in the sense that there was no actual net depletion of resources: all of the same land and forests and waters remained, just as they always had, but people's access to them was restricted. Scarcity was, in this sense, created in the process of elite accumulation. And it was enforced by state violence: peasant uprisings against enclosures were repeatedly put down by force, and often by massacre (Fairlie, 2009).

Michael Perelman (2000) observes that the historical record is full of commentary by British landowners and elites celebrating enclosure as a tool for enhancing the “industry” of peasants whose access to abundant commons rendered them given to leisure and “insolence”. It is worth reciting some of the more notable examples of this sentiment. The Quaker John Bellers (1695) wrote “Our forests and great commons make the poor that are upon them too much like the Indians, being a hindrance to industry, and are nurseries of idleness and insolence.” The agriculturalist Arthur Young (1771) noted that “everyone but an idiot knows that the lower classes must be kept poor, or they will never be industrious”. The Reverend Joseph Townsend (1786) emphasized that “it is only hunger which can spur and goad them on to labour,” while pointing out that

“legal constraint... is attended with too much trouble, violence, and noise... whereas hunger is not only a peaceable, silent, unremitted pressure, but as the most natural motive to industry, it calls forth the most powerful exertions... Hunger will tame the fiercest animals, it will teach decency and civility, obedience and subjugation to the most brutish, the most obstinate, and the most perverse.”

Patrick Coquhoun, a powerful Scottish merchant, saw poverty as an essential precondition for industrialization:

“Poverty is that state and condition in society where the individual has no surplus labour in store, or, in other words, no property or means of subsistence but what is derived from the constant exercise of industry in the various occupations of life. Poverty is therefore a most necessary and indispensable ingredient in society, without which nations and communities could not exist in a state of civilization. It is the lot of man. It is the source of wealth, since without poverty, there could be no labour; there could be no riches, no refinement, no comfort, and no benefit to those who may be possessed of wealth.”

It was David Hume (1752), though, who elaborated an explicit theory of “scarcity”: “Tis always observed, in years of scarcity, if it be not extreme, that the poor labour more, and really live better.”

The same process – the production of scarcity for the sake of generating capitalist growth – unfolded around much of the rest of the world during the period of European colonization, often even more clearly. Across British Africa, colonizers faced what they called “The Labour Question”: how to get Africans to work in mines and on plantations for low wages during a time when slavery was no longer an option. Colonizers discovered to their dismay that

Africans were content with their subsistence lifestyles, where they had all the land and livestock they needed to live, and showed no inclination to do back-breaking work in European industries. Wages were not high enough to attract people voluntarily into the capitalist labour market. The solution that colonizers settled on was to either force people off their land (the Native Lands Act in South Africa being perhaps the best known example of this), or to force them to pay taxes in European currency. Either course of action left people with no option but to sell their labour for wages. The creation of artificial scarcity meant that in order to access the means of survival, people had to participate in the juggernaut of ever-increasing productivity (with, again, pressures for concomitant consumption, generally elsewhere in the world system).

In India, British colonizers sought to find ways to compel Indians to shift from subsistence farming to cash-crops for export (Davis, 2000; Patnaik, 2018). They found that people were unwilling to make this transition voluntarily as they already enjoyed sufficient livelihoods, and even during times of drought had robust systems of mutual aid to ensure their well-being. Colonial policy, beginning with the British East India Company and continuing under the Raj, was to systematically dismantle the support systems that people relied on: destroying communal granaries, privatizing communal irrigation systems, enclosing commons that people used for wood and fodder and game, and taxing peasants into debt. As during the British enclosures, the explicit purpose was to put people at the mercy of hunger, and thereby compel them not only to participate in cash-cropping, but to *compete* with one another in that industry. This approach increased agricultural productivity, but at the expense of people's lives: it left peasants so vulnerable to fluctuations in climate and markets that tens of millions died needlessly of famine under British rule, including up to 30 million who perished during the last decades of the 19th century, the heyday of the Victorian era.

The same process of enclosure and forced proletarianization played out repeatedly during the period of European colonization – not just under the British but under the Spanish, Portuguese, French and Dutch as well – with examples far too numerous to recite here. In all cases the creation of artificial scarcity was leveraged, purposefully, as the engine of capitalist expansion.

