

# Degrowth: 10 Policy Proposals for the New Left

Giorgos Kallis and Research & Degrowth



This article originally appeared in [eldiario.es](http://eldiario.es) (Spanish) and [The Press Project](http://ThePressProject.com) (English). It was then re-published - slightly edited- by different international media including [Der Freitag](http://DerFreitag.com), [Liberation](http://Liberation.fr), [The Ecologist](http://TheEcologist.com), [Reporterre](http://Reporterre.com), [Wiener Zeitung](http://WienerZeitung.com) and [Der Standard](http://DerStandard.com).

*The article has also received the endorsement of Naomi Klein who reposted it in her [blog This Changes Everything](http://ThisChangesEverything.com) and wrote on [Twitter](https://twitter.com/g_kallis) and [Facebook](https://www.facebook.com/R_Degrowth) "Excellent de-growth policy ideas from @g\_kallis and @R\_Degrowth: <http://t.co/MuUtijLEDw>. Draws on recent book: <http://t.co/EAFfUsN9mm>".*

In our recent book "[Degrowth. A vocabulary for a new era](http://Degrowth.AVocabularyForANewEra.com)" we argue that economic growth is not only becoming more and more difficult in advanced economies, but that it is also socially and ecologically unsustainable. The global climate, the welfare state, or social bonds that have lasted for ages, are all [sacrificed in the name of appeasing the god of growth](http://sacrificedInTheNameOfAppeasingTheGodOfGrowth.com).

Like terminally ill patients, whole populations are asked to suffer without end, just so that their economies score a few extra decimals in the GDP scale, to sustain the profits of the 1%.

In theory, growth is needed to pay off debts, create new jobs, or increase the incomes of the poor. In practice, we have had decades of growth, yet we are still indebted, with our youth unemployed and poverty as high as ever. We were indebted to grow and now we are forced to grow to pay off debts.

[Degrowth is a call to decolonize the social imaginary from the ideology of a one-way future consisting only of growth](http://DegrowthIsACallToDecolonizeTheSocialImaginaryFromTheIdeologyOfAOneWayFutureConsistingOnlyOfGrowth.com). Degrowth is not the same thing as recession. It is the hypothesis that we can achieve [prosperity without economic growth](http://prosperityWithoutEconomicGrowth.com).

In other words: that we can have meaningful work without the need for ever-lasting growth; sustain a functional welfare state without the economy getting bigger every single year; and increase equality and eliminate poverty, without having to accumulate more and more money each year.

Degrowth challenges not only the outcomes, but the very spirit of capitalism. Capitalism knows no limits, it only knows how to expand, creating while destroying. Capitalism cannot and does not know how to settle. Capitalism can sell everything; but it can't sell "less."

Degrowth offers a new narrative for a radical left that wants to go beyond capitalism, without reproducing the authoritarian and productivist experiences of real existing socialism (or what some may call "state capitalism").

[A new Left, new in terms of ideas, but also in terms of the young age of its members, is rising in Europe, from Spain and Catalonia, to Greece, Slovenia or Croatia](http://ANewLeftNewInTermsOfIdeasButAlsoInTermsOfTheYoungAgeOfItsMembersIsRisingInEuropeFromSpainAndCataloniaToGreeceSloveniaOrCroatia.com). Will that Left be also green and propose an alternative cooperative model for the economy inspired by the ideas of degrowth? Or will this new Left, like the new Left of Latin America, driven by the demands of global capitalism, reproduce the expansionary logic of capitalism, only substituting multi-national corporations with national ones, distributing somewhat better the crumbs to the populace?

Many people who are sympathetic [to the ideas and critique expressed in our book](#) tell us that even though the critique of degrowth sounds reasonable, its proposals are vague and anyways they could never be put into practice. It seems easier to imagine the end of the world, or even the end of capitalism, than to imagine the end of growth.

Even the most radical political parties do not dare to utter the D word, or at least question the desirability of growth. To break this spell of growth, we at [Research & Degrowth in Barcelona](#) decided to codify some of the policy proposals that are coming out of the theory of degrowth, policies that are discussed in more detail in our recent book.

