

Feasta: The Foundation for the Economics of Sustainability

Designing systems for a changing world

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The state of economics, the planet and wellbeing

Systems have become unstable, out of balance, verging on loss of control

The **ecological ceiling** and the **social foundation** are being rapidly breached; safety for people and planet is compromised (Kate Raworth, Doughnut Economics)

-- biophysical and socioeconomic **shocks and breakdowns** – already happening

– threats to peace, food security, water security and democracy

Stark choices

A **smaller, fairer, more stable** world economy:

- Deep, rapid, **fair** and **organized global** move away from fossil fuels; **share** what we have; **sufficiency** for everyone; **transformation** in energy use and throughput
- fundamental change **can stave off ecological breakdown;**
go slower 'by design, not disaster' (Peter Viktor)

Or

Even more instability and **violent breakdown**, via:

- Continued rhetoric, delay, incremental / piecemeal changes

Calls for **system changes** are now common, but it's not always clear how to bring them about.

Upstream interventions are essential to bring about the necessary changes ...

in **downstream** institutions, businesses and ways of living ...

Upstream, interrelated interventions with high systems-leverage

- **Social Wage:** **collective benefits** that everyone should receive from the **commons**
- **Caps** on extraction of fossil fuels and other resources
- **Commons-based taxes**
- **Debt reconstruction** with social and ecological conditions attached
- Cap on monetary **wealth** and **asset accumulation**
- **Public money systems** / debt-free money – Eurozone tasks
- Public stakeholder **banking** that is not profit-oriented

Social wage

Public Services: housing, healthcare, water, transport, energy, data, waste collection, postal services, libraries, parks, museums, leisure facilities, access to art and other amenities (public luxuries)

Basic Income: universal, unconditional, sufficient.

We need **both income and services:** for rich choices, agency and diversity of action

Each arm of the social wage **supports the other.**

Social wage: functions at the social floor of the Doughnut -- high systems-leverage because 'downstream' it

- Provides **economic security, dignity** and respect for all
- Is very **ecologically and socially efficient:** decreases pressures to maximise productivity and do work that may be useless or harmful
- Creates **breathing space** for people to understand what's going on and cultivate awareness and imagination
- Supports those who are already **pioneering better ways to work and live** – enables **diversity, freedom, self-organisation**

Cap and Share: a fair phase-out of fossil fuels

Hard and declining cap – scientifically determined -- on extraction or importation of fossil fuels

No offsets: beneficial activities exist *alongside* the cap

Carbon fee to companies for licences to extract or import

Cash dividends directly to people from the fee – the **share**

Democratic citizen management: governments sign up to Cap and Share via a **Global Citizens' Trust**.

Cap and Share, for a single intervention, also has big downstream effects:

- **global and intergenerational justice**
- generates **climate finance**
- alleviates **poverty**
- creates a **limit, rations by quantity**, and **prevents rich people** from accessing more than their share (unlike pricing strategies).

It also provides a **model** for phasing out other problematic resource extraction.

About rationing and fairness:

2nd World War and other examples of quantity **rationing** showed and show that it will be accepted in times of intense crisis.

People are prepared to **consent to, and even support**, changes that are fair, even if they require some sacrifices for the affluent.

Everybody, including the affluent, is capable of **solidarity**

The issue is: will enough people understand that we are in an **intense crisis**?

(Stan Cox, 2013)

Isn't it naïve to think all countries will sign up to Cap and Share?

Maybe, but

... the major fossil-fuel-producing states would lose a significant portion of their export markets if they failed to do so.

This loss could be more financially disruptive for them than a carefully managed phase-out of their fossil fuel production.

Cap and Share and Social Wage facilitate the emergence of a **smaller but fairer** world economy of **sufficiency, material thresholds (sources and sinks) and equity**.

But the **dominant narrative** is: the people who advocate this are 'recession-loving misanthropists' who want to return us to living in caves.

