

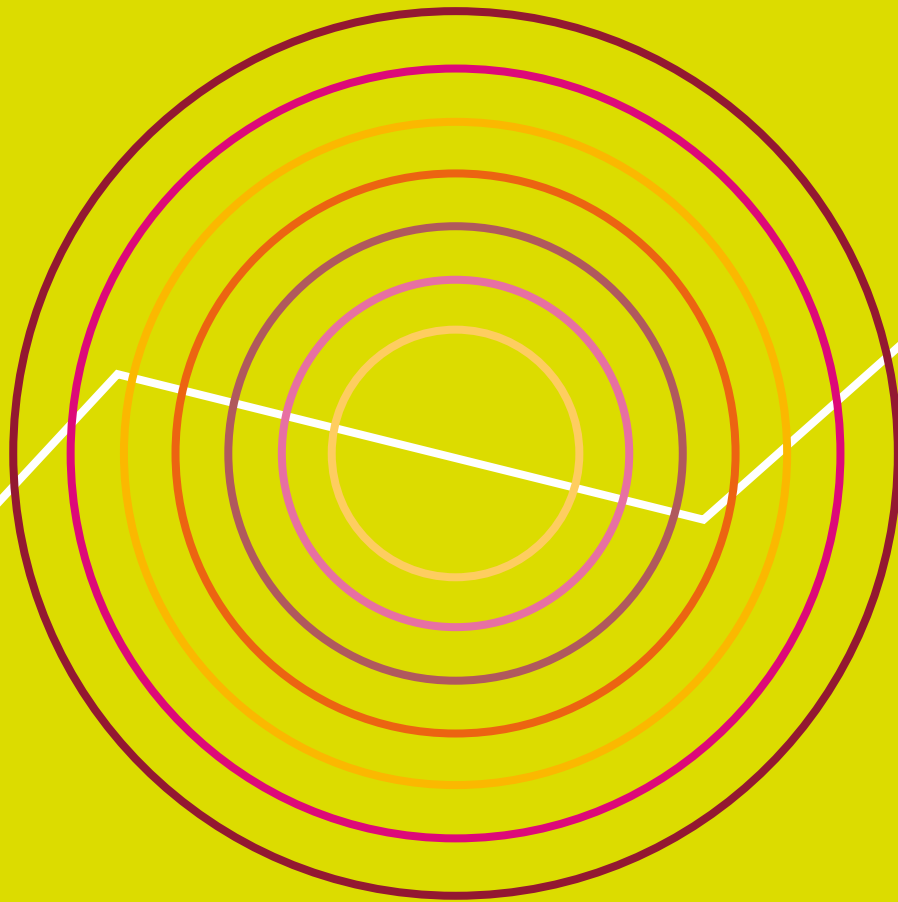


Beyond Growth? Alternative Models for Economic Development

AN EXPLORATIVE READER

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PREFACE

Preface

Multiple interdependent global crises – climate change, inequality, health and geopolitical tensions associated with a food crisis – demand a rethinking of ways in which we organise our economies and societies. Voices and debates are being raised about rethinking the structure and purpose of economic systems and objecting to exclusively follow the growth paradigm. They advocate broader and more inclusive approaches that encompass social equity, environmental sustainability and the broader wellbeing of societies, economies and the planet.

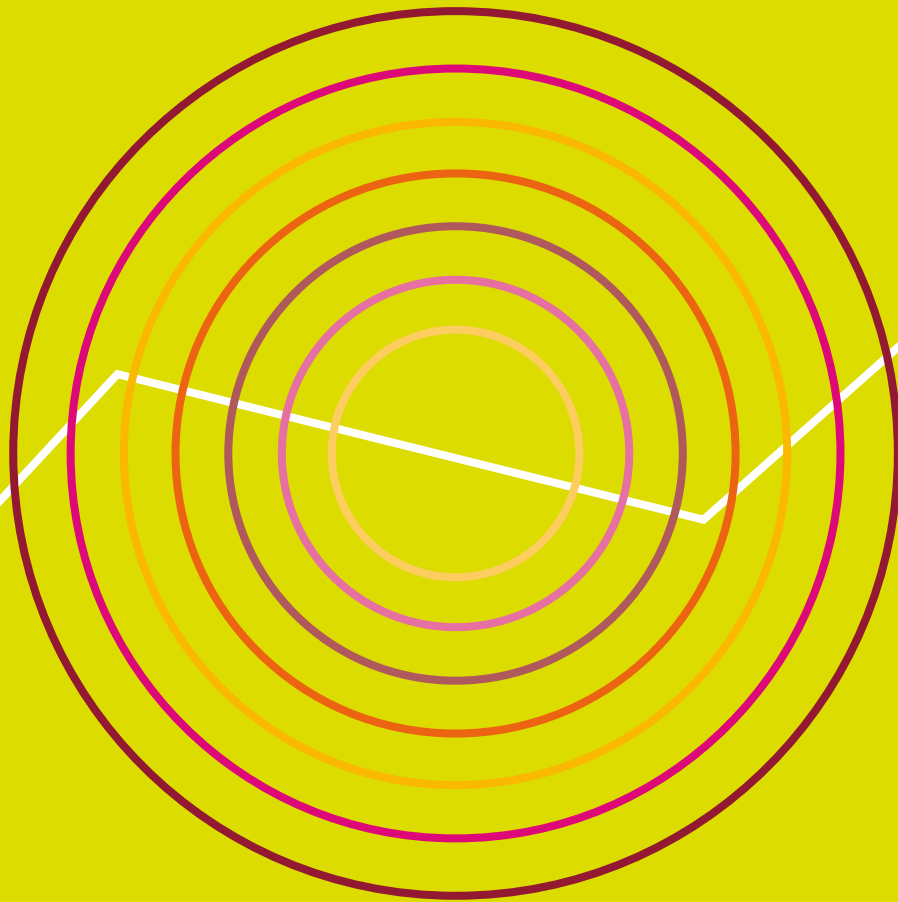
The need for fundamental economic transformation is also recognised in current strategies of German development policy, which guide German Development Cooperation and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH – GIZ’s work in implementing social and economic development and employment initiatives. The priorities of the German Federal Ministry for Economic Cooperation and Development (BMZ) published in March 2023 include forging ahead with a “Just Transition” towards a climate-compatible economy in a socially equitable way, as well as embracing a feminist development policy that overcomes discriminatory power structures. Accordingly, in the field of economic development, the focus is on supporting a sustainable socio-economic transformation that implies fundamental changes to economic systems. Similarly, the German Ministry for Economic Affairs and Climate Action (BMWK) aims to transform the German economy in line with climate goals aligned with the Paris Agreement and to cooperate with other countries on a green transformation of the economy around the world, such as the International Climate Initiative (IKI).

For GIZ, this debate is closely linked to the question what kind of economy we aim to support through our projects with partner countries (e.g. in our advisory services around green economic policy), in Germany (e.g. in our projects on due diligence in supply chains of European companies) and globally (e.g. in facilitating exchanges of experience across countries). We believe that international cooperation has an important role to play in jointly shaping and realizing economic transformation, since our economic system is globally interconnected. At the same time, due to the global challenges, the orientation of German development policy and the priorities of clients, GIZ is also strategically realigning itself by adopting integrated solutions, cross-project implementation and digital solutions in service delivery. We are continuously learning how best to fulfil our role in accompanying such a transformation process in the current volatile and complex environment. To do this, we need to listen as much as provide technical advice.

This reader has been a joint effort by GIZ’s division for economic and social development and employment, GIZ’s sector project on sustainable economic policy and the Poverty Reduction, Equity and Growth Network (PEGNet). It was developed over the last year with the aim to listen to perspectives from think tanks, academia and practitioners beyond the mainstream from various parts of the world, in particularly from our partner countries. Their contributions presented in the following chapters guide and inspire our discussions on how to put development cooperation on a path to support real economic transformation – in line with the priorities of our commissioning parties as well as those of our partner countries. I invite the reader to join GIZ on this journey to challenge our status quo, discover new approaches, and reimagine our economic and social systems to jointly create an economy that serves life for all.

Ulrich Höcker

Head of Division Economic and Social Development, Employment, GIZ



INTRODUCTION

Introduction

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1. BACKGROUND AND AIMS OF THIS READER

This Reader was inspired in a context in which climate change, rising social inequality in the aftermath of a global pandemic and increased geopolitical fragility make the call for rethinking economic development in terms that “go beyond economic growth” ever more urgent.

The global economy is presently overshooting several critical planetary boundaries – not only in terms of climate change, but also land-use, biogeochemical flows, and species extinction, while risks of tipping points and negative feedback loops are of increasing concern. This crisis is not being caused by human beings as individuals, but rather by an economic system that is organized around, and dependent on, ever-increasing levels of commodity production and consumption. On the basis of current data, the concept of Green Economy enables a relative decoupling (a decline in the ecological intensity per unit of economic output) but not absolute decoupling (resource impacts decline in absolute terms). To meet the goals of the Paris Agreement (to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels) current efforts to achieve more sustainable economic development are not fast and do not go far enough.

Global inequalities have been reinforced by the COVID-19 pandemic, which forcefully illustrates how intertwined social and economic aspects of human wellbeing are. Developing countries as well as marginalized groups in the

Global North and Global South were particularly adversely affected in terms of health outcomes and limited and uneven access to vaccines. The global economic crisis resulting from the pandemic also lead to a sharp increase in global inequality and the goal of ending extreme poverty by 2030 seems even further out of reach. The World Bank reports the poorest 40% of people on the planet losing double as high a share of their incomes during the pandemic compared to the income losses of the richest 40% – and the poorest 20% recovering from those losses most slowly². In contrast to those income losses, Oxfam points out that the world’s richest 10 men doubled their wealth during the pandemic, further illustrating the extent of current inequality³.

Russia’s war in Ukraine not only underlines increasing fragility but has also made it clear that a resilient economy requires plentiful access to renewable energy and strong energy efficiency measures. A successful green energy transition is now seen as a long-term advantage for future economic development and strategic on national security grounds. States across the globe now strive for higher self-sufficiency. Especially industrial policy programs, like the U.S American inflation reduction act 2022, try to renationalize industrial production like the strategically important semiconductor industry. Globalization based on the division of labor seems to be on the downswing and geopolitical tensions hamper the ability of global cooperation to address social and environmental challenges. Yet, these crises also

1 The views expressed in this chapter are those of the authors and not those of GIZ. The authors are grateful for comments on this introductory chapter from Frauke Steglich (PEGNet) and Leonor von Limburg, Birgit Seibel, Miriam Reiboldt and Fiona Löwe (all GIZ).

2 World Bank. (2022) Poverty and Shared Prosperity 2022: Correcting Course. Washington, DC: World Bank.

3 Oxfam (2022) ‘Inequality Kills: The unparalleled action needed to combat unprecedented inequality in the wake of COVID-19’, Oxfam Briefing Paper

present an opportunity by prompting reflection on our current economic model and how to move forward differently. Arguably, the pandemic has shifted public perception of the relationship between markets, governments and society. Some countries have seen increasing levels of solidarity during the COVID-19 pandemic, with people increasingly valuing social support networks to go through crises together⁴. This also implies questions around the role of development cooperation in supporting a transformation to a more sustainable economic system.

Against this background, a number of colleagues within Gesellschaft für Internationale Zusammenarbeit (GIZ/Deutsche Gesellschaft für International Zusammenarbeit GmbH) as a service provider in the field of international cooperation for sustainable development felt it was pertinent to deepen the discussions on alternative economic models “beyond growth” and their implications for our work. We quickly realized that the topic spurred controversial discussions and set free a lot of energy when addressed among colleagues working as GIZ advisors on economic policy and private sector development. At the same time, we felt there was a lot of thinking and experience outside GIZ that might help us progress in our discussions around possible implications for GIZ and German development cooperation. In late 2021, we joined forces with the Poverty Reduction, Equity and Growth Network (PEGNet) to jointly commission a reader with the goal of exploring alternative models for economic development, both conceptually and with regard to practical examples of their implementation. The reader also served as an input to the GIZ Future Forum 2022 “From Growth to Wellbeing: Rethinking Development for a Digital, Green, and Just Transformation”⁵ and was presented in a dedicated panel at the event.

The overall aims this reader set out to address are the following:

- › Promote discussion around alternatives to the current economic model and implications for international development cooperation
- › Provide a platform for voices outside mainstream economic theories, including from partner countries, to be heard in these discussions
- › Outline practical examples in which alternative economic approaches have been applied in practice already, and identify lessons learnt
- › Provide inspiration for the work of GIZ with partners on economic transformation

We are glad about the resonance and the readiness of leading experts in the field to take part in this initiative. The authors in this reader were identified and contacted through our extended networks, since they are proposing a positive alternative vision for a different kind of economy. In this process, we strived to pay attention to diversity in terms of scholarly perspectives, gender and geography. This proved challenging at times, and we realize that there would be scope to increase diversity even more, among others through a larger share of female contributors and perspectives from additional Latin American, Asian and African countries. Nevertheless, the result managed to compile a collection of very different perspectives, which share their critical outlook on current economic system and the role of development cooperation while highlighting the urgency for change.

While any attempt to summarize the rich discussions by leading experts in the chapters of this reader is a daunting task, we attempt to give an (albeit incomplete and subjective) overview of the contributions below.

4 Lima de Miranda, K. and Snower, D. (2021) ‘How COVID-19 changed the world: G-7 evidence on a recalibrated relationship between market, state, and Society’, Brookings Global Working Paper, No. 154

5 From Growth to Wellbeing – giz.de

2. AN ATTEMPT AT AN OVERVIEW OF THE CHAPTERS

Starting the exploration of thinking “beyond growth”, several of the chapters question the role of economic growth and our conceptualization of progress in economic development. **Chapter 1 by Herman Daly (Emeritus Professor, School of Public Policy, University of Maryland)** as the founder of the discipline of ecological economics, points out that we need to see the economy as a subsystem of the biosphere, which poses limits to growth of physical economic production. He argues that we have reached a point where the benefits of economic growth outweigh its social and environmental costs. Daly proposes to distinguish between growth as quantitative increase and development as qualitative improvement (both in technology as well as in ethics). Sustainable development would then be “development without growth”, i.e. “qualitative improvement without quantitative increase”, which may or may not imply growth in GDP.

In **chapter 2, Bengi Akbulut (Associate Professor, Geography, Planning and Environment, Concordia University)** similarly describes degrowth as a qualitative change of the economic system, rather than as a shrinking within the current economic system. In this regard, she advocates an economic system focused on meeting needs for everybody, as an alternative to the current system centered on quantitative growth and accumulation. Calling for a feminist lens on degrowth, Akbulut points out the links between colonialism and patriarchy. Akbulut argues that the international dimension of degrowth needs to include structural changes in the global trade system, as well as addressing the impact of current and past economic growth in the Global North on the Global South.

From a different angle on economic growth, **Joseluis Samaniego and Jose Eduardo Alatorre (Economic Commission for Latin America and the Caribbean, Division for Sustainable Development and Human Settlements)** argue that what matters is the sectoral composition of growth. They

start from the observation that different levels of GDP growth would be needed respectively to meet social goals (e.g. employment/income), to meet environmental goals (e.g. CO2 emissions) and to balance a country’s current account with regard to international trade. To meet all these aims simultaneously, the authors advocate for structural policy that promotes growth in specific priority sectors that combine high employment impacts with low impact on the environment, e.g. renewable energies or urban public services.

