

# STATE OF THE WORLD 2012

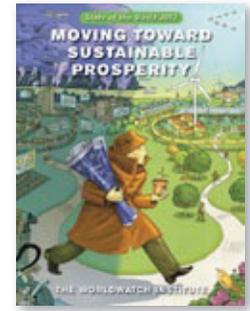
## Moving Toward Sustainable Prosperity

### POLICY BRIEFS

#### Chapter 2

## The Path to Degrowth in Overdeveloped Countries

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### KEY MESSAGES

- ▶ The rapidly warming Earth and the collapse of ecosystem services show that economic “degrowth” in overdeveloped countries is essential and urgent.
- ▶ Degrowth is the intentional contraction of overly inflated economies and the dispelling of the myth that perpetual pursuit of growth is good for economies or the societies of which they are a part.
- ▶ Degrowth can be achieved through policies to discourage overconsumption, raising taxes, shortening work hours, and “informalizing” certain sectors of the economy.

### THE PROBLEM

Current high levels of economic consumption, which occur mostly within industrialized countries and among consumer elites in developing countries, are putting unbearable strain on Earth’s systems. Global impacts such as climate change will have devastating effects on human societies around the world. Planetary warming of 4 degrees Celsius looks increasingly inevitable, and the international climate talks in Durban, South Africa, in late 2011 did nothing to reverse this forecast. Yet societies continue to promote a vision of prosperity that entails unfettered economic growth and consumption: in 2011 the advertising industry spent \$464 billion marketing the consumer lifestyle worldwide.

In addition to its environmental impacts, this vision of prosperity has negative societal consequences. In 2010, 1.9 billion people in the world, including two out of every three Americans, were overweight or obese. Obesity shortens life spans, causes illnesses like heart disease and diabetes, and costs the United States \$270 billion annually in medical costs and lost productivity. Other consequences of overconsumption include high debt burdens, long working hours, pharmaceutical dependence, time lost in commuting, and social isolation.

Humanity needs to reduce its economy by at least a third, based on the Global Footprint Network’s estimate that we currently use 1.5 Earths’ worth of ecological capacity. But this need for degrowth comes at a time when the poorest one-third of humanity still needs to considerably increase its consumption to achieve a decent quality of life. The redirection of economies away from unending growth and consumption is a means to answer these urgent problems. Degrowth must target overconsuming societies with the hope of achieving more equitable distribution of socioeconomic benefits to disadvantaged communities and countries, as well as reducing total economic throughput within the capacity of a strained Earth system.

### MOVING FORWARD

Degrowth promotes a new economic goal: prosperity while shrinking the formal economy. In a globalized culture where growth is seen to be essential for economic success and societal well-being, degrowth seems to be a political non-starter, or a recipe for economic and societal collapse. But degrowth does not promote economic depression; it advocates the creation of a steady-state economic system that is in balance with Earth’s limits. By realigning economic priorities, the degrowth movement seeks to improve individual well-being, strengthen community resilience, and restore the planet’s ecological systems.

Reducing overall consumption is a primary way to achieve degrowth. This involves shrinking home sizes, living in walkable and bikeable neighborhoods, eating less and lower on the food chain, and generally owning less stuff: in 2000, the average American used about 194 pounds of resources per day. Food, housing, and transportation are three areas where shifting individuals’ decisions can effect great change without compromising the quality of people’s lives.

Because individuals are rarely able to make major changes to overall consumption patterns, governments and businesses will need to play a central role in editing people’s choices. As a sensitive issue,

choice editing requires subtlety and finesse, but when done right it can be very effective. In Washington, D.C., for example, after a 5-cent tax on plastic bags was enacted in 2010, use of bags dropped from 22.5 million to 3 million in one month, and has stayed at that level since.

Proponents of degrowth have also suggested making significant tax reforms. Raising taxes on the wealthiest, for example, would help curb unnecessary and ecologically destructive consumption. Governments could also tax ecologically harmful industries, financial transactions, and advertising—especially of unhealthy or unsustainable products. These taxes could curb the growth of harmful industries and of the worst forms of consumption, while also raising government revenues to build green infrastructure—such as improved water and sanitation systems, public transit, renewable energy, and bicycle lanes.

To achieve degrowth, efforts should be made to help people step out of the “rat race” and increase the amount of self-provisioning they do. A variety of countries have helped shorten the average work

week, through job sharing and providing longer parental leaves and vacation time. Expanding these initiatives could create more free time, reduce stress, and more equitably distribute working hours. Meanwhile, supporting efforts to create informal economic opportunities like small-scale farming and community gardening, bartering, and repair could help in creating new means for people to sustain themselves.

## LOOKING AHEAD

For degrowth to succeed, effective communication will be needed across many sectors of society, from the Internet and the classroom to the voting booth and the living room. But the benefits to be gained from degrowth—and the more-equitable distribution of social benefits that would result—are great: more-equitable societies have less violent crime, higher literacy levels, lower overweight levels, and lower teen pregnancy and incarceration rates. Degrowth can help solve a variety of societal woes while lessening the likelihood of environmental collapse.



Library of Congress

U.S. government social marketing poster from 1917.

This brief is based on Chapter 2, “The Path to Degrowth in Overdeveloped Countries,” by Erik Assadourian, published in Worldwatch Institute’s *State of the World 2012: Moving Toward Sustainable Prosperity*. To order a copy of the report, visit [www.worldwatch.org/stateoftheworld2012](http://www.worldwatch.org/stateoftheworld2012). Additional policy briefs, essays, and select report chapters are available at <http://sustainableprosperity.org>.