Today, in our now almost completely proletarianized world, people continue to feel the force of scarcity in the constant threat of unemployment. Workers must become ever-more disciplined and productive at work or else lose their jobs to someone who will be more productive still – usually someone poorer and more desperate. But there is a paradox: as productivity rises, less labour is needed in order to produce the same quantity of goods and services. As a result, workers get laid off and find themselves with no means of livelihood. The state, desperate to reduce unemployment and fend against social and political crisis, must then find ways to grow the economy in order to create new jobs so that people can survive – cutting taxes and regulations on businesses, providing access to cheap energy and raw materials, enabling debt-fueled consumption, and so on. Aware of this dynamic, workers and unions join in the chorus calling for more growth, and tend to elect politicians who can promise it most credibly. Scarcity, then, creates recruits to the ideology of growth.

Even people who are concerned about ecological breakdown are forced to submit to this logic: if you care about human lives, then you must call for growth first and foremost, regardless of the ecological consequences; we can deal with the environment later, once everyone has enough. But there will be no later, because the problem of scarcity is never solved – there is never enough. Whenever scarcity is about to be solved, it is always quickly

produced anew. In 1930, Keynes famously predicted that the economy would rapidly become so productive and replete that people would have to work for no more than 15 hours a week to satisfy all their material needs, thus freeing up more time for leisure. Productivity has long since surpassed the point of abundance that Keynes foresaw, and yet his prediction about work has never come true, because instead of translating productivity gains into shorter working hours, higher wages and guaranteed employment, capitalists have captured the benefits for themselves, increasing their profits while keeping wages low, and retaining the threat of unemployment in order to discipline labour.

In this way, capitalism transforms even the most spectacular productivity gains not into abundance and human freedom, but into new forms of artificial scarcity. It must, or else it risks shutting down the engine of accumulation itself – killing off the goose that lays the golden egg.

Here it becomes clear that inequality itself drives artificial scarcity, just as enclosure did in an earlier era. In the 1970s, the United States had a lower poverty rate, higher average real wages, and higher happiness levels than it does today, despite having less than half of today's per capita income. The difference has to do with distribution: in the 1970s, income was shared more fairly, leading to better social outcomes. Virtually all of the yields of growth since 1980 have been accumulated by the rich, leaving the rest of the society in a state of what can only be called artificial scarcity. The same process plays out in every nation that has seen rising inequality, and indeed on a global scale as well. Today 4.2 billion people in the world (60% of humanity) live on less than the equivalent of \$7.40 per day, the minimum necessary for normal human life expectancy and basic nutrition. Since 1980, the incomes of the richest 1% have grown by 100 times more than those of the poorest 60%, and now stand at \$18.7 trillion (World Inequality Report, 2018). This is three times more than it would take to cover the poverty gap and lift everyone in the world above \$7.40/day. In other words, shifting a third of the income of the richest 1% to the poorest 4.2 billion people could end global poverty in a stroke, while still leaving the 1% with \$175,000 per year.

We can also see the logic of artificial scarcity at work in the realm of consumption. Industrialists who fear that people's existing needs are too limited to absorb capitalism's immense productive output must seek to create new needs, or else the juggernaut will grind to a halt. This is accomplished by various means. One is to expand desires through sophisticated advertising campaigns – and to extend these campaigns into all public and private spaces – manipulating people's emotions and psychology to create new "needs" for products that promise to grant them a sense of self-esteem, status, identity, sexual prowess and so on that did not exist before and indeed do not have to exist. Another is to create products that are designed to break down quickly (like laptops and smart phones today) or become rapidly obsolete (as with the rise of throwaway fashion), and which therefore must be replaced more frequently than would otherwise be necessary. Another is to preclude the development of public goods in order to ensure that people have no choice but to purchase private alternatives: for instance, blocking the construction of effective public transportation systems in order to ensure a steady stream of demand for the automobile industry.

On top of this, a significant portion of consumption in highly-industrialized countries is driven by an artificial scarcity of time. As pressure on labour mounts, the structural compulsion to work unnecessarily long hours leaves people with so little time in the day that they must pay firms to do things that they would otherwise be able to do themselves: cook meals, clean their homes, watch their children, care for their elderly parents. Meanwhile, the stress of overwork

creates needs for anti-depressants, sleep aids, alcohol, dieticians, gym memberships, therapy, marital counselling, expensive holidays, and other products that people would otherwise be less likely to feel they require. To pay for these products and services, people need to work yet more to increase their incomes, driving a vicious circle of unnecessary production and consumption.

