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Working group 28. Economic De-growth and the Steady state

How can the two proposals and communities cooperate more? Which are the differences and similarities?

'STIRRING' PAPER'

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This session is concerned with two primary questions: What is the relationship between economic degrowth and a steady state economy? What is the relationship between La Décroissance and steady state economics as movements in political economy? The degree to which these concepts and movements are aligned or conflicting should be the primary subject, along with the implications for individuals and groups involved in La Décroissance and steady state economics.

Relationship Between Economic Degrowth and A Steady State Economy

Economic degrowth and a steady state economy may be contrasted most meaningfully, at the outset, not with each other but with economic growth. In public and policy dialog related to sustainability matters, it is crucial to clarify that economic growth simply refers to increasing production and consumption of goods and services in the aggregate. That is the textbook, policy-relevant, and publicly resonant definition of economic growth. With this definition, it is clear that economic growth entails increasing human population and/or per capita production and consumption, and that economic growth is indicated by increasing gross domestic product (GDP).

Keeping to the standard definition of economic growth also makes it clear that there are but two basic alternatives to growth: degrowth and a steady state economy. It is also clear that neither growth nor degrowth are perpetually sustainable. Calls for growth and

for degrowth must be seen as temporary in applicability or desirability. Meanwhile, calls for a steady state economy must also be viewed as temporarily applicable in the sense that ecological capacity for economic production changes, as does (or will) the social vision of optimal scale. These understandings pave the way for a focus on the relationship between La Décroissance and steady state economics as movements in political economy.

La Décroissance and Steady State Economics as Movements in Political Economy

Political movements toward La Décroissance and steady state economics are tightly related in that both stem from a realization that economic growth has proceeded beyond its optimal scale, especially in the wealthy countries of North America and Europe. Both movements are associated with numerous sociopolitical leanings that, at first glance, go well beyond macroeconomic policy goals and implications. This is especially the case with La Décroissance, which is also a more populated and nuanced movement than steady state economics.

What are the social and political ideals, goals, and policies explicated or implied by La Décroissance? Do any of these conflict with steady state economics? Why have these movements developed where they have (i.e., La Décroissance in Europe, steady state economics in North America)? Is this a function primarily of original leadership, or simply of geographically differential political economy?

What are the opportunities for merging the two movements, and what would the opportunity costs be? Is there more cumulative strength in having two distinct approaches or in merging the two? Is “economic degrowth toward a sustainable steady state” a unifying goal? Is it rhetorically powerful? Are there better options?

Finally, perhaps some of the discussion should also turn toward the distinction between ecological economics and steady state economics. Is the latter a subset of the former? Or, perhaps, has ecological economics become too known for valuation exercises to carry a strong message for either degrowth or the steady state economy? Should steady state economics be considered the academic rubric for degrowth and steady state political actions?