Several authors combine their call for a different economic system with pointing out that alternative initiatives to learn from already exist. In **chapter 4, Ashish Kothari (Kalpavriksh, Vikalp Sangam and Global Tapestry of Alternatives; co-editor, Pluriverse: A Post-Development Dictionary)** argues that we need a holistic transformation that sees the economy as part of wider society and ecology. For a starting point on how to make this a reality, he calls for paying more attention to alternative initiatives and movements around the world already showing that a different way of organizing the economy is possible. “Outscaling” these initiatives, i.e. learning from them to apply them elsewhere in a modified way, would require mutual exchange and networking. Kothari urges questioning the extent to which development cooperation contributes to maintaining the existing system vs. enabling a real transformation. Kothari’s chapter ends with several specific suggestions on changing the way of doing development cooperation to achieve this.

Rajeswari Raina (Professor, Department of International Relations and Governance Studies, Shiv Nadar University (Institution of Eminence)) further builds on this line of argument in chapter 5 with a focus on (Indian) agriculture, arguing that the logic of economic growth and development cooperation are based on the same underlying norms. Raina questions the logic of structural transformation from agriculture to industry and advocates looking at agriculture as contributing to “sustainable,

nourishing agri-food systems”, rather than seeing it primarily as a sector contributing to economic growth. Accordingly, she calls for development cooperation to strengthen local alternative initiatives in India that practice agroecology based on local knowledge systems while linking this to decolonialization in donor countries.

In the next **chapter 6, Christian Felber (Initiator, Economy for the Common Good movement)** outlines a comprehensive alternative vision of an “Economy for the Common Good”. Some of the core elements of this include reorienting profit, using cooperation rather than competition as an organizing principle, allowing for a plurality of property types, focusing on income and wealth equality, treating money as a public good and practicing sovereign democracy. A Common Good Product Sheet and Common Good Balance Sheet adapted to the local context could then serve as alternative measures of progress, at country and company levels respectively. Felber proposes that development cooperation facilitates exchanges among stakeholders from various countries and enables processes to autonomously define alternative goals of the economy and corresponding measurements of progress.

A postcolonial lens runs through several of the contributions and is particularly pronounced in the last chapter.

Julia Schöneberg (Senior Researcher, Development and Postcolonial Studies, University of Kassel) in **chapter 7** argues that making recommendations for development cooperation from a postdevelopment perspective is inherently contradictory, since the postdevelopment approach rejects the notion of development. Nevertheless, this lens helps her to critically examine “who is making claims [...] for whom” in the discourse around alternative models for the economy, to avoid denying people in the Global South access to material goods and thereby perpetuating global inequalities. She also calls for development cooperation to participate in decolonizing global governance and trade relations, which would mean starting in the

Global North and working to address legacies of colonialism in the structures of the global economy.

Some common threads run through several of the chapters.

(1) First, authors point out that alternative initiatives and movements that practice a different kind of economy already exist in various places around the world. A wide range of different initiatives is presented in Kothari’s chapter, including links to various websites for those eager to explore further. Also, Felber outlines real-life prototypes from the Economy for the Common Good movement, at the levels of companies, banks, cities, regions and more. Schöneberg analyses three case studies with radically alternative economic practices from Mexico, Kurdistan and the Basque country. Raina refers to several experiments with agrarian alternatives in India, some of which have been supported already by development cooperation.

(2) Second, while the perspectives adopted in the various chapters differ, a common thread is rethinking the aims of the economy, to focus on fulfilling human needs rather than on accumulation or growth as an aim in itself. Arguably, this does not mean that there cannot be GDP growth as long as it is possible within planetary boundaries (these ecological limitations being a point made forcefully by Daly’s “full world”), but that GDP growth should not be the main objective of the economy (as Akbulut put it, degrowth is about a qualitative difference, not about less of the same). Together the chapters are calling for a transformation that sees the economy as an integral part of wider society and ecology, and the economy serving societal goals. In defining these goals, several authors stress the aspects of participatory democracy and self-determination.

(3) Third, such new aims also require new measurements of progress beyond GDP, with several authors highlighting these ongoing discussions. Felber proposes a Common Good

Index and Common Good Balance sheet as tools to measure progress that can be adapted to different societal goals in different contexts. Samaniego and Alatorre complement this by highlighting that some different indicators of progress already exist and could receive more attention, such as the indicators associated with the Sustainable Development Goals.

(4) Finally, regarding the role of development cooperation, several chapters call for greater awareness of the power asymmetries in the current global political and economic system within which development cooperation operates. Akbulut further underlines the intersectionality with regard to gender, colonialism, race, class, etc. present within these power asymmetries. This leads to the question (posed by Kothari and Raina) to what extent development cooperation is supporting real transformation, rather than contributing to maintaining the current economic system despite all crises.

3. DISCUSSION POINTS FOR GIZ

What could be tentative conclusions from this for our work at GIZ? Since the idea of the reader is to serve as a starting point for further discussions, we do not attempt to draw any definite conclusions at this stage. Nevertheless, from our reading of the chapters, we observe a few points that may serve as input to the ongoing discussion.

A first point that stands out is that there is no one single alternative model of the economy that GIZ should promote in its efforts to support economic transformation – despite our initial hopes to find some kind of a clear answer when commissioning the reader. This is not only because pluralism and diversity are implied by a wellbeing economy, but also to avoid moving into a wellbeing economy as yet another model imposed on the Global South by the Global North.

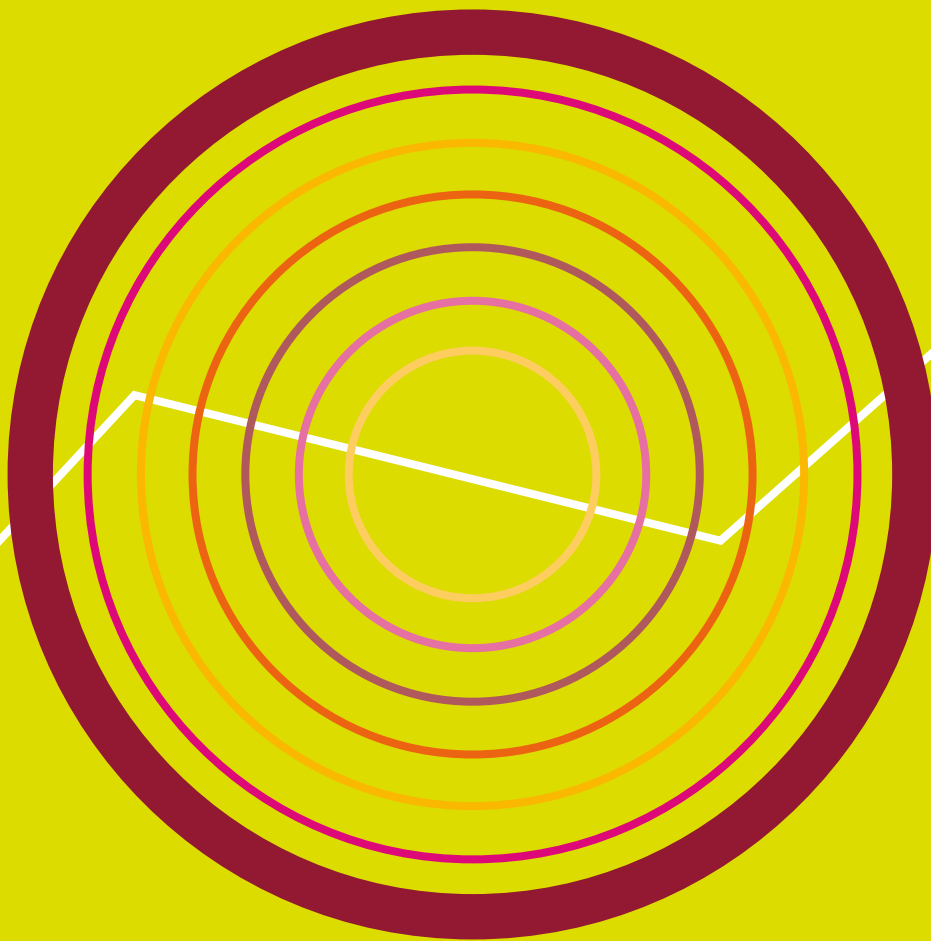
Accordingly, development cooperation could focus even more on accompanying participatory processes of transformation, while leaving the

goal, i.e. the economic model to which the transformation leads, open to emerge along the way and to be finally decided by every country or community. One aspect of this would be strengthening participatory decision making on what constitutes wellbeing and what should be the aims of the economy in a specific context. Based on the recommendations in this reader, development cooperation could work with different initiatives experimenting with alternative economic practices, to facilitate reciprocal exchanges of experiences, networking and communication of lessons learnt. This could include facilitating exchange on methodologies of such processes, e.g. with regard to participatory ways of defining goals and measuring progress. For further discussions, this leads to the question: *What could be our role in supporting open-ended transformation processes and the search for alternative economic practices that really work?* A related conclusion from the contributions in this reader might be that the quality of engagement on such processes of transformation is key for development cooperation to make a positive difference. These considerations are particularly relevant also from an (intersectional) feminist development policy perspective that has recently been adopted by the German government. A first point, made clearly by Kothari, is to distinguish transformative from reformative approaches, i.e. to reflect to what extent we promote or hinder transformation. Second, with regard to the context GIZ operates in, the collection of chapters prompts us to work towards more egalitarian power relations in our work, while paying attention to intersectionality (gender, race, colonialism, etc.) in these power relations. This might mean paying attention to decolonializing power relations in the ways we work in designing and implementing our projects, as well as supporting mutual and reciprocal knowledge exchanges as the aims of our work. *Based on the contributions in the chapters, it will be interesting for us to discuss more specifically how to apply such an (intersectional) feminist development policy perspective more widely in our daily work on economic transformation?*

Finally, a strong call from the reader is to look at the global interconnectedness of the current economic system and start in the Global North. Development cooperation advising partner countries in the Global South on how to move to a different kind of economy will not work unless the links to the Global North are recognized and addressed. This includes addressing the global impact of economies in the Global North as well as power asymmetries in current global economic and trade system. Questions to discuss further might include: *How can we leverage our projects around supply chain due diligence and sustainable consumption in Germany and Europe in this regard? What can we do differently to be more effective in our projects aiming to contribute to a more just global trading system?*

We look forward to continuing the discussion on all of these thoughts and questions, and on what this potentially means for our everyday work in development cooperation.

1



ECOLOGICAL ECONOMICS IN FOUR PARABLES

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Chapter 1

Ecological Economics in Four Parables

Herman Daly

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Economist Joseph Schumpeter stated that analysis must be preceded by a pre-analytical cognitive act that he called “vision,” in order for analysis to have something to analyze. Visions can be clarified by parables. A parable of course is a little story that teaches a big lesson that opens one’s eyes. Parables do not have to be historically true stories, but the ones here considered are.

Part I contrasts the pre-analytic vision of ecological economics with that of conventional economics by recounting a true story about the drafting of the *World Bank’s World Development Report* for 1992. That story serves as a basic parable by which to envision ecological economics as the study of the relationships between the economic subsystem (the economy) and the ecological parent system (the biosphere). Conventional economics sees the economy as the whole system, with nature fitted in as separated components – forests, fisheries, croplands, mines, garbage dumps, etc. Ecological economics sees nature, the biosphere, as the containing whole system into which the economy must fit and adapt, either well or badly.

Part II provides the beginning analysis of the ecological economics vision, how the parts combine to function as a whole, the metabolic dependence of the economy on flows of matter and energy from and back to the biosphere, on their scale relative to the containing biosphere, and the very radical policy conclusions and sequence that analysis reveals. Here the instructive parable is provided by the story of Samuel Plimsoll and the maritime institution of

the load limit represented by the “Plimsoll line”, and the absence in conventional economics of an analog to the Plimsoll line. *What would such an economic analog look like?*

Part III tells a tragic story about a chemical engineer, Thomas Midgley, Jr., and the too eager reliance on technology as the sufficient solution to the problems revealed by analysis of the ecological economic paradigm. It is a cautionary parable about the prevalence of unintended consequences and the problems of ignorance and haste.

Part IV considers the philosophical and ethical foundations needed to support the radical policy reversals indicated by a scale-limiting economic analog to the Plimsoll line. *Are there convincing ethical arguments to persuade the public to accept the needed policies? To what can one appeal in an effort to persuade?* Here relevant parables are provided by the story of Alfred Russell Wallace vs Charles Darwin on the basic difference (as well as the many similarities) between humans and other creatures, and by the Leopold -Loeb 1924 “trial of the century.” These stories are parables in that they dramatically depict the morally unacceptable logical consequences of the denial of objective value that has become firmly embedded in the paradigms of biology (materialist Neo-Darwinism) and economics (individualistic subjectivism) separately, and now together are eroding the moral foundations of the combined field of ecological economics.

Part I: Pre-Analytic Parable: The World Bank's 1992 World Development Report

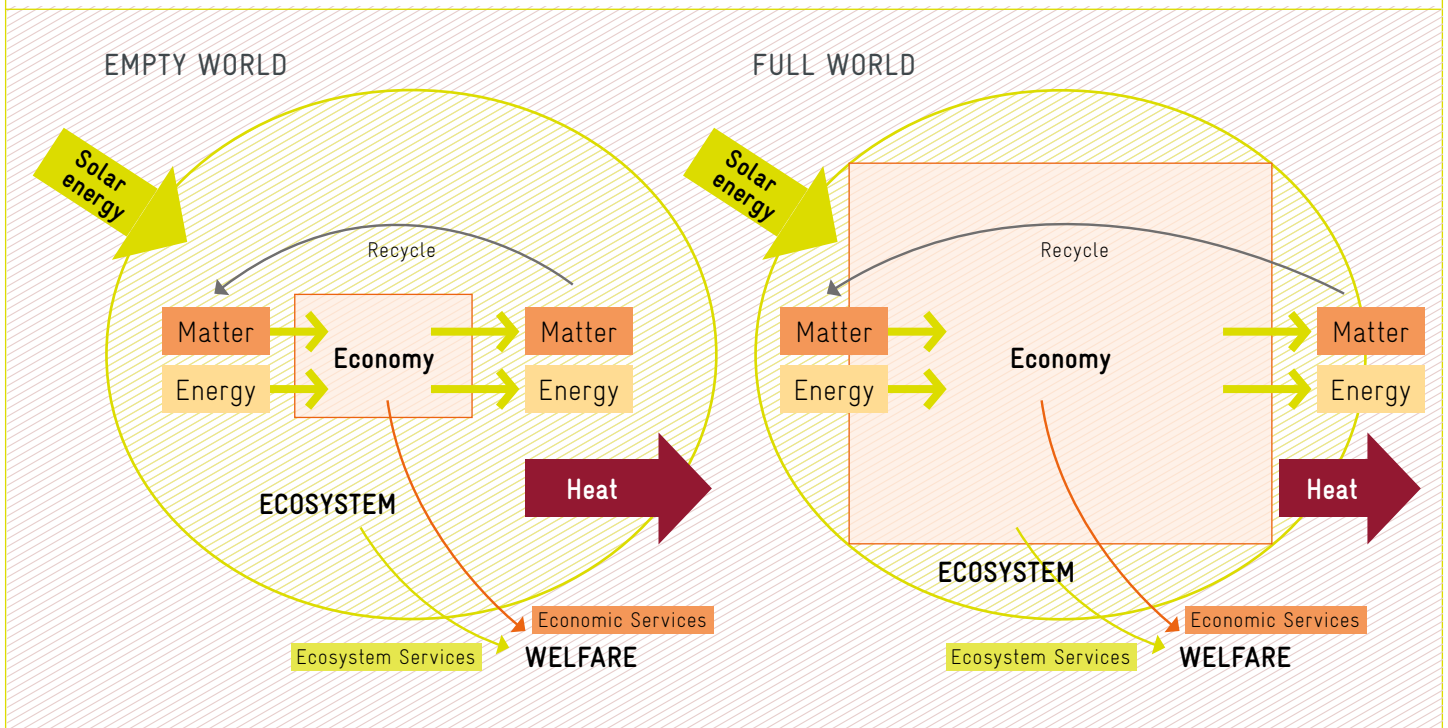
Every year the World Bank publishes its *World Development Report*, dedicated to whatever topic the WB deems most important at the time. In 1992 the topic was “The Economy and the Environment”. I was not on the team that wrote the Report, but was included in a panel of internal reviewers charged with commenting on successive drafts and suggesting improvements. I felt that this was my most important task at the time, and eagerly awaited the first draft.

