Welfare in degrowth transformations

Keynote at the 6th Foundational Economy Conference

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My talk is about welfare in degrowth transformations, and the point of departure is the climate and planetary emergency. I will suggest a way how degrowth transformations may be theorized and draw some policy implications from this, specifically in relation to the role of the welfare state. I will also introduce some recent empirical findings about studying degrowth transformations, both qualitatively and quantitatively, and draw some conclusions.

The IPCC (2022) and Alliance of (over 11,000) World Scientists (Ripple et al 2019) call for 'bold and drastic transformations' in this decade to meet the Paris climate targets. I quote from the World Scientists' report:

'Economic growth must be quickly curtailed' to 'maintain long-term sustainability of the biosphere'… The goals of economic and other policymaking 'need to shift from GDP growth … toward sustaining ecosystems and improving human well-being by prioritizing basic needs and reducing inequality.' (Ripple et al 2019)

This conclusion echoes comparative studies by Timothée Parrique et al (2019) and Helmut Haberl et al (2020). Both indicate that attempts to absolutely decouple GDP growth from resource use and greenhouse gas emissions either failed or did not reach the extent necessary to meet the Paris climate targets. The policy implications from this are that 'decoupling needs to be complemented by sufficiency-oriented strategies and strict enforcement of absolute reduction targets' (Haberl et al) as well as a de-prioritization of GDP growth as overall target in policymaking (Parrique et al).

I am going to talk a little bit about degrowth and how we conduct research in this field. I start with a bit of a shorthand definition. Timothée Parrique, who has studied this in detail, tells me that there are actually over a hundred different definitions of degrowth in circulation these days. Yet I think the following can serve as common lowest denominator: From a degrowth perspective, the economy is seen in the first place as a biophysical process, or, in Marxian terms, as use value producing rather than exchange value producing. Degrowth is about reducing the matter and energy throughput, and the scale of the economy via voluntary changes in production and consumption patterns. It is a 'right sizing' that is to be democratically deliberated without undermining critical levels of wellbeing, and it should be started in the global North as soon as possible to open development space for the global South, thereby also considering the colonial past.

I am interested in degrowth transformation basically because I came to agree with a lot of other researchers that absolute decoupling is rather unlikely in the near future; but I am also among those who would say that such a transformation is far from a "walk in the park". A transition to a post-growth world would involve parallel changes in a range of institutions and values (Büchs and Koch 2017). For example, the welfare state has co-developed with economic growth in the post-war decades, and the two are still linked in many ways. Moreover, also the the legal apparatus, the media and the education system have expanded in parallel to the provision of economic growth. This means that a reduction in one of these institutions, or societal subsystems, would have implications for the others, potentially leading to dis-alignments and what Durkheim called "anomie" in relation to values.

The forthcoming book 'Deep Transformations: A Theory of Degrowth' (Buch-Hansen et al 2024) tries to provide a social theory capable of capturing the complexity of degrowth transformations, that is, in more advanced terms than just saying "oh this is very complex". Its theoretical framework is mainly based on Iana Nesterova's and Hubert Buch-Hansen's recent work on critical realism and degrowth, now combined with heterodox political economy, and Bourdieusian sociology for the more empirical parts. Following Buch-Hansen and Nesterova's (2021 and 2023) application of critical realism, the complexity of social existence can be understood along four planes of social

The (welfare) state in degrowth transformations (Koch 2020a, 2022a, b): increases in size in a first phase (nationalisations to phase out fossil fuel industry etc) only to shrink thereafter