All of this reveals an interesting contradiction. The ideology of capitalism is that it is a system that generates immense abundance (just think of all the products that one sees displayed on television and in shopfronts, which parade as an extraordinary cornucopia of stuff). But in reality it is a system that relies on the constant production of scarcity.

Resolving the Lauderdale Paradox

The pattern by which capitalist growth generates scarcity was first noticed in 1804 by James Maitland, the 8th Earl of Lauderdale, in his *Inquiry into the Nature and Origin of Public Wealth and into the Means and Causes of its Increase*. Maitland introduced what became known as the “Lauderdale Paradox”. He pointed out that there is an inverse correlation between “private riches” and “public wealth”, such that an increase in the former can only come at the expense of the latter (see Foster and Clark, 2009).

“Public wealth,” Maitland wrote, “may be accurately defined, – *to consist of all that man desires, as useful or delightful to him.*” In other words, public wealth comprises goods that have an intrinsic use value even in abundance, including air, water, and food. Private riches, on the other hand, consist “*of all that man desires as useful or delightful to him; which exists in a degree of scarcity.*” In other words, Maitland sought to explain how private riches depend on goods having an exchange value that increases in proportion to their scarcity. By way of example, he pointed out that if one were to enclose an abundant resource like water and establish a monopoly over it, one could charge people to access it and therefore increase one’s private riches. This would also increase what Maitland called the “sum-total of individual riches” – what today we call GDP. But this increase, of private riches and GDP, can be accomplished only by curtailing access to what was once abundant and free.

Maitland recognized that this was happening during the process of European colonization. He stopped short of theorizing enclosure (unlike Henry George and Karl Marx later in the century), but he did point out that colonialists would often resort to burning down trees that produced fruits and nuts so that local inhabitants wouldn’t be able to live off of the natural abundance of the earth, but would be compelled instead to work for wages and purchase food from Europeans in order to feed themselves. For the sake of private riches and GDP, what was once abundant and free had to be made scarce. The iconic example of this was of course the salt tax that the British Raj imposed on India. Salt was abundant and free all along India’s coasts, but the British banned people from gathering it and taxed its consumption in order to create what became a significant revenue stream for the colonial government. The abolition of public wealth generated private riches.

We can see this same process happening today in the endless waves of privatization that have been unleashed all over the world since 1980, of education, healthcare, transportation, libraries, parks, swimming pools, water, even social security. At a time when globalization has run its course, trade protections have been dismantled around the world, wages are as low as they can reasonably get, and consumer markets are increasingly saturated, continued growth

requires new rounds of what David Harvey (2003) has called accumulation by dispossession – the enclosure of the remaining stock of public wealth. Social goods everywhere are under attack – they must be made scarce for the sake of growing the GDP. People must be made to pay in order to acquire goods that they used to access for free. And in order to pay, they will of course have to work more, placing them once again under pressure to compete with one another to be ever-more productive – a pressure justified, again, for the sake of growing the GDP. Indeed, our society’s obsession with GDP growth as the primary public policy objective reveals the entrenchment of the Lauderdale Paradox as political common sense, the ultimate triumph of enclosure: the growth of “private riches” has come to stand in for Progress itself. Meanwhile, conveniently – and tellingly – there is no indicator that charts the concomitant collapse of public wealth.

This logic reaches its apogee in the contemporary vision of austerity, which was rolled out across Europe in the wake of the 2008 financial crisis. What is austerity, really? It is a desperate attempt to re-start the engines of growth by slashing public investment in social goods and welfare protections – everything from elderly heating allowances to unemployment benefits to public sector wages – chopping away at what remains of the commons so that people deemed too “comfortable” or “lazy” are placed once again under threat of hunger, and forced to increase their productivity if they want to survive. This logic is overt, just as it was in the writings of people like John Bellers and David Hume. During the government of British Prime Minister David Cameron and his Finance Minister George Osborne, welfare cuts were conducted explicitly in order to get “shirkers” to work harder and to be more productive (“workfare”, they called it). Scarcity must be induced for the sake of more growth, as Maitland pointed out. In the logic of austerity, scarcity and growth emerge as two sides of the same coin, just as during the enclosures.