The first draft arrived and I began reading. In the first chapter, there was a diagram entitled “*The Relation of the Economy to the Environment*”. The diagram consisted of a rectangle labeled “Economy”, with an arrow entering from the left labeled “Inputs”, and an arrow exiting to the right labeled “Outputs”. That was it. Nothing in the diagram or accompanying text indicated what the inputs were, where they came from, what was going on inside the rectangle, what the outputs were, where they were going. *And even if that were accepted as a bare-bones representation of the economy, where was the environment?* It was simply not there! Undefined inputs came from

nowhere and undefined outputs went nowhere, after passing through an empty box. Not a helpful diagram.

After recovering from my disappointment, I said to myself, OK this is only a first draft, and the title of the diagram is on target even if the diagram itself is vacuous. So here is my chance to make some helpful suggestions for how to improve the initial diagram, and give a better pre-analytic vision to guide the subsequent Report.

Here are my suggested revisions with a bit of supporting commentary and evidence from events after 1992.



Let's draw a big circle around the rectangle and label it "Environment". The Earth-environment, let us say, has one input from space, solar energy, and one output back to space, waste heat. No significant material inputs from or outputs to space.¹ Materials circulate as energy flows through the environment. The inputs to the economy come from the containing finite environment and constitute depletion, a cost. The final outputs return to the environment as wastes and constitute pollution, also a cost.

For now, focus on the upper "empty world" part of the diagram. The economy (brown stuff, consisting of human bodies and manmade artifacts) is made from matter and energy taken from the environment (green stuff). Thanks to the first law of thermodynamics (no creation or destruction of matter-energy) more brown stuff necessarily means less green stuff. In physical dimensions the economy is an open subsystem of the environmental biosphere (i.e., it both receives matter and energy inputs and returns matter and energy outputs to the larger system).

People die and artifacts wear out or are used up, so there is an inevitable outflow of degraded waste from the economy back to the environment. If the inflow of production and reproduction is equal to the outflow of depreciation and death then the economy (stocks of people and artifacts) remains constant in physical size, a steady state. If inflow is greater than outflow it grows; if less it declines.

In addition to the quantitative difference between inflow and outflow there is also a qualitative difference. The inflow consists of

useful natural resources, the outflow of useless wastes. Usefulness is closely correlated with low entropy, and uselessness with high entropy². An economy cannot directly reuse its own wastes any more than an animal can directly reingest its own excrement, or a car can run on its own exhaust fumes. This follows from the second law of thermodynamics, the entropy law.

It is true that waste matter is ultimately reused, but only after having been decomposed and restructured by biogeochemical cycles powered by the sun. Solar energy arrives in low entropy form and exits the earth in high entropy form. Accumulating carbon dioxide in the atmosphere from burning fossil fuels slows down the outflow of heat, forcing a rise in temperature and consequent climate change which has huge economic consequences. Energy is not recycled whether from the current solar flow or from the stored sunlight of Paleolithic summers concentrated in the form of fossil fuels. As shown in the diagram only matter is recycled, often advantageously, but is far from completely recycled – about 35% for municipal solid waste in the US. Furthermore, it requires an increase in energy throughput, as well as the wearing out of material implements, to carry out the limited recycle. Money flows in a circle. Physical resources ultimately do not. The current enthusiasm in some quarters for a fully "circular economy" is quite misleading, as is the circular flow diagram in the first chapter of mainstream textbooks.

So far, our diagram is in physical terms only. The economy thus appears as a giant machine for converting useful resources into useless

1 True, an occasional meteor hits the earth (a dangerous involuntary material import) and a few moon rocks were voluntarily imported and now decorate a stained-glass window in the National Cathedral. A few rockets and rovers have been exported to space. A lot of satellites, as well as material detritus, are circulating in earth orbit. Whether we consider material in earth orbit as part of the earth or outer space can be debated. Currently a few billionaires are fixated, along with NASA, on space colonization as necessitated they believe by our overconsumption, overpopulation, and continuing commitment to growth. The problem is real, but their solution is delusional, as is the expensive technological effort to migrate to where few intelligent people want to go, and to discover "if we are alone in the Universe".

2 Nicholas Georgescu-Roegen, *The Entropy Law and the Economic Process*, Harvard University Press, 1971.

wastes – an idiotic process. To make sense of the economy we must recognize that the ultimate value product of the economic process is not a physical thing, but a psychic experience, the conscious enjoyment of life, represented by the word “Welfare”, placed outside the circle of biophysical things. But we are not disembodied spirits. As physical earth-beings our enjoyment of life depends on our physical maintenance, and requires the services of both the natural ecosystem (green arrow to Welfare, e.g. clean air and water) and the services of artifacts that we have produced (brown arrow to Welfare, e.g. bicycles and cell phones).

Looking now at the lower “Full World” version of the diagram we might ask how much larger is the economy than previously. World population in my lifetime has quadrupled, from 2 to 8 billion. That has never happened before. Populations of cars, houses, cell phones, etc., have far more than quadrupled in my lifetime. Human biomass plus that of our cattle, now accounts for some 96% of all mammalian biomass (36% human, 60% cattle, soon to be converted to human biomass). Only 4% is left for wild mammals. As for birds, 70% are chickens and other poultry, with only 30% wild birds.³ As noted above the atmosphere is now so full of greenhouse gasses that it is altering the climate in extremely costly ways. The world is clearly full in the stock dimension of populations of people and our produced goods and “bads”. As a consequence of the larger stock dimension there is an increased flow dimension of the

throughput necessary to maintain the larger stocks. More depletion and more pollution of the smaller remaining biosphere means a reduced flow of ecosystem services. This is obvious without monetary measurement.

Continuing with the “full world” diagram, we see that the larger economy has increased the maintenance throughput (more depletion and pollution, larger throughput arrows). The larger economy also increases the flow of economic services, but the consequently smaller biosphere has diminished the flow of ecological services. If the physical growth of the economy results in an increase in the brown economic services arrow that is greater than the reduction in the green ecosystem services arrow then we have *economic growth*. Extra benefits greater than extra costs. If the reduction in the green ecosystem services arrow is greater than the increase in the brown economic services arrow then we have *uneconomic growth*. Extra costs greater than extra benefits. The optimal scale of the economy relative to the biosphere occurs when the sum of ecosystem services and economic services is a maximum.⁴

That completes my suggested revision of the original diagram of “the relation of the economy to the environment”. I sent my suggested revisions off to the *World Development Report* authors with high hopes. When the second draft arrived, I saw that the original diagram was repeated, with no change in the text. However, a larger rectangle, unlabeled, now enclosed the

3 <https://www.ecowatch.com/biomass-humans-animals-2571413930.html>

4 Rational humans could be expected, as growth continues, to satisfy our most important needs first, and to first sacrifice in exchange our least important ecosystem services, in so far as we are able. Therefore, marginal benefits of growth generally decline while marginal costs of growth increase, tending toward equality at the optimal scale. And on the subject of measurement, it must be noted that we have only incomplete measures of economic services, and extremely incomplete measures of ecosystem services. Nevertheless, real magnitudes do not cease to exist just because we can't accurately measure them numerically. We can see and feel their consequences. Also, in spite of Pareto, we know that a pin prick hurts Jones less than a leg amputation hurts Smith. Although analytic thought requires distinct definitions, dialectic thought can reason with partially overlapping categories. For now, we also leave this definition of optimum scale as purely anthropocentric, referring only to human welfare. But other sentient creatures both enjoy their lives and suffer—they have intrinsic as well as instrumental value. It is difficult to account for the welfare of all life beyond recognizing that steps toward counting welfare of non humans will require greater sharing of the earth with them, and consequently a lower optimum scale for humans.

original diagram, like a picture frame. With some annoyance, I wrote back that my suggestion was not simply to put a picture frame around the diagram, but rather to specifically depict the most basic “relationships of the economy to the environment” and explain them.

Time passes and the third draft arrives. No more diagram. Completely omitted. No comment on my suggestions. They abandoned the whole idea of a visual representation of the relation of the economy to the environment. I was very surprised, but gradually began to understand why such a diagram simply could not be included, and why I was naive to have expected it.

Once you depict the economy as a subsystem of a larger system that is finite, non-growing, and materially closed (with a non-growing throughput of solar energy), then it is obvious that the growth of the economic subsystem is limited by the finitude of the containing ecosystem. It is also limited by the entropic nature of the metabolic throughput of matter-energy by which the economy is maintained. The goal of the World Bank and its member countries is growth. It serves this goal by making loans that must be paid back at interest made possible by the growth that the investment generates. To realize that not only is growth limited *physically* by finitude and entropy, but that it faces an earlier *economic* limit when the loss of ecosystem services begins to exceed the gains from extra economic services, is a large and bitter pill for the Bank to swallow. It is especially bitter in view of evidence that we have already reached

the economic limit and that further growth has become uneconomic, at least in rich countries. So, you might suspect that the WB would advocate reduced resource throughput for rich countries to allow greater throughput in poor countries up to an acceptable standard of living. But no, the rich are urged to grow faster in order to provide markets for the poor to sell in and to accumulate capital to invest in poor countries. The idea that growth in the global macro-economy could, even theoretically, be *uneconomic* is very disturbing to economists. You will not (*yet?*) find the term “uneconomic growth” in the index of any textbook on macro-economics.

But this is the basic message of Ecological Economics. The economy is a subsystem of the biosphere and has become too large to fit. We have overshot our ecological niche. Our major goal of growth has now become uneconomic, and growth must be replaced by shrinkage – or “degrowth” as some now say⁵. That is not as dismal as it might at first seem because Ecological Economics distinguishes between *growth* (quantitative increase in size by accretion or assimilation of matter), and *development*, (qualitative improvement in technology, design, and ethical priorities). Sustainable development in ecological economics is defined as development without growth (qualitative improvement without quantitative increase) – still possible, but much slower and more difficult than the customary “development with growth” as measured by GDP⁶.

5 Timothee Parrique, The Political Economy of Degrowth, https://www.researchgate.net/publication/339844751_The_Political_Economy_of_Degrowth/link/5e68d72a4585153fb3d61970/download

6 A small like-minded group within the WB decided to provoke external debate with the message of the 1992 World Development Report, given that our internal efforts to influence it had failed. See Robert Goodland, Salah El Serafy, and Herman Daly, eds. *Population, Technology, and Lifestyle : The Transition to Sustainability*, Island Press, 1992, Washington, D.C. (Also published by UNESCO, 1991, Paris; under the title *Environmentally Sustainable Economic Development : Building on Brundtland*). This collection's authority was bolstered by the fact that it contained contributions by two Nobel laureate economists (Trygve Haavelmo and Jan Tinbergen), as well as a supporting introduction by the environmental ministers of two of the Bank's biggest borrowers (Emil Salim of Indonesia and Jose Lutzemberger of Brazil). But that was not enough to elicit any internal reconsideration of the World Bank's commitment to growth. A decade later in 2003 another World Development Report on the same topic was more willing to recognize some costs of growth, but was still firmly within the growthist paradigm. (See, “The illth of nations: comments on World Bank World Development Report, 2003”, in H. Daly, *Ecological Economics and Sustainable Development*, Edward Elgar, Publishers, 2007.

II. Analytical Parable: The Plimsoll Line

*If we begin with the pre-analytic vision recommended above, rather than the vision of an empty rectangle receiving inputs from nowhere and sending outputs back to nowhere, then what analytic questions arise? Since the economy is now seen as a subsystem, the first question is, how large is the existing economic subsystem relative to the containing and sustaining ecosystem? Then, how large can it be without destroying the larger system with its entropic throughput of depletion and pollution? And, how big should it be to optimize total Welfare? This is the problem of Scale, completely ignored by mainstream economics, the so-called neoclassical-Keynesian synthesis. The next big question after Scale is what is the Distribution of ownership of natural resources among the population, and the Distribution of the income and wealth produced with those resources? The last big question is, how is the resource throughput Allocated among the different goods produced? Does the menu of produced goods match the preferences of the people? In sum, what is the physical scale of the economy relative to the ecosphere, what is the **distribution** of income and wealth among the citizens, and what is the **allocation** of total output among different products? A good *scale* is at least sustainable, and hopefully optimal; a good *distribution* is fair or just; a good *allocation* is efficient.⁷*

Mainstream economics has exhaustively analyzed the problem of efficient allocation, using the Pareto definition of efficiency, that is, an allocation such that any reallocation could not improve the welfare of one individual without reducing the welfare of some other individual. It follows that Pareto efficiency is defined only on the basis of a given distribution. Mainstream economists overwhelmingly focus on policies of efficiency of allocation, making some better off without making anyone worse off. Distribution is usually treated as given. Although questions

of distributive justice are not ignored, and indeed have been increasingly studied by mainstream economists recently, they are correctly treated as matters of justice, not efficiency. Nevertheless, following Pareto, to objectively make some better off while making no one worse off is much easier with growth. More for some without less for others. That works as long as we allow scale to increase. But too large a scale means uneconomic growth. Ecological economics, by contrast, starts with the problem of sustainable scale, followed by that of just distribution. Only after social collective answers to these questions are given is the individualistic market allowed to seek an efficient allocation of goods, and even then, only of rival and excludable goods. Nevertheless, many necessary goods are both rival and excludable, so efficient allocation remains important.

To clarify, consider the analogy of loading a boat. Allocation involves apportioning the weight of cargo and passengers efficiently so as to maximize the load carried without capsizing the boat. Distribution involves the apportionment of ownership of the cargo and cabin space among passengers, the rich and the poor, first class, and steerage. Scale is the total load, the weight of cargo plus passengers, placed in the boat. Suppose we keep on loading the boat gradually, always allocating the weight efficiently and distributing it justly. Eventually, the boat will sink, “efficiently and justly,” to the bottom of the harbor.

Such overloading of ships is prevented by the maritime institution of the Plimsoll line. When the water mark hits the Plimsoll line the ship is fully loaded, it has reached its scale limit, even though the load is efficiently allocated and justly distributed. Samuel Plimsoll (1824-1898) fought in the English Parliament for many years to get a load limit law passed⁸. Ship owners preferred to overload ships, risking the lives of

7 Herman Daly „Allocation, Distribution, and Scale: Towards an Economics that is Efficient, Just, and Sustainable,” *Ecological Economics*, 1992 (December)

8 <https://blog.britishnewspaperarchive.co.uk/2013/02/10/samuel-plimsoll/>

sailors while fully insuring the value of their ships, cargo and profits. This is an example of the “moral hazard” of insurance. Being insured against a hazard makes one less diligent in preventing it, and perversely increases the overall likelihood of the hazard. But sailors’ lives lost were not counted as a cost to the merchants, nor insured for the benefit of the sailors’ widows and orphans. Samuel Plimsoll was known as “the sailor’s friend”. The macro-economy has no analog to the Plimsoll line to prevent the growing scale of the economy from exceeding the carrying capacity of the ecosystem. Another parable coinciding with a historically true story.

