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The economy of enough: A viable plan for a sustainable future?

Alexander Paulsson

review of

Dietz, R. and D. O'Neill (2013) *Enough is enough: Building a sustainable economy in a world of finite resources*. Oxon: Earthscan and Routledge. (HB pp. 256, £65.00, ISBN13 978-0-415-82093-6; PB pp. 240, £12.99, ISBN13 978-0-415-82095-0)

Introduction

In March 2016, the International Energy Agency (IEA) reported that carbon dioxide emissions during the last two years had leveled out. While the global amount of man-made greenhouse gas emissions stayed flat, global GDP had continued to grow. Absolute decoupling had finally occurred, the IEA proclaimed, a development desired by many proponents of green growth. Only four times in the history of IEA's measuring of CO2-emissions had emissions stayed flat or dropped compared to the previous year. This happened in the early 1980s, 1992 and 2009, which were periods marked by global economic stagnation.

The IEA (2016) wrote in their press release that during 2014 and 2015, economic growth had increased while CO2 emissions had not. To support this claim, the IEA refer to figures from the International Monetary Fund, showing that global Real GDP grew by 3.4% in 2014 and 3.1% in 2015. By going back only a few years, e.g. to the immediate aftermath of the financial crisis in 2009, it is evident that global growth rates have declined, both in advanced economies as well as in

emerging market and developing economies. As ever so often, however, the priests and overlords of what is termed the economy, predict that the future will be brighter and that the global economy will start growing again. Predictions by the IMF, for example, suggest that the global economy will reach 4% Real GDP growth around 2019-2020. But there are good reasons to question these figures.

Both China and the United States, the two largest CO2 emitters, have struggled with declining rates of Real GDP growth. While China's growth rate is heading down towards 6%, from previous figures of approximately 10%, the United States' rate is hardly, if at all, growing. Its Real GDP is on a fairly low level of around 2.5-3%. In both of these countries, a decline in energy-related CO2-emissions was registered in 2015. This suggests that the amount of CO2-emissions is coupled to the rate of Real GDP growth, after all.

It is easy to get stuck quibbling figures and numbers. Though these are important, the most acute problem with growth is not only that it leads to emissions of carbon dioxide but also that it involves consumption of large amounts of other non-renewable raw materials. So even if the global energy usage would switch from high-carbon options like coal and fossil to low-carbon options, such as solar panels, hydro or wind power, the current level of global material throughput would still lead to the depletion of ecosystems, disruption of natural habitats for animals and plants, as well as produce enormous amounts of waste. This list of environmental degradation could be much longer. Turning to the social ramifications of economic growth, huge inequalities remain a reality, with billions of people living in poverty, despite decades of growth. Though the figures and numbers are important here, it is the processes behind these that are the most significant for understanding the ecological and social problems associated with economic growth. Under which conditions is growth produced, reproduced and how is surplus reinvested?

Enough

Enough is enough by Rob Dietz and Dan O'Neill, is a good starting point for those who wish to find the answers to these questions and to examine the absurd claim that perpetual growth is both desirable and possible, whether green or not. The authors acknowledge that they are both admirers of the ecological economist Herman Daly and supporters of his notion of a steady state economy. They also acknowledge that Daly already has offered insightful critiques of economic growth as an idea and practice, as well as outlined how an alternative steady-state economy could be organized. However, Dietz and O'Neill highlight that more specific policy proposals and transition strategies are lacking. This book is the

response to this gap. Throughout the book, chapter-by-chapter, they seek to show how a steady-state economy could become a reality. In the first part, they discuss *why* perpetual growth is impossible and *why* change is much needed. Here they run through the figures and numbers supporting this, while also introducing the basics of steady state economics. This is lucid and very helpful for novices.

There are three items that must be kept stationary in a steady state economy: the number of people, the stock of artifacts (built capital), as well as the quantity of material and energy flowing through the economy. In addition to these quantitative items, there are four more qualitative features of a steady state economy that also must be taken into account, namely: sustainable scale, fair distribution, efficient allocation, and high quality of life. Without going into the details, as these features are worthy of book length discussions on their own, the number of people is obviously the most contentious of the items to be kept steady.

Peak child

Hans Rosling, the Swedish professor in Public Health, has argued that there is no need to worry about overpopulation. As the world's poor get better off, they tend to give birth to fewer children. Fertility is declining as wealth increases. This means that the world's population will eventually level out. In many western countries, there is even a fear that the population as a whole is getting older and possibly also shrinking. Rosling introduced the concept of 'peak child' in a TED Talk in 2012 to capture this and sell it more broadly outside academia (Rosling, 2012).

Dietz and O'Neill do not mention this equilibrium hypothesis proposed by Rosling, nor do they mention the fact that 10% of the world's population accounted for 40 percent of all CO2-emissions between 1998 and 2013 (Chancel and Piketty, 2015). These 10% are distributed on all continents, with a third residing in the so-called emerging and developing economies. At the same time, half the world's population accounted for only 13 percent of all CO2-emissions during the same time period. So, while CO2-emissions are unevenly distributed within countries, those affected the most account for the smallest environmental impact.

Together, these two observations suggest that population per se is not a crucial issue, but rather the consumption behavior within a fairly small group of super-wealthy people who see the world as their playground and its resources to be at

their disposal. Brand and Wissem (2012) have termed this lifestyle 'the imperial mode of living'. While these observations strengthen the argument that ecological and economical issues are tightly interconnected, Dietz and O'Neill tend to gloss over the issue of *who* emits the greenhouse gases and *whom* this affects the most. To argue that population growth per se is an ecological issue is to put up a huge smokescreen to cover up the massive inequalities behind the current ecological and economic crises.