Today there is a new element added to this dynamic, where the Lauderdale Paradox now reveals itself also in the process of ecological breakdown that is unfolding around us on a planetary scale. Since the 1950s there has been an extraordinary increase in global GDP (often referred to as the “Great Acceleration”), but this growth in “private riches” has come at the expense of an extraordinary depletion of the living world, given the tight coupling between GDP and material and energy throughput. The majority of the planet’s tropical forests have been destroyed, agricultural soils are largely degraded, rates of species extinction are now 1,000 times faster than the background rate prior to the Industrial Revolution, while CO2 emissions have caused climate change and ocean acidification, destabilizing terrestrial and marine ecosystems and threatening food chains. This is the ultimate price of the longstanding plunder of “free” value from nature. And by destabilizing the biosphere on which human life depends, it becomes clear that the greatest public wealth of all – the integrity of the planetary biosphere – has been sacrificed for the sake of private riches.

So what will happen? How will capitalism resolve this crisis? This brings us to an important point. In response to the threat of ecological breakdown, one might say that all we need to do is cap emissions and material use and scale these down to sustainable levels, much like the IPCC’s degrowth scenario has proposed (as I described above). Some insist that once we have done this, there is no reason that GDP cannot then continue to grow indefinitely, while the biosphere recovers. But once emissions are outlawed and material use is capped at a low level, where will capitalism acquire its free inputs, if not from energy-dense fossil fuels and from nature? It will have to turn to the other primary source of value, namely, human labour. We can expect, then, that in a state of ecological emergency, capitalism will seek growth by finding new ways to squeeze workers.

Some progressive economists, like Dean Baker (2018), insist that continued growth needn't be so rapacious. Baker insists that we can scale down material and energy throughput *and* protect labour rights (effectively placing limits on both of the sources of value that capitalism draws upon), and *still* have growth. There is no reason that the new value cannot be purely immaterial, he says.

There are good reasons to believe that Baker is incorrect in this assumption. As capitalist growth has for all of its history been tightly coupled to material and energy throughput (even during the transition to services in the global North), to imagine that GDP can continue to grow while throughput declines is to go against all available evidence, and indeed to imagine a completely different kind of economy – one that has never before existed. If we are going to imagine a new economy altogether, why not imagine one without growth? This brings us to the key point. It is not growing throughput that is ultimately the problem: the problem is the growth imperative itself. To illustrate, one can imagine that in an economy where growth *must* happen despite a cap on throughput, and where all new value therefore has to be immaterial, capital would seek to enclose immaterial commons that are presently abundant and free (knowledge, songs, green spaces, maybe even parenting, physical touch, love, and perhaps even the air itself) and sell them back to people for money. Subject to these new waves of artificial scarcity, people would find themselves compelled to work and earn wages in the new immaterial industries simply in order to acquire immaterial goods that used to be freely available. This may be an ecological economy, but it is not an economy that makes any sense, or one that anyone would actually want to live in.

The point of this imaginary exercise is to illustrate that while capping throughput might create the conditions for an ecological economy and indeed cause material and energy throughput to decline, it does not neutralize the deeper violence of the juggernaut, which is the logic of growth itself. Such a move might be adequate in a pragmatic sense, but it is intellectually unsatisfying. The only way to resolve the Lauderdale Paradox is to reverse it: to reorganize the economy around generating an abundance of public wealth even if doing so comes at the expense of private riches. This would liberate humans from the pressures generated by artificial scarcity, thus neutralizing the juggernaut and releasing the living world from its grip.

A theory of radical abundance

What would this look like? Let's return to the example with which we began: the London housing market. Imagine if we were to even just partially decommo-ditize London's housing stock; for example, imagine the government was to cap the price of housing at half its present level. Prices would still be outrageously high, but Londoners would suddenly be able to work and earn significantly less than they presently do without any loss to their quality of life. Indeed, they would gain in terms of time they could spend with their friends and family, doing things they love, improvements to their health and mental well-being, and so on. And by needing to work less they would contribute to less overproduction, and therefore ease concomitant pressures for unnecessary consumption.

The same thought experiment can be applied to all social goods that have either been made to be artificially scarce or that would otherwise be simple to manage as commons. And here I have in mind not only healthcare and education, which are already generally well-recognized as public goods by most social democracies, but also other key goods that are essential to people's well-being, like internet, housing and public transportation, as in the vision of

Universal Basic Services outlined by academics at University College London (IGP, 2017). On top of this, new “utilities” like Uber and AirBnb could be taken into public ownership, or public alternatives could be created, thus enabling the emergence of “platform commons” which would allow people to exchange their material resources (cars, homes) without having to pay exorbitant and unnecessary fees to private monopolies. Employment too could be considered a common good – and indeed this would be crucial: a shorter working week with a job guarantee and a living wage, plus legislation to ensure that all productivity gains are delivered back to workers in the form of higher wages and shorter hours. And by banning advertising in public spaces we could reclaim our streets (and attention) as commons and liberate people from the sense of scarcity that advertising induces.