So, the next question for analysis is what would such an economic analog to the Plimsoll line look like when combined with concern for distribution and allocation? We have a good clue from the cap-auction-trade systems that have already been applied to some resource flows, including petroleum and fish. A cap or quota is set on total extraction per year that is deemed within ecological carrying capacity-- in the case of oil the capacity of the atmosphere to safely absorb resulting CO₂, in the case of fish at the estimated optimal sustainable yield. This is the scale limit. Second, is the distribution limit. *Who owns the resource, and who owns the dollars that will buy access to the limited resource at auction?* There are various possibilities for setting distributive limits. One is a minimum and maximum income – a limit to the range of inequality in incomes. Another is a wealth tax. Another is public ownership of the resource being auctioned. Third, the resource or the right to deplete it once purchased at auction can be resold to third parties in a free market. This permits efficient allocation in accordance with differing individual preferences, differing technologies, and the ability to pay. Market prices would allocate the aggregate quota, they would not determine the size of the quota (scale), or the initial distribution of ownership and income, as they do now.

The logic of the cap-distribute-trade system was first described by Kenneth Boulding as an institution for limiting the scale of population while giving everyone the same right to reproduce, yet allowing these equally distributed rights to be reallocated by exchange or gift in the light of peoples’ differing ability and desire to have and care for children.⁹

Although he knew it would have no political support as a population control measure, Boulding nevertheless saw it as a way of combining macro stability (limiting aggregate births to a replacement amount), while justly distributing ownership of the newly scarce right (everyone is given the same number of reproduction rights), while also respecting individual differences in ability and desire to reproduce (allowing market reallocation in conformity with preferences and ability to pay). The scheme respects and combines sustainable scale, just distribution, and efficient allocation. Although there has been no support for applying this imagined scheme to population control, it has been successfully applied to limiting pollution or depletion of some resources, as indicated above.

Many object to any connection between reproduction and markets as if any contact between money and births profaned the sacred. At the same time, however, we witness the *selling* of ova by young women in elite colleges, and of sperm by young men, to be combined *in vitro* by physicians *for a fee*, and then implanted in the *rented* womb of a surrogate gestational “mother”. For some reason these very invasive ties between reproduction and markets elicit little opposition, often hailed as scientific progress, while Boulding’s minimally invasive connection elicits vehement objection. *Why is that?* Perhaps because the aim of Boulding’s plan is to limit aggregate births, as appropriate in a full world, while the aim of the medical market is to increase births, as might be appropriate if the world were still empty. As for the objection that it gives the rich

9 Kenneth Boulding, *The Meaning of the Twentieth Century*, Harper and Row, 1965. The broader application to pollution quotas was made in J. H. Dales, *Pollution, Property, and Prices*, University of Toronto Press, 1968.

an advantage in reproduction, remember that the rich always have an advantage in everything and that the overall plan, as here modified, limits that advantage by restricting the range of income inequality between a maximum and a minimum income, as well as by equal initial distribution of the birth quotas. *And, from the point of view of children, is it really so bad if as a result they are on average born richer rather than poorer?* Also, Boulding's plan has no eugenic motivation, while the sperm and ova markets clearly do by advertising the qualities and accomplishments of the paid "donors". A much more reasonable objection is that birth rates are currently declining without such an institution in response to increased education of women and availability of contraception, so for now just invest a lot more in education of women, which should be done anyway, independently of any consequences for the birth rate. Put the Boulding plan on the back burner regarding population, but don't forget it, and meanwhile expand its application to limiting the throughput of basic resources.

China's one-child policy was a much more drastic measure to lower population than the Boulding plan envisioned. A one-child family means no brothers, sisters, cousins, or aunts and uncles. When coupled with an unjust cultural preference for males, and the availability of selective abortion, it also greatly distorts the sex ratio, restricting future availability of marriage partners. Boulding's plan offers a less socially disruptive path to population reduction, should that ever become an accepted goal. I discuss the Boulding plan, not as a currently viable political alternative, but because it so clearly distinguishes the goals of sustainable scale, just distribution, and efficient allocation, and because its logic has already been applied to limiting scale of use of certain resources. Also, if it should ever be recognized as necessary to reduce the scale of

population (as I expect it will be), it is hard for me to imagine a more just and efficient way of doing it. The reader is invited to do better.

Because of its partial reliance on the market for solving the allocation problem (in preference to central planning) the cap-auction-trade system has sometimes been labeled "free market environmentalism". This is totally misleading. It should rather be called "doubly constrained market environmentalism" because, contrary to the free market, there is a cap that limits scale, and a distributist institution that limits the range of inequality of ownership, or of income in general. The market is no longer free to determine scale or distribution, which it could never do acceptably in the first place.

III. Technological Parable: The Tragedy of Thomas Midgley, Jr.

A common reaction to the radical policy of limiting growth has been to emphasize the power of science and new technology to increase the productivity of a given throughput of resources. This is recognized and encouraged in ecological economics as qualitative development rather than quantitative growth. Without for a moment denying the benefits of technology, it is necessary to remember that new technology introduces novelty, something with which we have had no experience and consequently do not fully understand. It frequently has unintended consequences which can be very costly ¹⁰.

¹⁰ Also increased productivity in using a resource lowers its price, which in turn increases quantity demanded, thus cancelling in part or in whole the reduction in use of the resource made possible by the technological improvement. In the 1866 words of William Stanley Jevons "It is wholly a confusion of ideas to suppose that the economical use of fuel is equivalent to a diminished consumption. The very contrary is the truth." Jevons' insight suggests an important advantage of quantitative controls over price controls—the blowback of greater consumption from the efficiency increase induced by the tax-augmented price is blocked by the quantitative cap.

Most people have never heard of Thomas Midgley, Jr., even though he likely had more impact on the atmosphere than any other human¹¹. Midgley was a chemical engineer who worked for DuPont and General Motors¹². He was given the task of eliminating engine knock and came up with the solution of adding tetraethyl-lead to gasoline. It solved the problem by creating the bigger problem of spreading a neurotoxin all over the world in the exhaust of automobiles. Eventually, after 50 years and the spreading of 25 trillion liters of leaded gasoline, its use was banned. Next Midgley was given the job of finding a substitute refrigerant gas that was neither toxic nor flammable. He invented a good substitute, CFCs, (Freon) which worked well both as a refrigerant and as a propellant in spray cans. However, when it dispersed into the stratosphere it combined with ozone, reducing the capacity of the ozone shield to partially block ultraviolet radiation arriving to earth, thereby increasing the incidence of skin cancer. It too was eventually banned, but again it took nearly 50 years before Mario Molina and Frank Sherwood Rowland discovered the unexpected effect (for which they received the Nobel Prize in chemistry for 1995).

Midgley, an excellent chemist, found technical solutions to two fairly small economic problems that unintentionally created two very large ecological problems. As if that were not enough tragedy for one man, Midgley contracted polio late in life and was confined to a wheelchair. Being an inventor, he constructed a system of ropes and pulleys to hoist himself out of his wheelchair into bed. One night he got his neck tangled in the ropes and was strangled to death. This true story of unbearable irony serves as another parable that warns against unintended consequences from technology-driven “economic” growth.

DuPont, General Motors, and Thomas Midgley, Jr. were trying to do good, but ended up doing harm because their vision of the economy was the same as that of the *World Development Report* discussed earlier – a system that converts undefined inputs into undefined outputs without recognizing the effect they have on the containing and sustaining biosphere. Chemists already knew that lead was a neurotoxin and had they viewed the economy as a subsystem of the biosphere should have sought another cure for engine knock. Nobody yet knew about the effect of chlorofluorocarbons on the ozone layer, but this parable of ecological ignorance provides further reason for the economy to expand slowly and carefully into the biosphere.

While much of pollution has traditionally been ordinary garbage and junk, much advertised “better living through chemistry” has given us novel pollutants with which the biosphere has had no evolutionary experience and to which it is consequently un-adapted. Non-degradable plastics, radioactive materials, agro-toxics, endocrine disruptors, etc. effectively fill the world in the sense of crowding out safe human and non-human habitation because some are deadly even in low concentrations of parts per billion or trillion.

IV. Ethical Parable: Darwin vs. Wallace and the 1924 Leopold-Loeb “Trial of the Century”

The pre-analytic vision and initial analysis of ecological economics given above are very simple, and the policy implications are very radical. The most radical policy implication is that growth, our major goal in the empty world, has become uneconomic in the full world. Growth now increases environmental and social costs faster than production benefits¹³. We should stop aggregate growth and begin to contract or “degrow”, both in terms of per capita throughput and population. What happens

11 Frank A. Von Hippel, *The Chemical Age*, University of Chicago Press, 2020.

12 For a fuller account of Midgley, see <https://www.youtube.com/watch?v=IV3dnLzthDA>

13 John Talberth, Clifford Cobb, Noah Slattery, *The Genuine Progress Indicator, Redefining Progress*, Oakland CA, 2006.

to GDP as a consequence is of secondary importance. Climate change and loss of biodiversity are symptoms of the basic problem of overshoot, and overshoot means that the world is too full of us and our stuff¹⁴ – too much *takeover* of areas capable of supporting current photosynthesis, and too rapid *drawdown* of the stored products of ancient photosynthesis.¹⁵

Growth has for two centuries been our *summum bonum*. Growth has been our attempt to solve poverty without sharing, our substitute for distributive justice, our cure for unemployment, and for inflation, our hoped-for cure for overpopulation via the automatic demographic transition, and our illusory means of imposing peace through military superiority. Growth has also meant human domination of the rest of nature (the anthropocene), without a recognition of the consequent duty of humans to use our vastly superior capacities in service to the total creation of which we are a key part.

What ethical foundation can support such a radical about face? Does such a foundation exist? Currently the ethical foundation of ecological economics is unsettled and eclectic. Many take the ancient materialist Epicurean and Lucretian view, most recently modernized in the neo-Darwinism preached by many biologists, that everything results from random mutations subject to natural selection by differential reproductive success¹⁶. Objective value and ethics, beyond reproductive success, is considered meaningless. Humankind is considered ultimately no different from other creatures, a random consequence of blind evolution. Many ecologists have absorbed this worldview from their parent discipline of biology. Blind purposelessness, however, leaves no room for value. And without value the economy has no reason to be, other than to generate material waste, as we saw in Part I. So, the desired happy

marriage between the disciplines of ecology and economics requires some serious marriage counseling.

Those ecological economists less enthralled by neo-Darwinism see humans as fundamentally different, as still part of the larger evolved creation to be sure, but a special creature who, like it or not, is effectively in charge of the larger creation, because far more than other creatures, humans reflect the image, albeit a broken image, of their Creator. Humans have conscious self-identity as persons, plus reason, language, law, literature, mathematics, history, science, music, art, etc. Ethics, in this view, derives from this special capacity and resulting responsibility to employ these unique gifts for the care and nurture of creation. Reducing humans to the level of other animals is false humility covering up irresponsibility. If we want to stop a bullfight we address our arguments to the matador, not to the bull.

Modern scientific materialism does not like the idea of Creator, even one who employs evolution as a means of creating. To speak of responsibility or blame is a further infraction of the rules of the naturalistic methodology – it is “unscientific.” They believe that Chance and Necessity, natural selection, neo-Darwinism, is the correct and sufficient worldview. When confronted by other scientists with the extreme fine-tuning of the physical laws and numerous constants necessary for life, the materialists admit that the compound probability that life emerged in our universe by chance is infinitesimal. So, they postulate infinitely many (unobservable) universes in which the infinitesimal probability, multiplied by infinitely many trials, could, and evidently did, happen. We simply won the grand cosmic lottery – lucky us! Their pre-analytic paradigm of Materialism and Chance is very strong. It has, after all, led them

14 William R. Catton, *Overshoot*, University of Illinois Press, 1980.

15 Ecological Footprint, <https://www.footprintnetwork.org/our-work/ecological-footprint/>

16 Richard Dawkins, *The Selfish Gene*, Oxford University Press, 1976.

to many powerful discoveries-- as well to a basic nihilism. *Increasing power with diminishing purpose – what could possibly go wrong?*

In popular discussion the Chance view is considered Scientific, the Purpose view Religious. In a deeper sense, however, each view is both scientific and religious.¹⁷ For example, the independent co-discoverer of natural selection, Alfred Russell Wallace, concluded that the theory of natural selection, while certainly powerful, was nevertheless insufficient to explain the vastly superior capacities of humans over other creatures¹⁸. He invoked a spiritual dimension as a hypothesis supplementary to the insufficient hypothesis of materialist natural selection to explain the enormous human difference. The procedure is open-minded, but it lowered his prestige among the materialistic Darwinists.

And even Darwin, although remaining a materialist, nevertheless wrote to a correspondent¹⁹:

“Nevertheless, you have expressed my inward conviction, though far more vividly and clearly than I could have done, that the Universe is not the result of chance. But then with me the horrid doubt always arises whether the convictions of man’s mind, which has been developed from the mind of the lower animals, are of any value or at all trustworthy. Would any one trust in the convictions of a monkey’s mind, if there are any convictions in such a mind?”

This is a curious statement. Darwin asserts an inward conviction that the Universe is not the result of chance. But he then disparages his own troublesome conviction as untrustworthy, having developed from a “monkey’s mind.” Yet he seems not to discount his own theory of materialist

natural selection for that reason, although it must have come from the same “monkey’s mind” as his other convictions. *As others have asked if my thoughts are reducible to matter in motion, then why believe any of them, including this one?*

Ethics requires purpose, ordering of wants and actions relative to objective value, final causation, teleology, and a perception of ultimate value – all the things that the reigning naturalism and materialism deny. This vision leaves no room for objective value and a hierarchy of purposes in reference to which actions are chosen, as required by ethics. Ethics is doubly ruled out – if all is determined, then purpose is a non-causative illusion; if good and evil were non-existent then there would be no criterion by which to choose ethically, even if choice were possible. *On what basis then could we argue for ecological economics and its policies rather than the current growth economy – or vice versa?*

The idea of objective value scares us because we think, with some evidence, that it might lead to intolerance and persecution of those whose vision of objective value is different from ours. This is certainly a danger, but the larger danger is that in denying objective value we no longer have anything to appeal to in an effort to persuade. It is just my subjective preferences versus yours, and since there is by assumption no higher authority, we have nothing to point to in order to persuade, nor accede to in being persuaded. There is no alternative but to fight, either with force or deceit. A commitment to the reality of objective value, including our ability to reason together about it – however dimly it is perceived – is necessary to avoid arbitrary rule by force. This defense of objective value was cogently argued by C. S. Lewis²⁰.

17 Neil Thomas, *Taking Leave of Darwin*, Discovery Institute Press, 2021

18 Alfred Russell Wallace, *Darwinism*, (Chapter 15), 1889.

19 Charles Darwin, *Life and Letters of Charles Darwin*, (1986), “Religion”, in Francis Darwin (ed.), Vol. I, Ch VIII, New York: D. Appleton & Co. pp. 274–86.

