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Why less is more

There's only one way to avoid climate catastrophe: 'de-growing' our economy

You can almost feel the planet writhing. This summer brought some of the biggest, most destructive storms in recorded history: Harvey laid waste to huge swathes of Texas; Irma left Barbuda virtually uninhabitable; Maria ravaged Dominica and plunged Puerto Rico into darkness. The images we see in the media are almost too violent to comprehend. And these are the storms that made the news; many others did not. Monsoon flooding in India, Bangladesh and Nepal killed 1,200 people and left millions homeless, but Western media paid little attention: it's too much suffering to take in at once.

What's most disturbing about this litany of pain is that it's only going to get worse. A recent paper in the journal Nature estimates that our chances of keeping global warming below the danger threshold of 2 degrees is now vanishingly small: only about 5 per cent. It's more likely that we're headed for around 3.2 degrees of warming, and possibly as much as 4.9 degrees. If scientists are clear about anything, it's that this level of climate change will be nothing short of catastrophic. Indeed, there's a good chance that it would render large-scale civilization impossible.

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Why are our prospects so bleak? According to the paper's authors, it's because the cuts we're making to greenhouse gas emissions are being more than cancelled out by economic growth. In the coming decades, we'll be able to reduce the carbon intensity (CO2 per unit of GDP) of the global economy by about 1.9 per cent per year, they say, if we make heavy investments in clean energy and efficient technology. That's a lot. But as long as the economy keeps growing by more than that, total emissions are still going to rise. Right now we're ratcheting up global GDP by 3 per cent per year. At that rate, the maths is not in our favour; on the contrary, it's

slapping us in the face.

In fact, according to new models published last year, with a background rate of 3 per cent GDP growth it's not possible to achieve any level of emissions reductions at all, even under best-case-scenario conditions. Study after study shows the same thing: keeping global warming below 2 degrees is simply not compatible with continued economic growth.

This is a tough pill to swallow. After all, right now GDP growth is the primary policy objective of virtually every government on Earth. Over in Silicon Valley, tech-optimists are hoping that a miracle of artificial intelligence might allow us to decarbonise the economy by 3 per cent or more per year, so we can continue growing the GDP while reducing emissions. It sounds wonderful. But remember, the goal is not just to reduce carbon emissions – the goal is to reduce them dramatically, and fast. How fast, exactly? Climate scientists Kevin Anderson and Alice Bows say that if we want to have even a mere 50 per cent chance of staying under 2 degrees, rich nations are going to have to cut emissions by 8-10 per cent per year, beginning in 2015. Keep in mind we're already two years in, and so far our emissions reductions have been zero.

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Here's the hard bit. It's just not possible to achieve emissions reductions of 8-10 per cent per year by decarbonising the economy. In fact, there is a strong scientific consensus that emissions reductions of this rate are only feasible if we stop our mad pursuit of economic growth and do something totally unprecedented: begin to scale down our annual production and consumption. This is what ecologists call 'planned de-growth'

It sounds horrible, at first glance. It sounds like austerity, or voluntary poverty. After all, for decades we've been told that GDP growth is good, that it's essential to progress, and that if we want to eradicate poverty around the world, we need more of it. The only reason we're all chasing GDP growth is because we've been made to believe that it's the only way to improve the incomes and lives of ordinary people. But it's not.

Politicians and economists rally around GDP growth because they see it as preferable to redistribution. They would rather grow the pie than go about the messy business of sharing what we already have more equally, since the latter tends to upset rich people. Henry Wallich, a former member of the US Federal Reserve Board, made this clear when he pointed out that 'Growth is a substitute for equality'. But we can flip

Wallich's greedy little quip on its head: if growth is a substitute for equality, then equality can be a substitute for growth. By sharing what we already have more fairly, we can render additional economic growth unnecessary.

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In this sense, de-growth is nothing at all like austerity. In fact, it's exactly the opposite. Austerity means cutting social spending and slashing taxes on the rich in order to – supposedly – keep the economy growing. This has crushing consequences for ordinary people's lives. De-growth, by contrast, calls for cutting the excesses of the richest while redistributing existing resources and investing in social goods – universal healthcare, education, affordable housing etc. The whole point is to sustain and even improve human wellbeing without the need for endless economic expansion. De-growth is a philosophy that insists that our economy is already more than abundant enough for all of us – if only we learn how to share it.

One easy way to do this would be to roll out a universal basic income and fund it through new progressive taxes – taxes on carbon, on land, on resource use, on financial transactions, and so on. This is the most sensible and elegant way to share our abundance, and it comes with an added benefit: if the basic income is high enough, it will free people to walk away from unnecessary jobs that produce unnecessary stuff, releasing some of the pressure on our planet.

Crucially, de-growth does not mean we have to get rid of the stock of stuff that we already have, as a nation: houses, furniture, shoes, museums, railways, whatever. In fact, it doesn't even mean that we have to stop producing and consuming new stuff. It just means we have to reduce the amount of new stuff that we produce and consume each year. When you see it this way, it's really not so threatening. If we degrow by 5 per cent per year (which is what scientists say is necessary), that means we have to cut our consumption of new stuff by 5 per cent. It's easy to make up for that by just repairing and reusing stuff we already have. And we can encourage this more creative approach to stuff by curbing advertising, like Sao Paulo, Chennai and other cities have done.

Of course, there are deeper, more structural dimensions of our economy that we will have to change. One of the reasons we need growth is to pay off all the debt that's sloshing around in our economy. In fact, our entire

money system is based on debt: more than 90 per cent of the currency circulating in our economy is loans created out of thin air by commercial banks. The problem with debt is that it comes with interest, and to pay off interest at a compound rate we have to work, earn, and sell more and more each year. In this sense, every dollar of new money we create heats up the planet. But cancel the debt and shift to a debt-free currency, and suddenly we don't have to labour under this relentless pressure. There are already plenty of ideas out there for how to do this.

Still, we have to be honest with ourselves: a de-growth economy is not compatible with capitalism as we know it. But then again, neither is catastrophic climate change: the Stern Review projects that climate change is set to cost us 5-20 per cent of global GDP per year, which is going to violently change our economy beyond all recognition, and cause enormous human suffering in the process. The storms that churned across the Atlantic this summer are only a small taste of what is to come. The choice is clear: either we evolve into a future beyond capitalism, or we won't have a future at all.



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