By de-enclosing and expanding the commons, and by redistributing existing income more fairly, we can enable people to access the goods that they need to live well without needing high levels of income (and therefore additional growth) in order to do so. People would be able to work less without any loss to their quality of life, thus producing less unnecessary stuff and therefore generating less pressure for unnecessary consumption. Meanwhile, with more free time people would be able to have fun, enjoy conviviality with loved ones, cooperate with neighbors, care for friends and relatives, cook healthy food, exercise and enjoy nature, thus rendering unnecessary the patterns of consumption that are driven by time scarcity. And opportunities to learn and develop new skills such as music, maintenance, growing food and crafting furniture would contribute to local self-sufficiency (Alexander and Gleeson, 2019).

Liberated from the pressures of artificial scarcity, the compulsion for people to compete for ever-increasing productivity would wither away. We would not have to feed our time and energy into the juggernaut of ever-increasing production, consumption and ecological destruction. The economy would produce less as a result, yes – but it would also *need* much less. It would be smaller and yet nonetheless much more abundant. In such an economy private riches (or GDP) may shrink, as Maitland pointed out, reducing the incomes of corporations and the very rich, but public wealth would increase, significantly improving the lives of everyone else. Suddenly a new paradox emerges: abundance is revealed to be the antidote to growth.

If austerity represents the apogee of the Lauderdale Paradox, where public wealth is sacrificed for the sake of generating private riches, what becomes clear from the above is that degrowth is the very opposite. This is an important point. Some have attempted to smear degrowth as a new version of austerity, this time promoted by the left rather than the right – an extreme manifestation of old-school environmentalists who want to force everyone to live miserable lives. But exactly the opposite is true. While austerity calls for scarcity in order to generate more growth, degrowth calls for abundance *in order to render growth unnecessary*. Abundance, then, is the solution to our ecological crisis. If we are to avert climate breakdown, the environmentalism of the 21st century must articulate a new demand: a demand for radical abundance.

References

- Anderson, K., & Peters, G. (2016) “The trouble with negative emissions.” *Science*, 354(6309), pp. 182-183.
- Baker, Dean (2018) “Will degrowth save the planet?” *Beat the Press*.
- Bringezu, S. et al. (2015) “Possible target corridor for sustainable use of global material resources.”

Resources, 4, pp. 25-54.

D'Alisa, G., Demaria, F., & Kallis, G. (2014) "From austerity to depense." In *Degrowth: a vocabulary for a new era*. Routledge.

D'Allessandro et al. (2018) "EUROGREEN Model of job creation in a post-growth economy." The Greens and EFA in the European Parliament.

Davis, M. (2002) *Late Victorian holocausts: El Niño famines and the making of the third world*. Verso Books.

De Coninck, H., and Benson, S. M. (2014) "Carbon dioxide capture and storage: issues and prospects." *Annual Review of Environment Resources*, 39, pp.243-270.

Dietz, R., & O'Neill, D. (2013) *Enough is enough: Building a sustainable economy in a world of finite resources*. San Francisco/London: Berrett-Koehler/Routledge.

Dittrich, M., Giljum, S., Lutter, S., & Polzin, C. (2012) "Green economies around the world." *Implications of resource use for development and the environment*. Vienna: SERI.

European Academies Science Advisory Council (2018) "Negative Emission Technologies: What role in meeting Paris Agreement targets?" EASAC Policy Report 35.

Fairlie, S. (2009) "A short history of enclosure in Britain." *The Land*, 7, pp. 16-31.

Foster, J. B. and Clark, B. (2009) *Monthly Review* (01 Nov)
<https://monthlyreview.org/2009/11/01/the-paradox-of-wealth-capitalism-and-ecological-destruction/>

Fuss, S. et al. (2014) "Betting on negative emissions." *Nature Climate Change*, 4(10), pp. 850-853.

Galbraith, J. K. (1998). *The affluent society*. Boston, MA: Houghton Mifflin Harcourt.

Global CCS Institute. (2015) *Global Status of CCS 2015: Summary Report*.

Grubler, Arnulf et al. (2018) "A low energy demand scenario for meeting the 1.5C target and sustainable development goals without negative emissions technologies." *Nature Energy*, 3, pp. 515-527.