20 C. S. Lewis, *The Abolition of Man*, 1944, reprinted by HarperCollins e-Books.

A frequent objection to the reality of objective value is the assertion that different religions and cultures have quite different values. If value were truly objective there should be agreement on basic values, not the disagreement that we allegedly observe. In an Appendix to the book just cited, Lewis counters this opinion by assembling over 100 very similar affirmations of objective values drawn from authoritative sources in very different cultures in very different times and places. He divides the statements into eight categories, the titles of which indicate the particular objective value illustrated: 1. the law of general beneficence (against murder, violence); 2. the law of special beneficence (to family, friends); 3. duties to parents, elders, ancestors; 4. duties to children and posterity; 5. the law of justice (sexual justice, honesty); 6. the law of good faith and veracity (truth telling, avoiding slander); 7. the law of mercy (for widows, orphans, the poor and sick), 8. the law of magnanimity (rejoice in the good fortune of others, without envy). Lewis considered this collection of diverse cultural affirmations of common values not as proof, but as supporting evidence for objective value. His main argument was logical rather than empirical, *reductio ad absurdum* or proof by contradiction – assume the contrary (no objective value) and show that it leads to contradictions and absurdities, as done in the preceding paragraph, and the following one.

Some materialist philosophers and biologists teach that morality and free will, however commonly experienced across cultures, are illusions, but beneficial ones with survival value, they say, and therefore selected by their presumed contribution to reproductive success to fit our environment – our randomly changing environment, to be clear. However, they do not go on to consider the consequences of our (their) seeing through the

illusions. *Can an illusion, even a “beneficial” one, be effective once it is exposed as an illusion?* I doubt it. The consequences of drinking this poison were made strikingly evident in the 1924 Leopold–Loeb “trial of the century” of two academically brilliant young Nietzschean–Darwinist nihilists who decided to prove to themselves that they were free from the illusion of objective morality by murdering a young man.²¹ The only defense that their attorney, the famous Clarence Darrow, could muster for saving the admittedly guilty pair from execution was that their actions were determined, that in the great chain of strict determinism ‘something slipped’. *But why ‘slipped’ if there is no objective norm to fall short of?*

It is evident that the institutions and policies of an ecological economy in a full world, will require a much more solid ethical foundation than that prevailing today. Economics must rethink its reduction of objective value to subjective preference, and ecology must rethink its reduction of objective value to purposeless neo-Darwinist materialism²². To combat the force of growthism by appeal to subjective preference and/or materialist determinism will be futile. Political economy began as a part of Moral Philosophy. Ecological economics requires returning to that historical starting point and re-thinking economics in the light of ecology, philosophy, and religion²³. It also requires the foundation of a pre-analytic vision of the economy as a subsystem of a finite sustaining biosphere subject to the laws of thermodynamics and ecology. In terms of policy, it means that qualitative improvement (development) must replace quantitative increase (growth) as the path of progress. Altogether that is a very big change!

21 They were sentenced to life in prison where Loeb was killed by fellow inmates. Leopold was eventually paroled and in apparent repentance spent the remainder of his life as a hospital technician in Puerto Rico. Darrow later defended John Scopes from the charge of “teaching evolution” in the notorious “Monkey Trial” of 1925.

22 See, for example, Thomas Nagel, *Mind and Cosmos: Why the Materialist Neo-Darwinian Conception of Nature Is Almost Certainly False*, Oxford University Press, 2012.

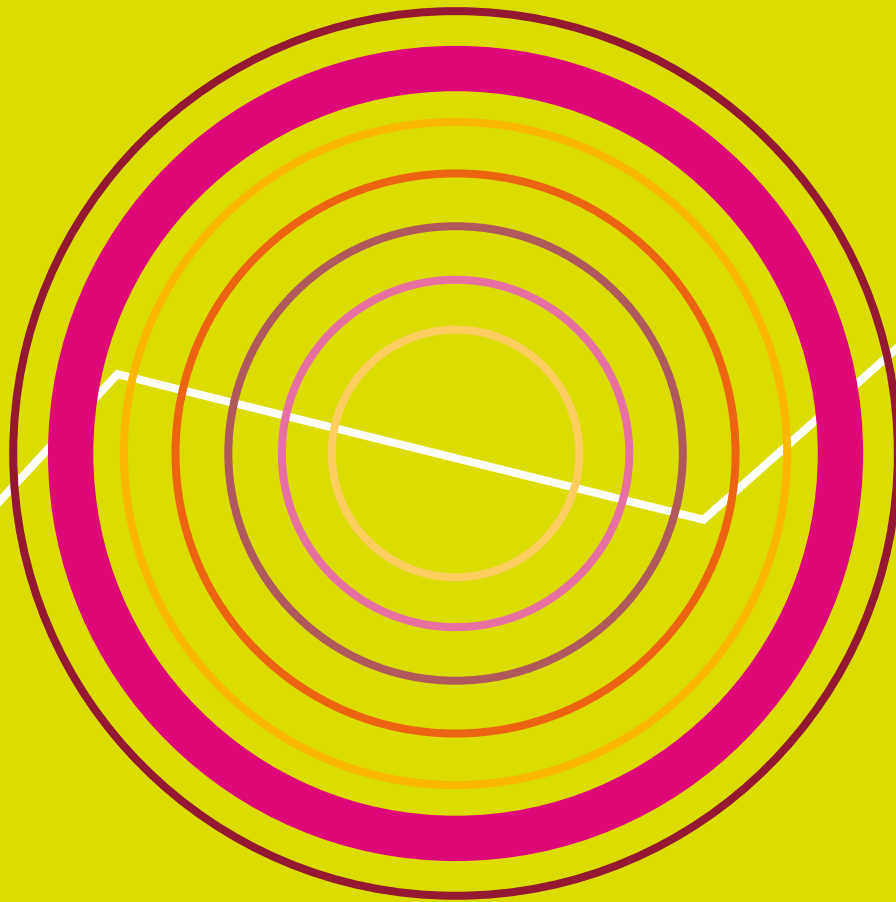
23 Herman Daly, *From Uneconomic Growth to a Steady-State Economy*, Edward Elgar, Publishers, 2014.

What development policies are indicated by such a big change, assuming the ethical will to enact them?

As discussed earlier the cap-distribute-trade system for basic resources provides a framework for capturing increasing scarcity rents from basic natural resources and redistributing them equitably, while at the same time allowing the higher resource prices to induce both greater efficiency and frugality. Resource caps to limit the throughput of basic resources, especially fossil fuels, are required to reduce the ecological overshoot and consequent climate and biodiversity disasters from which all countries suffer. In nearly all countries inequality in the distribution of income has become extreme, and aggregate GDP growth no longer offers the hope to reduce inequality in an era of uneconomic growth. Therefore, a limited range of inequality bounded by both a minimum and a maximum income seems a necessary sharing to elicit the cooperation of the vast majority of citizens in democratic countries.

Contraceptive education and devices should be made universally available so that every birth may be a wanted birth. The greater demographic problem for nations will be migration. Ecological disasters, wars, and failing states have greatly increased the number of migrants, many of whom are legitimate refugees. Any country that limits its own resource use, limits its births, and provides a minimum income to its citizens, as here advocated, unfortunately cannot long continue to welcome large numbers of immigrants. Instead of people migrating to countries whose policies respect objective value (if such countries exist), those good policies will have to migrate to all other countries. Development policy must stop persisting in further growth in an already full world. And to accomplish this Ecological Economics needs to base its ethics on objective value, rather than subjectivist individualism or materialist neo-Darwinism.

2



A FEMINIST DEGROWTH

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Chapter 2

A Feminist Degrowth

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1. INTRODUCTION

The global equilibrium”, wrote André Gorz in 1972, “for which no-growth – or even degrowth – of material production is a necessary condition, is it compatible with the survival of the (capitalist) system?”. Since this first use of the term, “degrowth” – or in its French original *décroissance* – has become a forceful conceptual framework and a political mobilizer for imagining and enacting alternative ways of articulating the society, economy and nature. The notion has since entered academic literature (Weiss and Catteano 2017), vocabularies of social movements (Burkhart et al. 2016; Demaria et al. 2013), and public debate, even in the European Parliament (Demaria 2017). The academic literature on degrowth, in particular, has reached an impressive volume and scope, ranging from issues of infrastructural adjustment and reorganization of work to the design of monetary systems and a new architecture of public finance.

Degrowth is indeed being theorized and debated as one of the most significant alternatives to current systems of economic and political governance, whose inability to cope with the intertwined ecological, social, and economic crises of our era is repeatedly proven. What I will sketch out in this chapter is a feminist degrowth agenda. I choose to qualify degrowth with the term “feminist” for reasons, which imbue degrowth with related but distinct aspects and provide a vision for different aspects of organizing degrowth. More specifically, I use the qualifier feminist to 1. point to an immense field of value production that is most

often hidden and devalued, that is, the work of women and nature, 2. inspire a vision of how to organize this domain within a degrowth society, beyond merely recognizing it, and 3. to discuss the global scale of this domain to inform a discussion of the international dimension of degrowth. I conclude with proposals for international development cooperation in line with a feminist degrowth agenda.

2. WHAT IS DEGROWTH?

Although it is most straightforwardly, albeit misleadingly, understood as material downscaling, degrowth denotes a far more encompassing transformation. Degrowth is indeed a proposal for voluntary, equitable and democratically-led reduction of the materials and energy that a society extracts, processes, and disposes of as waste (Schneider, Kallis, and Martinez-Alier 2010). In this sense, degrowth is a counter against visions of green growth and eco-modernisation, which rest fundamentally on claims of absolute decoupling, i.e. delinking of economic growth from its biophysical impacts through the use and advancement of eco-efficient technologies. Scholarship in ecological economics, above all, has demonstrated not only the lack of evidence for such delinking (Hickel and Kallis, 2020), but also cast doubt on its future likelihood, in particular its occurring at a pace and consistency that is required to avoid climate catastrophe (Hickel et al., 2021). This scholarship has also emphasized the rebound effects of eco-efficient technologies (Kallis 2017; Berner et al., 2022), the lower energy output-per-input of renewable energy sources (Klitgaard 2013), and relatedly, the

intense material requirements of eco-efficient technologies. Yet this call for downscaling is not conceived as a technical matter of reduction, but rather an entry point for a democratic process of societal decision-making on which activities to limit (or abolish), and which activities to support and expand, i.e. selective degrowth (Kallis, 2011).

Yet degrowth denotes a far more radical transformation that unsettles the dominant structures of our economies in more than one way. Firstly, it is more fundamentally a project to break with the dominance of economic growth as a societal goal, i.e., the ideology of growth (Latouche 2005b). It is a call to deconstruct the automatic equation of growth with “better”, in order to open space for imagining other ideals and principles in organizing economic relationships. Degrowth is rooted within a broader challenge to economism, i.e., the economic logic that colonizes the imaginary (Latouche 2005a), and the power of economic rationality that dominates and smothers other social rationalities, goals and representations. This implies a radical questioning of economic imperatives such as efficiency and profit maximization (Demaria et al. 2013) and a (re) politicisation of the economy by challenging its supposed objective reality and foregrounding democratic choice in shaping it (Fournier 2008). Degrowth is thus a project of reclaiming the economy.

Secondly, degrowth is not a quantitative issue of less (of the same), but rather a qualitative issue of “different”. It is not contraction within a growth economy; rather, it denotes a reorientation of economic relations towards a different structure, in order to serve different functions (Kallis, Demaria, and D’Alisa, 2014). It is a proposal to move towards a society in which the social metabolism – how societies organize their interaction with flows of materials and energy – is organized along different principles, such as needs and provisioning, care, solidarity, justice and democracy. This implies, most

fundamentally, a structural-institutional change as economic institutions of capitalism, such as labour, welfare, property, markets, credit and public finance, perpetuate a growth imperative (Kallis, 2011). These institutions either depend on continuous economic growth for their functioning and sustainability (e.g. public services financing linked to growth through taxation systems, employment creation tied to economic expansion), or drive economic growth (e.g. interest-bearing credit, competition for greater market share). It also implies constructing and strengthening forms of production, exchange, labor, finance and consumption that are intentionally different from mainstream (capitalist) economic activity. Such alternative economic forms are more likely to prioritize production for needs, foreground social and ecological values over accumulation, profit maximization and growth, localize production and consumption, and can cultivate values such as sharing, community, solidarity (Johanisova and Frankova, 2017; Kallis, 2015).

Cast this way, degrowth is first and foremost a project of restructuring and reorienting contemporary economic systems towards ones that center needs and equitable provisioning rather than accumulation and economic growth. Such reorientation can take different paths: it implies a shift away from extractive activities, fossil fuel production, military and advertising, towards those that sustain and regenerate human and non-human well-being, such as healthcare, education, ecological-restorative agriculture and local food systems. It could mean, for instance, that subsidies and public financing provided to the former are eliminated and rerouted to the latter; that taxation systems are restructured in ways that punish harmful economic activity and reward life-sustaining activities; and that the socio-ecological destruction created by capitalist growth economies by establishing democratically-determined caps on extraction of resources. It also implies ensuring access to basic goods and services for all. Among possible routes to this end are the decommodification of basic services

such as health care, education and housing, and/or measures to guarantee a minimum level of well-being for all, for instance through universal basic income (UBI) or universal basic services (UBS) schemes. Guaranteeing a certain level of well-being for all through such arrangements is in fact a decision to change how we distribute means of sustenance. By delinking well-being from employment status, it would also relieve the imperative to maintain economic growth for its employment creation potential.

There are two axes fundamental to the restructuring and reorientation that degrowth proposes. The first is autonomy and democracy. This relates to degrowth's call to exit a social imaginary dominated by the imperative of growth, and to foreground democratic decision-making in shaping economic processes (Fournier, 2008; Schmelzer, Vetter and Vansintjan, 2022). A counterpart to this call has been degrowth's emphasis on autonomy, building on critical scholarship that shows how increased scale of economic activity undermines the ability to self-govern (Asara, Profumi and Kallis, 2013). Democratizing economic decision-making towards the expansion of self-governance, i.e. enabling all to participate in the making of decisions that affect their lives, is therefore inherent to degrowth. Economic democracy is not only worth pursuing in itself; but it would also function as a force against the socially and ecologically destructive activities our economies run on. Curbing corporate power, establishing democratic oversight over money and finance, participatory public budgeting, democratic governance of productive capacities and supporting democratic forms of production and exchange (e.g. worker cooperatives, consumer cooperatives, eco-social enterprises, community land trusts, community-supported agriculture, local exchange and trading systems, etc) are fundamental facets of a degrowth future.

The second axis is justice. Degrowth is a project of justice in two interrelated ways. Firstly, justice requires setting limits, as the social and

ecological costs of growth are always unequally shared within and across societies. Secondly, growth is driven and enabled by injustice. The unequal relationship between the Global North and the South, which is constituted historically and continues to be reproduced, lies at the basis of global capitalism (Fraser, 2021). It positions countries of the North and South differentially, where the former's prosperity and growth depends on the appropriation of resources from the latter. Repairing historical and ongoing injustices is thus fundamental to degrowth, where debates on ecological debt, i.e. theft, plunder and disproportionate use of resources (and sinks), and ecologically unequal exchange, i.e. unequal flows of "embodied nature" through global trade, are a centrepiece.

3. A FEMINIST DEGROWTH IN THREE ACTS

3.1 What is work?

I use the term feminist degrowth, firstly, to emphasize a broader conception of work beyond commodity-producing wage labor and the types of work that are fundamental for sustaining (human and non-human) life. Feminist thinking has long theorized the domain of labor that falls outside of, yet underlies, commodity production, i.e. social reproduction. Social reproduction is firstly the work of reproducing and sustaining laborers; but it also spans the production of life-sustaining goods and services and the regeneration of the social and ecological conditions of life and (commodity) production. Social reproduction thus includes not only the forms of labour that directly produce and sustain human capacity to produce, but also those that maintain, mediate and transform biophysical processes that undergirds a livable life (Barca, 2019; Bhattacharyya, 2018), as well as a range of social-cultural forms and practices associated with knowledge, learning, and socialization (Katz, 2001). To paraphrase Gargi Bhattacharyya, it comprises of networks of human and other life which sustain each other, including through care and subsistence work (Bhattacharyya, 2018; 40). In the words of

Cindi Katz, “[s]ocial reproduction is the fleshy, messy, and indeterminate stuff of everyday life” (Katz, 2001; 711).