[In what follows we present 10 proposals that we wrote for the context of Spain and Catalunya, and which we submitted to progressive political parties such as Podemos, the United Left, the Catalan Republican Left, CUP or Equo.](#) The context to which these proposals refer to is specific; but with certain amendments and adaptations they are also applicable elsewhere and relevant for radical Left and Green political parties all over Europe.

**1. Citizen debt audit.** An economy cannot be forced to grow to resolve accumulated debts that have contributed to fictitious growth in the past. It is essential not only to restructure but also to eliminate part of the debt with a people's debt audit, part of a new, really democratic culture. Such elimination shouldn't be realised at the expense of savers and those with modest pensions whether in Spain or elsewhere. The debt of those that have considerable income and assets should not be pardoned. Those who lent for speculation should take the losses. Once the debt is reduced, caps on carbon and resources (see 9) will guarantee that this will not be used as an opportunity for more growth and consumption.

**2. Work-sharing.** Reduce the working week to at least 32 hours and develop programmes that support firms and organisations that want to facilitate job-sharing. This should be orchestrated such that the loss of salary from working less only affects the 10% highest income bracket. Complemented by environmental limits and the tax reform proposed below (see 4), it will be more difficult for this liberation of time to be used for material consumption.

**3. Basic and maximum income.** Establish a minimum income for all of Spain's residents of between 400 and 600 Euros per month, paid without any requirement or stipulation. [A recent study suggests this is feasible for Spain, without a major overhaul of the tax system.](#) Design this policy in conjunction with other tax and work reforms so that they increase the income of the poorer 50% of the population while decreasing that of the top 10%, to finance the change. The maximum income for any person—from work as well as from capital—shouldn't be more than 30 times the basic income (12,000—18,000 Euros monthly).

**4. Green tax reform.** Implement an accounting system to transform, over time, the tax system, from one based principally on work to one based on the use of energy and resources. Taxation on the lowest incomes could be reduced and compensated for with a carbon tax. Establish a 90% tax rate on the highest incomes (such rates were common in the USA in the 1950s). High income and capital taxes will halt positional consumption and eliminate the incentives for excessive earnings, which feed financial speculation. Tackle capital wealth through inheritance tax and high taxes on property that is not meant for use, for example on the second or third houses of individuals or on large estates.

**5. Stop subsidizing and investing on activities that are highly polluting,** moving the liberated public funds towards clean production. Reduce to zero the public investment and subsidy for private transport infrastructure (such as new roads and airport expansion), military technology, fossil fuels or mining projects. Use the funds saved to invest in the improvement of public rural and urban space—such as squares, traffic free pedestrian streets—and to subsidise public transport and cycle hire schemes. Support the development of small scale decentralised renewable energy under local and democratic control, instead of concentrated and extensive macro-structures under the control of private business.

**6. Support the alternative, solidarity society.** Support, with subsidies, tax exemptions and legislation, the not-for-profit co-operative economic sector that are flourishing in Spain and include alternative food networks, cooperatives and networks for basic health care, co-operatives covering shared housing, credit, teaching, and artists and other workers. Facilitate the de-commercialisation of spaces and activities of care and creativity, by helping mutual support groups, shared childcare and social centres.

**7. Optimise the use of buildings.** Stop the construction of new houses, rehabilitating the existing housing stock and facilitating the full occupation of houses. In Spain those objectives could be met through very high taxes on abandoned, empty and second houses, prioritising the social use of SAREB housing (those falling under the post-crash banking restructuring provisions following the Spanish real estate crisis), and if this is insufficient, then proceed with social expropriation of empty housing from private investors.

**8. Reduce advertising.** Establish very restrictive criteria for allowing advertising in public spaces, following the example of the city of Grenoble. Prioritise the provision of information and reduce greatly any commercial use. Establish committees to control the quantity and quality of advertising permitted in the mass media and tax advertising in accordance with objectives.

**9. Establish environmental limits.** Establish absolute and diminishing caps on the total of CO<sub>2</sub> that Spain can emit and the total quantity of material resources that it uses, including emissions and materials embedded in imported products, often from the global South. These caps would be in CO<sub>2</sub>, materials, water footprint or the surface area under cultivation. Similar limits could be established for other environmental pressures such as the extraction of water, the total built-up area and the number of licenses for tourist enterprises in saturated zones.