Harvey, David (2003) *The New Imperialism*. Oxford University Press.

Heck, V. et al. (2018) "Biomass-based negative emissions difficult to reconcile with planetary boundaries." *Nature Climate Change*, 8.

Hickel, Jason and Giorgos Kallis (2019) "Is Green Growth Possible?" *New Political Economy*.

Hoekstra, A. Y. & Wiedmann, T. O. (2014) "Humanity's unsustainable environmental footprint." *Science*, 344, pp. 1114-1117.

Holz, C., Siegel, L. S., Johnston, E., Jones, A. P., & Sterman, J. (2018) "Ratcheting ambition to limit warming to 1.5°C—trade-offs between emission reductions and carbon dioxide removal." *Environmental Research Letters*, 13(6), 064028.

IGP (Institute for Global Prosperity) (2017) *Social prosperity for the future: a proposal for Universal Basic Services*. University College London.

https://www.ucl.ac.uk/bartlett/igp/sites/bartlett/files/universal_basic_services_-_the_institute_for_global_prosperity_.pdf

IPCC. (2018) *Global Warming of 1.5°C – Summary for Policymakers*. Switzerland: IPCC.

Jackson, T. (2009) *Prosperity without growth: Economics for a finite planet*. Routledge.

Jacobson, M. Z., & Delucchi, M. A. (2011) "Providing all global energy with wind, water, and solar power, Part I: Technologies, energy resources, quantities and areas of infrastructure, and materials." *Energy policy*, 39(3), pp. 1154-1169.

Kallis, G. (2011) "In defense of degrowth." *Ecological Economics*, 70(5), pp.873-880.

Kallis, G. (2018) *Degrowth*. Newcastle-upon-Tyne: Agenda Publishing.

- Larkin, A. et al. (2017) "What if negative emissions technologies fail at scale?" *Climate Policy*.
- Latouche, S. (2009) *Farewell to growth*. Polity.
- Latouche, S. (2014) "Essays on Frugal Abundance." *Degrowth: Misinterpretations and Controversies, Part 1*. Republished by the Simplicity Institute.
- Patnaik, U. (2018) *Agrarian and Other Histories*. Columbia University Press.
- Perelman, M. (2000) *The invention of capitalism*. Duke University Press.
- Peters, G. (2017) "Does the carbon budget mean the end of fossil fuels?" *Climate News*.
- Raftery et al. (2017) "Less than 2 °C warming by 2100 unlikely." *Nature Climate Change*.
- Rockström, J. et al. (2009) "Planetary boundaries: exploring the safe operating space for humanity." *Ecology and Society*, 14, no. 2.
- Sahlins, M. (1976) "The original affluent society." In *Culture and Practical Reason*. University of Chicago Press.
- Schandl, H. et al. (2016) "Decoupling global environmental pressure and economic growth." *Journal of Cleaner Production*, 132, 45-56.
- Smith, P. et al. (2016) "Biophysical and economic limits to negative CO₂ emissions." *Nature Climate Change*, 6(1), pp. 42-50.
- Steffen, W., et al. (2015) "Planetary boundaries: Guiding human development on a changing planet." *Science*, 347, no. 6223.
- United Nations Environment Programme (UNEP) (2017). *Assessing Global Resource Use*.
- Van Vuuren, D. P. et al. (2017) "Open discussion of negative emissions is urgently needed." *Nature Energy*, 2, pp. 902-904.
- Vaughan, N.E., and Gough, C. (2016) "Expert assessment concludes negative emissions scenarios may not deliver." *Environmental Research Letters*, 11.
- Victor, P. (2008) *Managing without Growth: Slower by Design, Not Disaster*. Edward Elgar Publishing.
- Ward, J. et al. (2016) "Is decoupling GDP growth from environmental impact possible?" *PloS one* 11(10).
- Wood, E. M. (2002) *The Origin of Capitalism: A Longer View*. Verso.
- World Inequality Report (2018) Published by the World Inequality Database.
<https://wir2018.wid.world/>

Author contact: jasonhickel@gmail.com

SUGGESTED CITATION:

Hickel, Jason (2019) "Degrowth: a theory of radical abundance", *real-world economics review*, issue no. 87, 19 March, pp. 54-68, <http://www.paecon.net/PAEReview/issue87/Hickel87.pdf>

You may post and read comments on this paper at <https://rwer.wordpress.com/comments-on-rwer-issue-no-87/>