The work of social reproduction takes place in multiple settings (households, communities, ecosystems, etc), done individually or collectively, with or without monetary remuneration (albeit often without). It is overwhelmingly, but not only, performed by women, yet race and ethnicity are important markers that distribute social reproduction differentially among women (e.g. kind of activity, amount). It has a specific spatiality and temporality: it is often location-bound and embodied, marked with repetition and presence, responding to biological and ecological time. Yet what makes social reproduction particularly distinct is its invisibilization and devaluation, i.e. its codification as “non-work”. In fact, feminist scholars have argued that it is this disavowal leads to the invisibilization and devaluation of the work of social reproduction (Fraser, 2021). Further from being an accidental oversight, commodity production under capitalism not only hides this sphere of work and production, but fundamentally depends on its devaluation (Federici, 2004; Mies, 1986). That is to say, cheap, if not entirely free, production of laborers, their sustenance and the broader ecological-social conditions of production have been instrumental for the development and reproduction of capitalism. A feminist degrowth is one that recognizes, validates and supports the domain of social reproduction and the broader conception of work that it implies. Recent inflections of degrowth thinking and practice with feminist scholarship and politics indeed embrace such a conception. Degrowth’s centering of care and the ethic of care, recognition of life-reproducing work that often fall outside of the market and commodity production, as well as discussions of what constitutes work that would be relied on in a degrowth future attest to this. The Feminisms and Degrowth Alliance (FADA) has been instrumental in cultivating such debates, one outcome of which has been a more

concrete call for supporting and valuing social reproductive work, including a Universal Care income, strengthening modes of provisioning and public support for infrastructures of care (FADA, 2020).

Yet mere recognition and validation of social reproduction is not enough to make degrowth feminist; to put it bluntly, recognition does not imply gender justice. There lies a real danger with the often-unproblematized emphasis on building an economy that centers care, coupled with the labour time implications of downscaling of material and energy use. Such downscaling implies that embodied energy (i.e. human labour) will have to be substituted for external energy sources (e.g. fossil fuels). From a feminist perspective, this begs the question: what kind of activities will rely more on human labour in a degrowth future, and whose labour will substitute for the reduction in energy use in, for instance, household production, agriculture, or transportation. A similar question underlies degrowth’s emphasis on recentering economies on provisioning and away from the primacy of commodity production. As feminist degrowthers have pointed out, given entrenched patterns of gendered division of labour, such structural shifts without ensuring gender justice runs the risk of re-feminization of social reproduction (Akbulut, 2017). Put differently, following Perkins (2017), *“Who will do the work of growing the tomatoes on urban rooftops, recycling the post-consumer materials, carrying the glass jars to the bulk food stores to be refilled with beans, soaking and cooking and refrying the beans?”* (Perkins, 2017; 238).

To recap, recognizing and foregrounding the work of social reproduction, by itself, does not imply gender justice. If a degrowth future does not problematize the distribution and organization of this work, there is a risk of increasing the labour burden of social reproduction that falls on women and perpetuating gender inequalities. This brings me the second way in which I use the qualifier feminist for degrowth, as I elaborate in the next section.

3.2 Organizing social reproduction

The primary way in which degrowth thinking and practice have engaged with feminism has been based on recognizing and supporting social reproduction, but not how it should be organized, e.g. who will perform how much of it under which conditions and under whose control, and how to decide on its distribution (Akbulut, 2017). Yet as elaborated above, mere recognition and validation of social reproduction in a degrowth future, without problematizing its organization, risk perpetuating and solidifying its gendered (and racialized) distribution.

In fact, the point for feminist politics is not only that social reproduction is unrecognized, but rather –and more importantly— that its invisibility is intimately linked to women’s oppression, historically and contemporarily. Making social reproduction visible and to reveal it as work is thus not an end in itself, but rather the means for the struggle to alter its conditions and distribution. The famous Wages for Housework Campaign of the 1970s, for instance, has been explicit about the political role of demanding a wage (Federici, 1975). The wage demand is not for the mere compensation of housework, implying that women would continue to do it if they are compensated for it, but rather the first step towards its refusal. Demanding a wage for social reproduction establishes it as work, after which struggling around its terms and amount, i.e. its organization, becomes possible. Feminist political economists have also explored ways of valorizing social reproduction other than monetary compensation, for instance through self-organized systems of provisioning, where all services, including social reproductive ones, would be valued equally on the basis of labor time (Perkins, 2017).

The question is then, how to organize and valorize social reproduction within a degrowth future?

Although there is hardly a blueprint, feminist scholarship and practice provide tools to tackle this question. One notable example here is

Silvia Federici, who argues for commoning social reproduction (Federici, 2019; Federici and Campbell, 2020). This means constructing and organizing cooperative and egalitarian forms of social reproduction: providing access to the means of reproduction for everyone, sustained by collective and cooperative labor, and managed by democratic decision-making. In this sense, commoning social reproduction involves not only collective and equitable sharing of the benefits of social reproduction, but also the organization of labour of social reproduction along gender equity. Notably, this is not only a vision to be realized but also a real-life practice taking place in urban communal kitchens, communal/collective childcare, urban gardens, etc.

An important dimension of social reproductive commons is that they are nodes of collective self-governance and re-appropriating decision-making power (Federici and Campbell, 2020). Federici’s is not a call to expand public provisioning of social reproductive services, but building bases from which a self-governing society can be built. As Federici puts it:

“It is one thing to organise communally the way we want to eat (by ourselves, in groups, etc.) and then ask the State to pay for it, and it is the opposite thing to ask the State to organise our meals. In one case we regain some control over our lives, in the other we extend the State’s control over us.” (Federici, 1975; 7).

Commoning social reproduction provides an important perspective on realizing gender justice within a degrowth future. But its significance goes further, as these perspectives provides a way to think about the social organization of sufficiency and needs within a degrowth future as well. While degrowth is unexceptionally described as an economy that centers needs and provisioning, there is surprisingly sparse discussion of what constitutes needs, how is it to be decided and how

provisioning for them will be organized. Feminist political economy provides a perspective to fill this gap: one that advocates that social reproduction, that is, the work of fulfilling the needs of human and non-human life, is organized through democratic decision-making and self-governance, where decisions about who will perform how much of this labor to what ends and under what conditions are collectively and democratically determined.

In this sense, feminist thinking brings on a way to think concretely about what André Gorz, one of the main and earliest theorists of degrowth means by autonomy and its connection to sufficiency (Gorz, 1989). Gorz describes sufficiency as the ability to self-define needs and sees the displacement of sufficiency as a principle in the separation of production and consumption (i.e. what needs are) decisions. The ability to self-define needs had disappeared with the rise of wage labor under capitalism. Accordingly, autonomy in collectively defining needs is necessary for reinstituting sufficiency. This effectively amounts to the feminist call for democratizing the bases of social reproduction broadly construed, where a collective negotiation of what needs are can take place.

3.3 The global scale of social reproduction

The third and final way in which I use feminism to qualify degrowth is for emphasizing the global scale in which social reproduction has undergirded capitalist growth economies. Feminist conceptualizations that broaden the field of labour and production reveal the devalued and invisible value flows that take place at the global scale. Feminist scholarship within this context has substantiated the parallels between colonization and the subjugation of women (Mies, 1986; Federici, 2004), as well as those between appropriation of nature's and women's work (Mies and Shiva, 1993; Salleh, 2017). Building on this perspective, social reproduction was conceptualized to be global and include colonies, indigenous peoples and subsistence producers. Ariel Salleh (2017), for instance, develops the

concepts thermodynamic extraction and embodied debt to point to the appropriation of time and energy from women, nature and other workers of social reproduction and the uncompensated labour that goes into reproduction of the labor force as well as the protection and regeneration of natural metabolic cycles. Finally, more recent feminist scholarship delineates the global division of social reproductive labor and the ways in which the racialized (and cheapened) social reproductive labour (e.g. of migrant care workers) serves to cheapen the costs of maintaining and reproducing capital accumulation, especially in countries of the Global North.

This conceptualization is needed to complement the centrality of global ecological justice within degrowth (Schmelzer, Vetter and Vansintjan, 2022), crystallized especially around the notions of ecological debt and ecologically unequal exchange. Reparations for ecological debt, i.e. the historical and contemporary appropriation and/or disproportionate use of ecological resources and sinks, and addressing structural imbalances in international trade to alleviate ecologically unequal exchange, i.e. unequal flows of embodied nature through goods traded in international trade, have become important cornerstones of degrowth. The global and historical perspective on social reproduction serves to expand this notion of justice, to include unequal flows of life-sustaining labor of humans and nature between the Global North and the Global South. Cast this way, it is not only the flows of (embodied) nature, either through direct use and appropriation or unequal exchange, but more broadly flows of social reproductive labour that sustains and reproduces capitalist growth. Actions towards repairing global injustices should therefore take into account a notion of "social reproductive debt" that includes the racialized and cheapened social reproductive labour flowing from the Global South to the North, as well as colonial reparations and giving land back to their rightful indigenous custodians in settler colonial counties.

4. Conclusion: Feminist Degrowth and International Development Cooperation

Degrowth is predominantly a proposal developed in and for the core-industrial countries of the Global North. It is not a blueprint nor a vision to be imposed on the rest of the world, but rather one among many other visions of living well and equitably beyond growth, such as Buen Vivir (Sumak Kawsay), Ubuntu or Ecological Swaraj (Kothari, Demaria, and Acosta, 2014). It is the North's responsibility to degrow, leaving more space for others to live (Kallis et al., 2020). Policies and actions associated with degrowth are therefore almost exclusively envisioned as interventions within economies of the Global North. This does not imply that this responsibility is limited to the geographical boundaries of countries of the Global North. Firstly, economic growth in the North had, and continues to have, grave socio-ecological impacts on the South. It had also been fundamentally dependent on the flows of cheap nature and cheap labour from the latter (Fraser, 2021). Secondly, the historical dynamics of global capitalism that made the Global North wealthy have put countries of the Global South on paths that have locked them into a perpetual growth imperative, e.g. structural dependency on extractivism, debt servicing or structural adjustment. That is to say, degrowth needs to have an international dimension that addresses historical and contemporary impacts of economic growth as well as the growth-reproducing structures of the global economic system. The feminist degrowth agenda I have elucidated here, on the other hand, imbues this international dimension with a gender lens as it focuses on an expanded notion of work and highlights the broader flows of social reproductive labour that sustains and reproduces capitalist growth.

What I will propose here are three sets of proposals to inform international development cooperation in line with the feminist degrowth agenda I have outlined, as follows:

1. **Repairing historical and contemporary injustices:** These include measures such as repayment of ecological and, more broadly, social reproductive debt, climate and colonial reparations, and interventions in the global financial and trade system that reverses/alleviates dynamics of unequal exchange between countries of the Global North and the South. Debates and proposals around ecological debt, climate and colonial reparations, pushed primarily by grassroots movements in the Global South, already exist (e.g. Acción Ecológica, 1999; World People's Conference on Climate Change and the Rights of Mother Earth, 2010), to which degrowth joins. These can be considered alongside potential mechanisms to tackle social reproductive debt, such as implementing a care income in a way that addresses the disproportionate and/or cheaper social reproductive labour performed by transnational/migrant workers and expanding the rights and entitlements of essential workers in general and migrant essential workers in particular. On the other hand, proposals that are more generally addressing and/or reversing the detrimental impacts of capitalist growth on the economies of the Global South would in itself alleviate the drain of social reproductive labour by the North.

2. Undoing negative impacts of degrowth:

These relate to the potentially debilitating impacts that a contraction of production and consumption activities of industrialized countries would have on the South, especially on countries that are export or foreign investment dependent. Although justice-oriented measures mentioned above would provide some relief, direct measures such as transfer of resources and technology for economic restructuring away from a heavy reliance on socio-ecologically destructive sectors, or preferential trade agreements that provide more advantageous terms for exports from the Global South (Schmelzer, Vetter and Vansintjan, 2022) are also called for. Finally, implementing corrections to international commodity prices that account for the invisibilized (and externalized) social and ecological costs of production –including those of social reproduction – in the South would help counteract the impact of contraction in the North by raising prices of Southern exports (Gudynas, 2020).

3. Non-growth pathways: The third, and final, set of proposals is about opening and strengthening the space for the Global South to pursue non-growth pathways if it chooses to do so. This implies recognizing the validity of movements, proposals and worldviews beyond growth originating from the Global South (e.g. post-extractivism) on the one hand, and measures to relieve the built-in imperative of growth by, for instance, financing cooperative/public systems of provisioning delinked from growth or supporting a shift away from dependency on unequal exchange relations, on the other.

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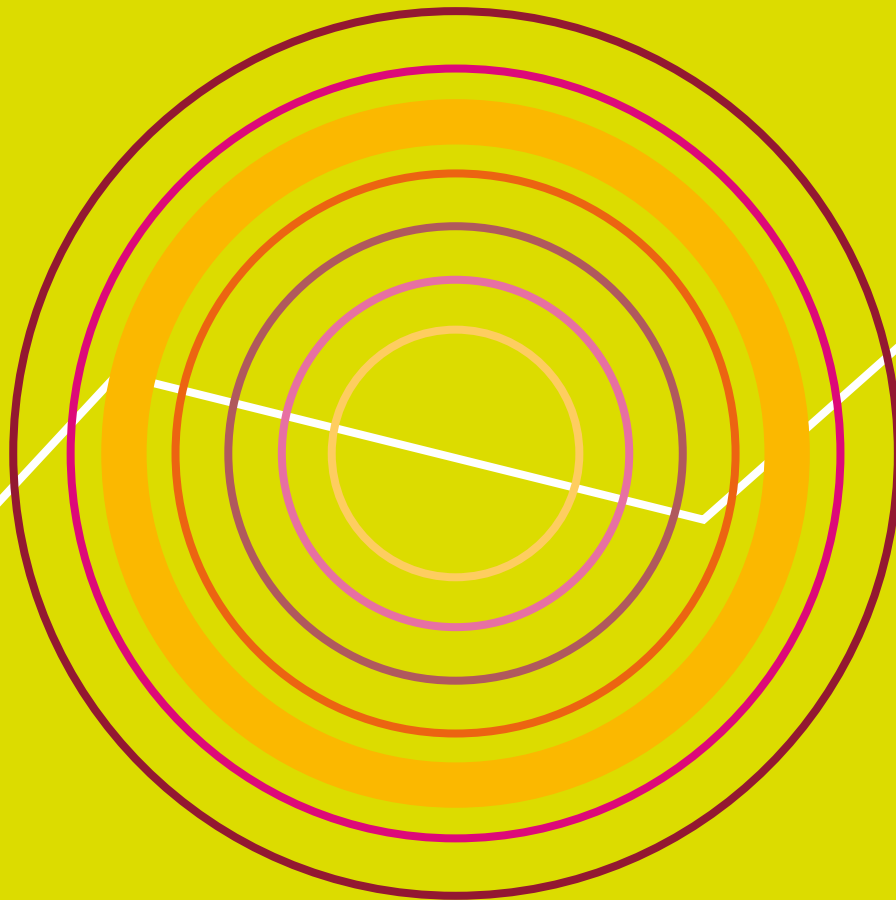
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3



A BIG PUSH FOR SUSTAINABILITY

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DEVELOPMENT AND HUMAN SETTLEMENTS

Chapter 3

A Big Push for Sustainability Economic Commission for Latin America and the Caribbean Division for Sustainable Development and Human Settlements.