**10. Abolish the use of GDP as indicator of economic progress.** If GDP is a misleading indicator, we should stop using it and look for other indicators of prosperity. Monetary and fiscal national accounts statistics can be collected and used but economic policy shouldn't be expressed in terms of GDP objectives. A debate needs to be started about the nature of well-being, focusing on what to measure rather than how to measure it.

These proposals are complementary and have to be implemented in concert. For example, setting environmental limits might reduce growth and create unemployment, but work-sharing with a basic income will decouple the creation of jobs and social security from economic growth.

The reallocation of investments from dirty to clean activities and the reform of the taxation system will make sure that a greener economy will emerge, while stopping to count the economy in GDP terms and using prosperity indicators ensures that this transition will be counted as a success and not as a failure.

Finally, the changes in taxation and the controls in advertizing, will relax positional competition and reduce the sense of frustration that comes with lack of growth. Investing on the commons and shared infrastructures will increase prosperity, without growth.

We do not expect parties of the Left to make “degrowth” their banner. We understand the difficulties of confronting, suddenly, an entrenched common sense. But we do expect radical left parties to take steps in the right direction, and to pursue good policies, such as the ones we propose, independent of their effect on growth. We do expect genuine Left parties to avoid making the relaunch of economic growth their objective. And we do expect them to be ready, and have ideas in place, on what they will do, if the economy refuses to grow. Is this a reasonable expectation in the current political conjuncture of Southern Europe for example? Yes and no.

The draft economic policy of Podemos released in November, has many elements that fit with the above agenda. The document does not set growth as its strategic goal. It omits any reference to GDP. It proposes to reduce working hours to 35, it sets a minimum guaranteed income for the

unemployed, it calls for a forgiveness of part of household and public debt, and it promotes a shift of investments towards caring, education and the green economy, posing the satisfaction of basic needs through an “ecologically sustainable consumption” as its primary objective.

The policy could go further by shifting taxes from labour to resources, establishing environmental limits, controlling advertising, generalizing the basic income, and reforming the welfare state by thinking ways to universalize the solidarity economy that is thriving in Spain, providing viable and low cost solutions for health care or education.

In Greece in contrast, the huge overhanging debt, and the need to escape the socially disastrous policy of austerity and structural adjustment imposed by the Troika, makes it much harder to ignore growth.

Syriza confronts austerity rightly with a proposal to forgive part of Greece’s public debt. Unfortunately though, the objective of such debt cancellation is seen as the relaunching of growth, with Syriza adopting Joseph Stiglitz’s proposal for a “growth-clause,” whereby the remaining part of the debt will be growth financed.

Syriza proposes a European New Deal and espouses public investments that will spur growth in Greece, but unlike Podemos, it does not talk of a “green” New Deal, or about a shift from conventional to clean industries or from resource intensive sectors to caring and education.

Within the current conjecture of powers in Europe, the dictatorship of the markets and the fixation of Germany with austerity, even the Stiglitzian proposal of Syriza comes to pass as “radical” and stands slim chances of being realized, save for dramatic socio-political events in Greece and a political upheaval in the EU.

Assuming that Syriza were to implement its strategy one day, the question is what would it do if, even after a restructuring of debts, the professed growth was not to come.

Would it recoil into a left version of austerity as the “socialists” of Hollande did in France when faced with the same problem?

Would it pursue even more intensely the current extractivist model of development, exploiting the environments of Greece for resources, exports and tourism, even though this would be against the wishes of its political base that is at the forefront of current struggles against extractivist projects?

Or would it stop and listen to its youth, which is involved in the thriving solidarity economy of Greece, trying to decipher and think how to universalize these pre-figuring local experiments into something new for the national economy as a whole? Not an easy feat, but a radical left was never supposed to follow the easy path.

*Giorgos Kallis teaches political ecology and ecological economics at the Autonomous University of Barcelona and recently co-edited the book [“Degrowth. A vocabulary for a new era.”](#)*

*This article originally appeared at [The Press Project](#) on January 7 2015.*