Economic development: Interpreted as bio-physical process (use value orientation)	Spatial target	Economic and eco-social policies: Sustainable welfare and needs orientation through redistribution of wealth, income and pollution rights
States ensure that production and consumption patterns do not exceed environmental limits Define limits for economic and social inequality Steer governance network with collective, communal and private and actors	Global and local levels Global: Identification of thresholds for matter and energy throughput These delineate the leeway within which national and local economies can evolve	Management of mixed economy ensures provision of sufficient need satisfiers Directed at moving production and consumption norms towards social floors and ecological ceilings of the 'safe and just operating space' (Raworth 2017; Brand et al 2021; Khan et al 2023) via corresponding 'corridors' (Bärnthaler & Gough 2023; Fuchs et al 2021)
Presupposes civil-society mobilizations, self-transformations of state employees and an expansion of the 'left hand'		

Table 1: The (welfare) stare in degrowth transformation
Source: Presentation by Max Koch

being, which is (1) material transactions with nature, (2) social interactions between persons, (3) social structures, including inequality structures, and (4) inner being, that is, the individual transformations that people would need to make to bring forth degrowth. The book also takes up three sites of social change: (1) business and the economy, (2) civil society, and (3) the state as well as various scales of practice (from the local to the transnational).

For the rest of the talk, I will focus on the role of the state in this transformation, with an emphasis on the welfare state, and an empirical study of degrowth transformations. In the book, we assume that the overall size of the state would increase in a first stage, only to decrease thereafter. It would first need to increase because the fossil fuel industry, especially, would need to be phased out as soon as possible. Hence, after nationalizing the fossil fuel industry, this sector (and accordingly the state) could shrink again. However, we envision some long-term role of the state because we cannot expect local communities to take care of nuclear waste, for example, for millions of years to come.

We are looking at three elements of state activity here: first, economic development would be interpreted as a biophysical process or use value orientation rather than exchanges value orientation. Here, states ensure that production and consumption patterns do not exceed environmental limits and define limits for economic and social inequality. Second, states steer governance networks with collective communal and private actors – an important issue here being what critical geographers call the 'spatial targeting of state agency' which would, in postgrowth circumstances, be the global and local levels. It is at the global level where thresholds for matter and energy throughput would be identified, including remaining carbon budgets for existing states and local areas. This would in turn delineate the leeway within which national and local economies could evolve. The final element of state activity is the provision of sustainable welfare (Koch et al 2023) and associated needs satisfiers, achieved via a redistribution of wealth, income, and pollution rights. For this, we would need to see a renaissance in democratic planning, and a management of a mixed economy ensuring the provision of sufficient ecologically sustainable needs satisfiers for everyone with the state playing a steering role. In short, state activities within degrowth transformations would be directed at moving production and consumption norms towards an operating space between both social floors and ecological ceilings (Raworth 2017; Gough 2020; Brand et al 2021; Khan et al 2023). I recommend recent work on production corridors (Bärnthaler and Gough 2023) which originates in the Foundational Economy, complementing previous work on consumption corridors (Fuchs et al 2021) to guide this process. It should be added that such a reorientation in state policies would presuppose civil society mobilizations but also self-transformations on the part of state employees.

I would now like to show you some of the empirical work that we have done in Sweden in recent years. This may give you an idea of the rather enormous gaps we have to overcome to get somewhere near the caliber
and orientation of change outlined earlier. I have tried to argue that eco-social policies should be oriented at both social floors and ecological ceilings. We have carried out two surveys that take up various policies that are discussed in the degrowth literature and beyond. These either limit something harmful in terms of caps or taxation – for example, the living space occupied by individuals, the number of flights, income and wealth, or meat

Degrowth transformational potentials of habitus groups by planes of social being (O = Open to Degrowth; S = Sceptical to Degrowth; elaborated from Fritz et al 2021)

	Passive anti-ecological conservatism (10%)	Self-centred privatism (8%)	Environ-mental centralism (21%)	Eco-modernist conservativism (16%)	Fossil liberalism (10%)	Active sustainable welfare (19%)	Moderate traditional welfare (16%)
Material transact-ions with nature	S	S	O	O	S	O	O
Inter-actions with others	O	S	O	O	S	O	S
Social structures	S	O	O	S	S	O	S
Inner being	O	S	S	S	S	O	O