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Economic Commission for Latin America and the Caribbean,
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When reporting growth, based on the market value of goods and services as the Gross Domestic Product (GDP) does, the common-sense implication is that the higher the better, the more beneficial to employment, income, and welfare. But clearly that is not the case. The economic structure or composition of that growth (the net effect of what grows and what contracts or degrowths) is key. Rapid growth based on sectors with low employment intensity is less desirable than high employment intensity sectors, as is less desirable high environmental footprint growth than lower-carbon-footprint-based growth. Thus, it is more telling of welfare and more desirable to assess the balance among the three pillars of sustainability¹ than unqualified growth. In an extreme case, growth may result zero or even negative, while at the same time there is a very positive change of composition of the economic structure towards sustainability. Selective growth is the key to achieve simultaneously the social, economic and environmental objectives of Agenda 2030. The current economic structure makes growth incompatible with the three pillars.

I. A KEY CONDITION OF AGENDA 2030: SIMULTANEITY.

How to assess the sustainability of growth? The 2030 Agenda was the response to the crisis of the “self-regulated” neoliberal approach to the economy of 2008 and came into being in 2015. It is not only concerned with poverty, but with inequality, and with the natural boundaries that frame prosperity. It is indivisible, universal, and above all, simultaneous in addressing people, prosperity and the planet through its 17 Sustainable Development Goals (SDGs). And to achieve them only a few sectors favored by coherent policies can serve the purpose.



¹ People, planet and prosperity related to different SDGs of Agenda 2030. SDGs 1 to 6 basically compose the social or people’s pillar; 7 to 11 speak to economic prosperity and 12 to 15 are related to “planet” or the environment

The rate of sustained growth of the economy (SDG 8 and 9 refer to prosperity) has a well-known limit: its ability to fund itself. This is basically supported by the response of exports to international growth vis a vis the response of imports to national growth. If exports grow faster than imports, then the economy funds itself and can also repay its debt. The orthodox corrective measures are also well known: cooling of the economy by means of higher interest rates, restrictive monetary policies, and monetary devaluation, which equate to impoverishment of labor wages and a regressive distribution of wealth. Therefore, the rate of growth compatible with the economic structure is basically set by the balance of trade (import-export relation). Depending on the economic structure, this rate of growth, compatible with prosperity, may not be sufficient to satisfy the social pillar of the development Agenda (“people”), nor be compatible with its environmental pillar (“planet”).

The characteristics of Agenda 2030 are universal, integral, understood as no portion of the agenda can be postponed, so no SDG is more important than the other and, key, all its pillars must be addressed simultaneously. Given these conditions, only sectors with very specific characteristics in Latin America and the Caribbean (LAC) can contribute to this simultaneous pursuit of the people, planet, and prosperity goals of Agenda 2030. And to enable their increased participation in the economic structure, they require coherent policies. The sectors that do not contribute to this purpose must gradually sunset or lose participation in the economic structure.

To eliminate poverty, the necessary rate of growth in LAC is very high (4% from now until 2030) if the *present economic structure* is not modified. But very high growth will harm the environmental goals. Therefore, economies must move towards sectors which are more employment intense, dynamic and with a lower environmental footprint so the rate of growth converges towards that which the economies can finance. These sectors create virtuous circles

from the SDG perspective which do not depend so much on business as usual (BAU) growth, as much as of the growth of these “tractor” sectors.

II. A GLOBAL AGREEMENT ON AN ENVIRONMENTAL FRONTIER: THE CARBON BUDGET AND A RATE OF DECARBONIZATION.

Complementary to the adoption of the Agenda 2030, the Paris Agreement in 2015, produced the first globally agreed environmental quantifiable boundary for the Agenda: not surpassing 2°C, if possible, not surpassing 1.5°C. This means a certain global concentration of greenhouse gases (GHG) and thus, a GHG budget of emissions, which is taken into national budgets by the Nationally Determined Contributions (NDC). Now, the environmental pillar of the Agenda 2030 can have a common measurement, which had been unavailable previously.

LAC emissions are of around 4 gigatons/year, now 10% of global emissions, concentrated in the bigger economies, Mexico, Venezuela, Brazil, Colombia and Argentina, and high per capita emissions in Trinidad Tobago and Surinam. The NDCs add to a carbon budget for the region. Compliance with this carbon budget requires a higher rate of decarbonization or decoupling of CO₂ emissions from LAC GDP than historically observed. The coupling of growth and emissions resulting from the economic structure of the LAC economies, is almost one to one. Carbon intensity of GDP has almost remained constant for the last decades. Therefore, the economic structure should change towards very low carbon/environmental footprint sectors that speed up decoupling. If these sectors’ growth outpaces or compensates for the decline of high carbon sectors, there could be net growth. The greener the sectors, the faster that GDP can grow without violating the environmental targets, and the closer it can get to the social targets (ECLAC 2020 and 2022).

III. WHAT THE DATA FOR THE 3 PILLARS OF AGENDA 2030 SAY: SOCIAL GAP, BALANCE OF PAYMENTS RESTRICTION AND DECARBONIZATION RATE IN LAC.

The LAC rate of growth with the *present economic structure* can satisfy only one of three targets, either the social/people if it were very high; the economic/financial/prosperity depending on the balance of trade, or the environmental/planet determined by the NDCs. The three gaps model (CEPAL, 2020; Gramkow and Porcile, 2022; Samaniego, Sánchez and Alatorre, 2022) quantifies the effort required to *reconcile* the globally agreed development agendas; that is, to grow with equality (Sustainable Development Goals: 1, 2, 3 and 10), to grow dynamically (SDGs 8, 9 and 10) with an environmental footprint consistent with the planetary limits (SDGs 13, 14 and 15) that will allow us to achieve the environmental sustainability ideal.

The evidence shows that the current structure of the economy generates lower growth than is necessary to meet the social goals and, even so, this growth has an excessive environmental footprint. Also, growth itself in LAC is restricted by the regional pattern of specialization, highly dependent on the exploitation of natural resources and their prices, which seeks to alleviate the serious external restriction of the balance of payments. Thus, the only way out is to seek a structural change that reduces dependence on natural resources in the productive structure through the identification and promotion of sectors that simultaneously reduce the environmental footprint, are more employment-intensive and lessen (or at least do not aggravate) the external constraint.

The model expresses economic, social, and environmental objectives through target growth rates:

1. A rate of growth necessary to achieve greater equality and poverty eradication. The growth rate for the “people” target is defined as the minimum growth necessary to achieve the multidimensional objectives of equality. The growth rate with social equilibrium is the necessary rate to reduce structural heterogeneity (absorbing unemployment and underemployment in the periphery/LAC), reduce inequality and consolidate a universal social protection system. In this sense, equilibrium is reached if the observed growth rate achieves the elimination of poverty, as a proxy to social inclusion and as the key advancement towards lesser inequality. The minimum rate for poverty eradication is used as an approximation because its quantity is internationally agreed. If a country grows below this rate, it compromises its social objectives.
2. The rate of growth is compatible with the external constraint based on the trade balance. If a country grows above this rate, it has a greater need for indebtedness to buy imports. The rate of growth compatible with external constraints establishes the limit to growth imposed by the production structure and the insertion of regional economies in the global context. The external constraint occurs when economic growth is above the rate that can be financed with exports. Those economies based on natural resources and/or low-technology-intensive manufactures may tend to experience trade account imbalances. The growth rate with external equilibrium does not incur in a trade deficit. It depends on the economic growth of the “center”² or developed economies to which our (“periphery” or developing countries) exports go. The growth of the center increases the demand for imports from the periphery. Under conditions of genuine competitiveness (technological and productivity advances and

2 Center countries are developed countries that define the consumption and production patterns and their technological pathways, that are replicated in the developing countries, allocating to these, the provision of raw natural resources and cheaper labor, mainly.

diversification as opposed to overexploitation of labor and natural resources), the periphery exports become more dynamic and improve the ratio of export/import elasticities to growth. (Cimoli, Porcile and Rovira, 2010; CEPAL, 2020; Blecker and Setterfield, 2019). Economic equilibrium is reached if increases in imports induced through domestic growth (depending on the domestic growth rate and import elasticities) are equal or inferior to increases in exports induced through growth in the center economies (depending on the center growth rate and export elasticities). This implies that the observed growth rate, to avoid indebtedness and pressures on the current account, should be equal or inferior to the ratio of export and import elasticities multiplied by the rate of growth of the center economies.³

3. A rate of growth compatible with the environmental limit or frontier reflects the constraint that nature integrity imposes on economic growth, whether local or global, expressed as the growth rate compatible with the Paris Agreement's Nationally Determined Contributions (see Table 1). It reflects growth consistent with national emission reduction targets and the carbon budget. The environmental equilibrium growth rate respects the agreed limit of pressure on the planet and protects it for future generations.

The center-periphery environmental frontier expresses how much the periphery can grow, given the rate of environmentally favorable technical progress and the growth of the center, without exceeding this limit.

The higher the decarbonization rates of the center and the faster technologies are transferred, the bigger the space for growth in the periphery. The growth of one region reduces the environmental space of the other (CEPAL,

2020). Since LAC countries have set national emission reduction targets, it is possible to aggregate them at the regional level and, assuming that the economies in the center decarbonize according to their own targets.

The difference between the growth for each of the three rates and the observed growth defines the magnitude of the three gaps. The social gap (1) and the environmental gap (3) (ECLAC 2020) have no automatic adjustment mechanisms. The increase of the economic gap (2) leads to more or less abrupt and recessive adjustment mechanisms. Automatic adjustments are triggered (monetary depreciations, financial crises, low risk rating).

Sustainable development requires these differences to be closed, therefore the rates must converge.

³ Thus, the growth rate with external equilibrium, Δy^E , is reached if the observed growth rate, Δy^p , is equal to: $\Delta y^p = \Delta y^E = \epsilon / \pi \Delta y^c$, where Δy^c is the growth rate of the center, ϵ denotes the income elasticity of the region's exports and π is the income elasticity of its imports (Cimoli, Porcile and Rovira, 2010; CEPAL, 2020; Blecker and Setterfield, 2019)

TABLE 1

	GROWTH FOR EQUALITY	GROWTH COMPATIBLE WITH EXTERNAL RESTRICTION	GROWTH COMPATIBLE WITH THE ENVIRONMENTAL FRONTIER ⁴
Close Determinants:	Elasticity growth to poverty reduction, Social spending and Income distribution	Income elasticities of exports to growth of the rest of the world. Import elasticity to domestic growth.	Global carbon budget. CO2 emissions function of National emission reduction targets/ national carbon budget, Speed of decarbonization of the economy/ GDP, Destruction of biodiversity and consumption of fossil energy.
Examples of actions that lessen the restrictions/ close the gaps:	Public policy: Income redistribution, provision of basic services like health, education. Labor market: growth of employment-intensive sectors.	Productive diversification. Promotion of sectors with a high level of exports and/or low imports requirements. Industrial Policy. Investment in research and development for innovation.	Incorporation of renewable energies. Emissions from mobility. Reduction of deforestation and land use change.

WHAT EMPIRICAL DATA TELL US OF THIS TRILEMMA.

The exercise presented here is an update of previous ones (ECLAC (2020) and Samaniego et al (2022)) in light of the recovery experienced in 2021 and, given the anti-inflationary policy, the slowdown expected for 2022 and 2023, which has implications for poverty levels, the region's international trade and, additionally, the new national commitments to reduce emissions, which are now more ambitious, meaning that regional growth must be accompanied by stronger decarbonization measures.

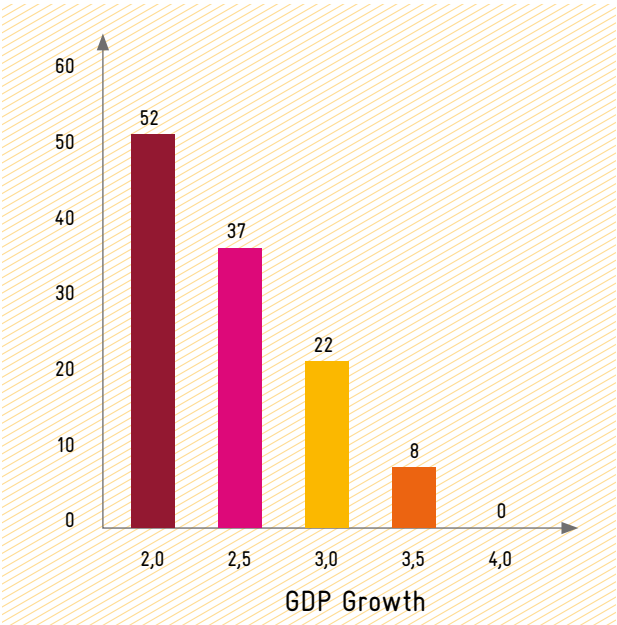
The social growth rate. As in previous reports (CEPAL, 2022b, 2020), the quantitative indicator for the growth rate needed to reduce inequality used is the eradication of monetary poverty. Its eradication implies advancement towards equality, and there is no specific agreed metric on inequality yet. In 2020, poverty amounted to 33% of the population and it is estimated that by 2021 it was slightly reduced to 32.1% (CEPAL, 2022c). It is estimated that by 2022, depending on the behavior of inflation, poverty could be between 33% and 33.7% (CEPAL, 2022a).

⁴ This rate has a global and a national dimension, a global carbon budget defines the planetary boundary. Each country, as it grows, appropriates a portion of the remaining budget" at the rate set by its national emission reduction target (Samaniego Et Al, a_2022).

In the 2020 exercise, a meaningful redistribution policy was assumed to complement growth in a BAU scenario *with the present sectoral structure*. The government would transfer 1.5% of GDP in year 1, 2021, to the poorest as a monetary income equal to a poverty line, and would increase this transfer by 0.5 points of GDP each year, until reaching 3% of GDP in 2024, remaining constant at that value until 2030. This scheme, together with a robust growth of 4% annually, would allow eliminating extreme poverty in 2024 and total poverty in 2030. The simulation presented here starts with the first transfer of 1.5% in 2023 and follows the scheme outlined above, reaching 3% in 2026.

Figure 1 shows the number of people living in poverty in LAC under several growth scenarios, and only a 4% growth rate can eliminate poverty by 2030 with the strong distributive policy mentioned above, consistent with the analysis in ECLAC 2020. However, the Russia-Ukraine conflict would cause poverty levels to remain above 100 million at least until 2024.

FIGURE 1: Redistribution Policy and Growth Rates to Eliminate Poverty in Latin America and the Caribbean: Number of People living in Poverty after Redistribution Policy, 2030 (millions)



Source: ECLAC.