However:

'The material sacrifices are far smaller than many popular narratives imply.' (Millward-Hopkins et al 2020)

By 2050, a fair world economy with **40% of current energy** (level of 1960s) could deliver **decent living standards** for everyone:

- Nutrition
- Shelter/ clothing
- Hygiene
- Healthcare
- Socialisation: education, communications and information
- Mobility.

(Millward-Hopkins et al 2020)

A good quality of life with ***moins de biens, plus de liens.***

Differentiation:

a key design-component and a feature of system-health

A troubled or damaged system loses the ability to differentiate. For example:

- What **parts of the world** need growth more than others?
- Energy for **affluence** vs energy for **decent living** (Kikstra et al, 2021)
- **Sufficiency, wasteful, luxury** consumption (Milward-Hopkins et al, 2020)

Many sectors can still grow, including:

- Economies in **poor** countries (growth must meet its social and ecological costs)
- **Not-for profit** economy: collective ownership, cooperatives, commoning
- Renewable **energy for decent living**
- Repair, recycling, re-using; **re-purposing** of factories, etc
- Work that **meets the needs** of people and planet
- Structures that **bring about** wellbeing (must go beyond monitoring)
- Social fabric
- International **diplomacy**, geopolitical **stability**
- **Transdisciplinary** cooperation: economics, ecology, humanities, social studies, psychology, etc

But ... a new design based on **sufficiency, material thresholds and equity** is usually dismissed as 'naïve' or 'impossible' ... incompatible with the economic norms of the **present system**, which include:

- Precarity / economic insecurity
- Vast inequalities
- Disaggregated consumption (seen as driver of prosperity)
- Waste (often considered efficient for brand-protection, etc)
- Indefinite pursuit of disaggregated economic growth in order to maintain political and economic stability.

(Milward-Hopkins et al, 2020: 9).

Moreover ...

the **dominant social imaginary** accepts this **present economic system** as commonsense ...

But **economic design** arises out of **political** decisions.

What sort of **culture and imaginary** would accept and support the new design and the necessary policies and institutions?

A culture change and new design could come about with ...

- Consolidation of **civil society forces**: trades unions, faith groups, activists, academics; show politicians what is possible and that support will be available for systemic changes that are **fair**
- **Courage of leaders** to resist powerful forces of the status quo
- **Deep crisis**, verging on collapse, in rich countries (disaster side-effect)
- **Capacity building** for citizens: the arts, citizens' assemblies, big public conversations to build scientific, ecological and economic literacy and at least passive **consent** from the population at large.

Signs that going slower by design is being seriously considered

- **UN** reconsidering its economic goals
- European Parliament *Beyond Growth* conference May 2023
- **European Research Council** is funding research on 'post-growth pathways to prosperity' over next three years
- Irish **Citizens' Assembly on Biodiversity Loss** call for a more balanced approach to measuring economic success

International cooperation – **civil society** (CASCA: Cap and Share Carbon Alliance) and **state** (BOGA: Beyond Oil and Gas Alliance; WeGo: Wellbeing Governments)

This story is firmly within the green-ecological-feminist tradition, including but not limited to:

- Buen vivir
- Degrowth movement
- Steady state economics (Herman Daly)
- Post-growth economics
- Doughnut Economics (Kate Raworth)
- Contraction and Convergence
- Indigeneous and Local Knowledges (ILK)
- Plenitude (Juliet Schor)
- Prosperity Without Growth (Tim Jackson)
- Going Slower By Design (Peter Viktor)
- Wellbeing economics (focus on the goals of the entire system)
- The Economics of Arrival (Katherine Trebeck and Jeremy Williams)
- Feminist work on care and interconnection
- Sufficiency for sustainability
- Commons movement
- Richard Douthwaite (Feasta founder-member and author of The Growth Illusion)
- People's Green New Deal (Max Ajl)

Imagining Europe Beyond Growth

May 2023

European Environmental
Bureau

Think Tank
Oikos

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Journal



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