- Bourdieusean methodology: Principal component analysis applied to a set of survey answers about social and ecological topics resulting in 8 eco-social dispositions. Subsequent cluster analysis resulted in 7 habitus types

Table 2: Degrowth transformational potentials of habitus groups by planes of social being
Source: Presentation by Max Koch

consumption – or enable something useful and necessary for the satisfaction of basic human needs (Lee et al 2023). Unfortunately, all proposals of limiting something turned out not to be very popular. Especially, the limitation of living space is beyond the pale in the eyes of Swedes. Limiting the number of flights is almost equally unpopular. When it comes to providing social floors, it is probably a Swedish particularity that universal basic income is rarely supported. Comparative studies confirm this. A totally different story emerged when we asked about so-called universal basic services – either provided for free or at a low fare – in relation to the provision of water, public local transport, electricity or the internet, which turned out to be in favor of half of the population or more. Hence, enabling people to satisfy their needs at a certain level via universal basic services is a rather popular idea, whilst limiting wants is not. We interpreted the same data using a sociologically more advanced approach: an application of Pierre Bourdieu to the eco-social space in Sweden (Fritz et al 2021; see Koch 2020b). According to Bourdieu, values, norms, political positions etc. are best understood in connection with social positions in which people find themselves and the so-called dispositions they develop during upbringing and socialization.

We found that there are seven so-called 'habitus groups' comprising of between 10 and 20 percent of the population. As we highlight in the forthcoming book, there is just one group completely in favor of degrowth transformations, and one group that is totally skeptical of them. Fortunately, the skeptical group of 'fossil liberalism' is only 10 percent, while what we call 'active sustainable welfare', which is closest to the social and ecological transformation we want to see, is almost 20 percent. Interestingly, all other groups are mixes. Hence, they are open to degrowth transformations or policies relative to some plane of existence, and skeptical to other(s). This mixed nature of habitus traits may be strategically 'used' in political mobilizing to convince the sceptics of degrowth positions also in relation to other planes of existence.

The final view I want to take is based on deliberative citizens forums. Following the 'human scale' methodology originated by Max-Neef (Max-Neef 1991; Koch et al 2021; Lee & Koch 2023; Lee et al 2023), we carried out 11 of these forums in Sweden with 84 participants. According to Max-Neef, one first considers negative needs satisfiers, then positive needs satisfiers and finally how to get from A to B. Participants deliberate on what they do in their day-to-day life in meeting their needs, how this may be done in a more or less utopian future and more sustainable ways, and what kind of policies may facilitate such change. For the book, we have selected just a few examples according to the three sites of transformation (civil society, state, and business) and the four planes of existence. If you take the intersection of social structure and the state, for example, we see pension policies based on employment records as negative need satisfier, because they contribute to an additional strengthening of the work ethic. Monocultures in agriculture are no good news for the material transaction with nature. Corporate social media is toxic for the inner being and any positive transformation at the personal level. Just to give you an idea of some positive need satisfier that came up, for material transactions with nature to improve, an expanded infrastructure for cycling and walking was seen as essential. A business approach highlighting sufficiency and localization as well as a share, repair and recycling economy would be equally positive. On the inner-being plane an emphasis on care rather than competition was likewise highlighted as helpful to foster degrowth transformations.

I have to leave it here and can only ask you to look up some of our previous publications on deliberative forums and, especially, to check out Iana Nesterova's and Hubert Buch-Hansen's work on what should actually grow and what should degrow during degrowth transformations (Buch-Hansen & Nesterova 2023).

I wrap up by pointing out that deliberative forums are something that can be used as a kind of alternative: A

different way of interacting between researchers, activists, policymakers, and lay persons where we can learn from each other – and convince the remaining skeptics about the necessity of entering a degrowth path. For this to happen, such deliberative exercises would need to be done on much greater scales than in our research.

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