Limits

Criticism of growth can take many forms. However, most of them can be boiled down to two broad categories, and Dietz and O'Neill touch upon both of them. First, criticism can begin from a quantitative understanding of the value of ecosystem services and the scarcity of natural resources. Because of the limited amount of non-renewable resources, the consumption of them must be reduced or even capped, in order to cut down CO2-emissions and to save resources for future generations. Second, criticism can start from a qualitative understanding of happiness, well-being and a healthy planet. Perpetual growth does not lead to greater happiness or well-being, as has been suggested by the well-known and hotly debated Easterlin Paradox (Easterlin, 1974), and it certainly does not improve the conditions for plants, animals and earth as a whole to survive and flourish in the long run.

Regardless of where you start, either in the quantitative or qualitative understanding, you end up in the same argument: consumption must be reduced and behavior changed. To put it bluntly, consumption today is not about survival; it's about status. This makes consumption unsustainable for a number of reasons, most notably because it propels material throughout and thus increases waste production, and also because it apparently does not make us happier. For these and other reasons, a reduction in consumption is portrayed as a way to solve the ecological problems associated with economic growth. This is a view that proponents of steady state economics share with many advocates of degrowth. While Dietz and O'Neill do not discuss the similarities and differences between the two schools of growth-critique, D'Alisa et al. (2015) try to show the differences by arguing that steady state economics involves less of the same, while degrowth is 'simply different'. Unfortunately this distinction is not very helpful, as much degrowth scholarship is just a cluster of loosely grouped ideas. What makes them different from other schools of thought is as ambiguous as the question about what principle is grouping the ideas together.

Yet, both steady state economics and degrowth agree that capping consumption is one way to tackle the ecological problems associated with economic growth. But if consumer behaviors change, then demand changes too, as well as what is seen as scarce. So, whether a resource is seen as scarce or not is contingent on the dominant cultural values in a given society. Steady-state economics come across as being rooted in the idea that scarcity depends on the limits of nature, not on the limits of our cultural imagination. This difference is crucial. For as far as policy change goes, it is easier to change our cultural values than the limits of nature. Either change must start through a quantitative understanding of the limits of nature (i.e. adopting a neo-Malthusian perspective and trying to distribute resources fairly by capping both consumption and population growth), or by criticizing the hegemonic cultural ideology that places scarcity in the limits of nature, not in our cultural imagination

Instead of capping consumption, perhaps much more focus should be placed on changing it? Dietz and O'Neill do criticize consumerism. Yet, they see critique of consumerism mostly as a way to energize the transition to a steady-state economy. A relevant question not touched upon by Dietz and O'Neill is *who* should change their consumption behaviors. If the small minority of 10% of the world's population who account for 40% of CO2-emissions changed their consumption behaviors, CO2-emissions would decrease, following Chancel and Piketty (2015). Or, should we *all* change our behaviors, for example by introducing individual quotas which then could be bought and sold?

Capitalism

Dietz and O'Neill also discuss the current horrendous economic inequalities across the globe and suggest two ways of dealing with this. Either reduce income differences, e.g. by maximum pay differentials and basic income schemes, or implement redistributive taxes. Either of these would be possible without growth. As is often the case with work that seeks to cover a broader issue, the details and nuances are sacrificed for the sake of developing a clear argument.

What is not discussed, though, is whether a steady-state economy sits nicely besides capitalism, or allies with anti-capitalist ideologies such as Marxism, or even indigenous epistemologies. Although steady-state economics questions many of the fundamentals of capitalism (e.g. private ownership, for-profit corporations as well as shareholder power), less is said about its political undercurrent. Without an explicit political stance, steady-state economics run the risk of becoming a theoretically elaborated roadmap lacking an agent of change. If steady state economics were to be paired with a solid political analysis of socio-

economic processes, including commodification, the reproduction of social inequalities and labor processes, it would be very well equipped to single out an agent of change, rather than simply alluding to the general public's consciousness.

Conclusion

Dietz and O'Neill have written a thoughtful and lucid book with a simple structure in a crisp and clear language. The fact that each chapter begins with a little story that follows through to the end makes it easy to read, and is also a clever way to get their message across. In its accessible and forthright style, the book is similar to another modern classic in steady state economics, namely *Shoveling fuel for a runaway train* by Brian Czech, published in 2002. Dietz and O'Neill's book is less personal in style and more of a hands-on manual compared to Czech's (2002). But the style should nonetheless make it accessible both to the laymen as well as to the people working in the higher echelons of policy making.

The book also helps debunking triumphalist statements like the one by the International Energy Agency, noted in the introduction of this review, which stated that GDP growth had decoupled from CO2-emissions during 2014 and 2015. Dietz and O'Neill's book shows that decoupling in the form of green or sustainable growth is not only highly implausible, it also shows that such growth, should it materialize over a longer time period, neither implies social equality nor the safeguarding of the planet's biodiversity and life-sustaining ecosystems. Business as usual cannot continue and this book shows the trajectory that any business must embark upon.

So who should then read this book? Everyone, I'd say! Since the book turns many commonly accepted ideas upside down, it is a must read for everyone with an interest in creating a sustainably just world. As everyone should be interested in this, I recommend this book to everyone.

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the author

Alexander Paulsson obtained his PhD from Lund University and is currently a postdoctoral researcher at the Swedish Knowledge Centre For Public Transport. He was a co-coordinator of the Degrowth theme at the Pufendorf Institute for Advanced Studies at Lund University (2015-2016).
Email: alexander.paulsson@vti.se