The growth rate with trade balance equilibrium. The ratios of the income elasticity of exports over that of imports (ϵ/π) by sub-region are summarized in Graph 1, estimated to be between 0.7 and 1.3. This ratio is lower for South America and the Caribbean and slightly higher for Central America and Mexico (which have more diversified exports), and for the LAC region it is close to 1. This aggregated value for LAC implies that the region can only grow at the

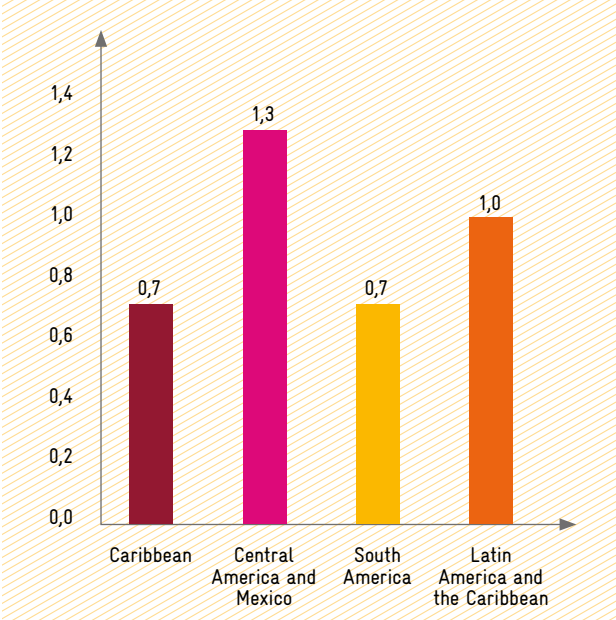
same rate as the rest of the world without going into debt (whether with financial lenders or with foreign investors). For example, if the rest of the world were to grow at an average rate of 3%, approximately the rate at which the world grew for the period 1990 – 2019, given this estimated ratio of one in LAC, the growth rate consistent with the external constraint (of funding self-sufficiency) is also 3% (2% for the Caribbean and South America, 3.9% for Central America and

Mexico). It's the percentage of the global growth that LAC can have, without going into debt. (of funding self-sufficiency) is also 3% (2% for the Caribbean and South America, 3.9% for Central America and Mexico). It's the percentage of the global growth that LAC can have, without going into debt. the growth rate consistent with the external constraint (of funding self-sufficiency) is also 3% (2% for the Caribbean and South America, 3.9% for Central America and Mexico). It's the percentage of the global growth that LAC can have, without going into debt.

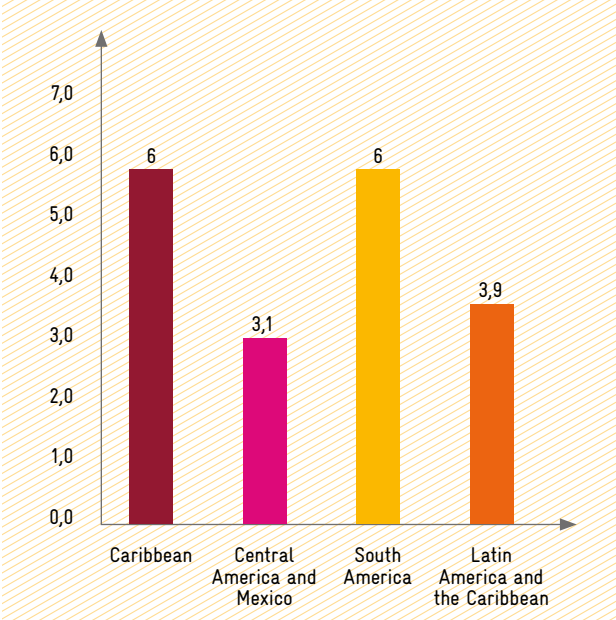
So, as shown above, meeting social goals requires a sustained growth rate of 4%. But economic structure limits the region's ability to achieve that rate, without incurring in sustained indebtedness and when the rest of the world grows at a slower rate than 4%. The *current structure* implies that for the region to grow at the desired rate, the rest of the world must grow at least 3.1% in the case of Central America and Mexico and 6% in the case of the Caribbean and South America (Figure 2). If the world grows at 0.5% in 2023, LAC would grow at approximately the same rate, widening the gap between the economic rate of growth and the rate necessary to close the social gap.

FIGURE 2: Latin America and the Caribbean: Growth compatible with external constraint

RATIO OF ELASTICITIES PER SUBREGION IN LAC



GROWTH RATE NEEDED FROM THE REST OF THE WORLD FOR 4% GROWTH IN EACH OF THE LAC SUBREGIONS (PERCENTAGE)



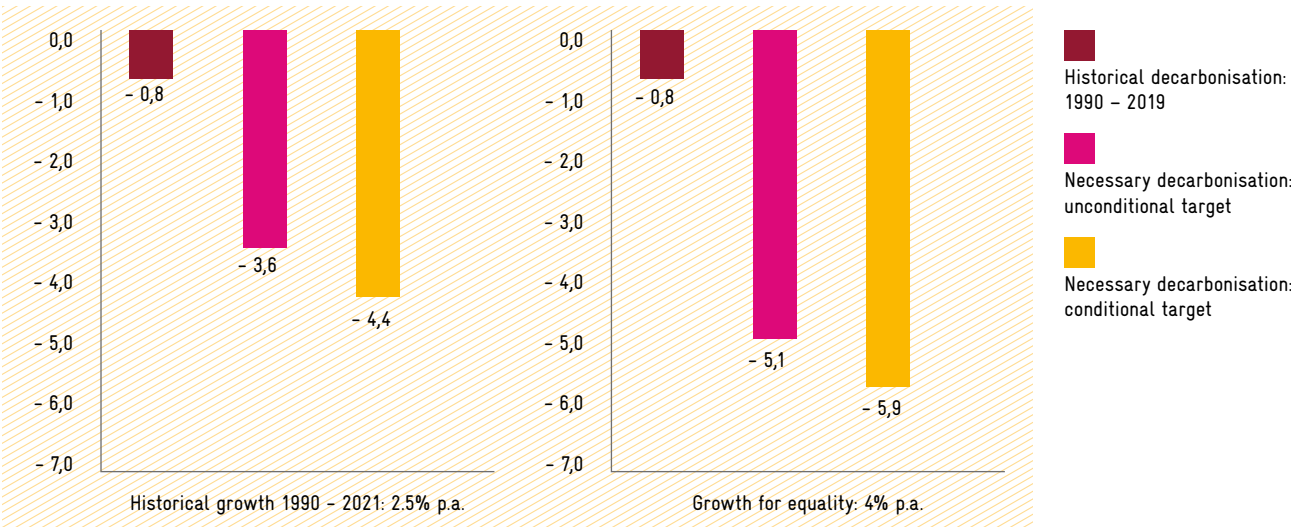
Source: Samaniego, J. L., Sánchez, J. & Alatorre, J. E. (2022), «Medio ambiente y desarrollo en un contexto centro-periferia», El Trimestre Económico, vol. 89, No. 353, 5 de enero. CEPAL, 2021, Construir un futuro mejor: acciones para fortalecer la Agenda 2030 para el Desarrollo Sostenible.

The environmental equilibrium rate is measured by the greenhouse gases (GHG) emissions that each country in the region has set as a national target for 2030, reflected in its Nationally Determined Contribution (NDC). The CO₂e emitted comes from energy, industry, agriculture, land use change, transport, which in turn reflect the loss of habitat for biodiversity, deforestation, the expansion of cities, and therefore is a good proxy for environmental transformation and natural degradation. The sum of the national commitments defines the region's environmental frontier. Since the NDCs require a certain target of decarbonization of the economies and of LAC, the gap is measured by the difference between the observed decarbonization rate and the one required by the NDCs (which can also be measured in absolute terms). Two reduction targets were calculated depending on the nature of the reduction objective:

- a. **An unconditional** target the country intends to achieve unilaterally and with its own resources.
- b. **Conditional** target the country achieves conditioned to receiving and recognizing international financial and/or technical support.

Between 2020 and 2022, emission reduction commitments were updated by most countries in LAC and now reflect greater ambition. The LAC unconditional reduction target increased to 22% and the conditional one to 28% up from the 13% and 23% of the 2015 NDCs (Samaniego et al., 2022). This new emissions limit, *under the current structure (production, consumption, energy and transportation)*, can only be achieved through a *reduction* in economic growth (negative growth or degrowth). With the present speed of decarbonization, the average growth rates up to 2030, consistent with the unconditional and conditional target, are -0.3% and -1.1% respectively. Alternatively, the target requires at least a fivefold increase in the historical decarbonization rate in a normal average growth scenario (approximately 2.5% per year⁵) and in a high growth scenario of 4% GDP for the social targets, requires at least a sixfold increase in the decarbonization rate (Figure 3). This, depending on the specific situation of each country, means a quantifiable increase in the participation of clean energy, clean transportation and arrest of deforestation.

FIGURE 3
LAC: Decarbonization rates consistent with an economic growth rate of 2.5% and 4%, 2021 - 2030



Source: Actualización basada en Samaniego, J. L., Sánchez, J. & Alatorre, J. E. (2022), «Medio ambiente y desarrollo en un contexto centro-periferia», El Trimestre Económico, vol. 89, No. 353, 5 de enero.

5 That is the average growth experience between 1990 and 2019.

In summary, the data show a structural incompatibility among the different types of goals with the present sectoral structure. The region current growth is lower than the one required to fulfill its social goals, its economic structure is not consistent with a higher economic growth and, given its energy mix and economic structure, any economic growth is related to an increase of emissions inconsistent with the regional sum of national emissions goals. In the following sections we focus on how to use this framework to identify policies to ensure the convergence of the three rates by inducing a structural change.

IV. THE MODEL OF 3 GAPS IN ACTION.

The implication of the data is that the Agenda 2030 ideal of simultaneous achievement of the SDGs and of the Paris Agreement requires an economic structure that creates more employment or better income, or better public services, or all combined to lessen the need to grow 4% annually, with a strong redistribution (fiscal) commitment. This policy decision would allow to converge to the lesser rate of growth that the economic structure can finance consistently over time.

But this rate of growth is higher than what the environment integrity allows. So it can only be kept at a high level if the economic structure goes greener, giving more space for growth. The gains of more social and greener investment cannot be dilapidated in lesser exports or increased imports or else the economic rate of growth decreases, widening the social gap. Thus, the desirable sectors should be imports-saving (home grown) or exports-enhancing (dynamic) ones.

Thus, investment has to be greener, more employment-intense and more inclusive. Fiscal and regulatory policy are needed to make the rate of growth converge towards the sustainable economic rate of growth of GDP. Socially beneficial investment decreases the needed rate of growth, greener investments increase the possibility of growth. Alternatively, the rest of the world goes greener or transfers funds and technologies to the developing world, and thus, opens the space for

more vigorous LAC growth. This is only possible in LAC if relative profitability changes in favor of those better suited investments as described above, which in turn belong in very identifiable sectors, which we will now examine.

V. THE SECTORS THAT CAN HELP CLOSE THE 3 GAPS.

To simultaneously close the 3 gaps, Latin America and the Caribbean must endorse a progressive structural change, in which the production structure is redefined towards more knowledge-intensive sectors, with higher economic linkages, higher labor requirements and a smaller environmental footprint. ECLAC (2020) identified and presented evidence of the contribution to a more sustainable development pattern of 5 sectors (there may be more with the same characteristics) and two strategies that can drive this transition and their contribution to closing the 3 gaps.

These sectors are:

1. **Renewable energies.** These investments already generate electricity at a lower price relative to fossil fuels, since its construction stage is more labor intense, and each unit of output contributes more per monetary unit invested, in GDP, with lower environmental footprint. However, they can only contribute around 35-40% to the reduction in total current emissions. This, however, considerably expands the environmental frontier and reduces the growth rate needed to close the social gap. If their value chain is increasingly located in the region, that would relax the external constraint or even avoid for the sector. Governing the energy transition implies strengthening public capacity to design, manage and monitor policy instruments to maximize the social benefits of expanding the new sources, of the willingness of the State to address the problems, create the necessary momentum for change, encourage investment and achieve the support and commitment of society.

2. Urban public services.

- a. The electrification of public mobility would contribute to closing the 3 gaps, since the operating cost of electric vehicles in their life cycle is already lower than operating the current ones, even with higher sales prices over the internal combustion vehicles. These systems increase the quality of a basic service for most of the population, improving its integration to all types of activities, lowering the environmental footprint and with an industrial structure in the region capable of producing these vehicles, also contributing to lessen the external restriction. Presently the transition to cleaner public vehicles is mostly supplied by China.
 - b. The expansion of water and sanitation infrastructure and its treatment would allow the poor and especially the rural population to have access to a basic human right, while generating employment and reducing methane emissions in a sector potentially low in imports.
3. The sustainable use of biological resources for new lines of production of industrial goods (**bioeconomy**) and the production of environmental services, with their dynamic export potential, high labor intensity, knowledge development and lower carbon/environmental footprint.
4. The **care economy**, such as specialized services for the world aging population in LAC (as illustrated by the combination of medics, nurses, sensors and centers/homes for retirement which already occur spontaneously in various parts of LAC), which has the same characteristics. This also includes the production of goods and services for health care, such as vaccines and the like which were reintroduced into LAC during the pandemic.

5. Sustainable tourism.

TWO STRATEGIES

1. Strengthening of the circular economy, which renders increased employment, and evidence shows that it can be well articulated to the rest of the economy (ECLAC b_2022)
2. Closing the digital divide, estimated at a cost of 1% of regional GDP, to leave no one behind. The critical importance of this approach was evidenced also during the COVID/environmental crisis.

These 5 sectors and the circular economy approach share similar characteristics: they can be produced domestically, alleviating the external constraint, and increasing the potential growth rate. Because of their higher employment intensity, they reduce the level of growth needed to address the social gap, and because of their smaller environmental footprint, they allow for higher growth rates, facilitating convergence between growth rates.

VI. THE BIG PUSH FOR SUSTAINABILITY: SPECIFIC POLICIES TO TILT THE PLAYING FIELD.⁶

The Big Push for Sustainability means reorienting incentives with a coherent policy purpose of enhancing investment in the “tractor” or desired sectors as opposed to just general policies. This means creating a narrative of development that aligns the state action with markets and social consensus. Enhancing investments is the result of a deliberate, albeit gradual, change of relative profitability among sectors of the driving sectors in this transition. The resulting improved sectoral composition would facilitate achieving the 2030 Agenda for Sustainable Development (CEPAL, 2020).

⁶ In economic terms this “tilting” the playing fields in favor of sustainability means changing the relative profitability in favor of the sectors mentioned above and in detriment of the sunseting sectors (high carbon footprint, import intensive and with low employment).

The enabling policies are:

- › Fiscal, which deals with investment evaluation methodologies, tax incentives and disincentives, progressive taxation, and public services investment
- › Financial, which include provisions for climate risks, innovative productions insurances, guarantees to innovators, net environmental/climate finance accounting, updated taxonomies for brown and green, and harmonizing the learning processes of project evaluations,
- › Industrial, such as technology research and development, infant industry protection and sunset clauses, among others.
- › Regulatory, which anticipates and enables the entrances of new products and processes in the economy (such as green hydrogen, recycled productions, interoperable goods and services, mutual recognition of industry testing and authorization processes).
- › Mobile social protection to facilitate structural change, and
- › International coordination to harmonize incentives and regulation to achieve both scale and speed at regional level.

- › Coordination between the change in consumption and production patterns to ensure that supply aligns with demand.
- › Coherent mandates to international financial institutions and their governing boards to align with the Paris Agreement.
- › Organized monitoring and reporting of alignment of IFIS with the agreed agendas and ensure no investments will be made in fossil fuels.

The coordination and coherence both for each sector and of the cross-cutting policies can increase, in the medium term, and in some cases with little additional costs, the relative importance of the sectors that are pillars of the great drive for sustainability.

VII. POSSIBLE PATHWAYS OF SELECTIVE GROWTH BASED ON THE 3 GAPS MODEL.

1. Based on the three-gap model possible combinations, eight types of economies can be identified, summarized in the following **Table**

TABLE 2: EIGHT TYPES OF ECONOMIES

	INEQUALITY		EQUALITY	
Environmentally Unsustainable	Indebtedness	Financial sufficiency	Indebtedness	Financial sufficiency
	Type 1 › Unequal › Indebted › environmentally unsustainable	Type 2 › Unequal › Financial sufficiency › environmentally unsustainable	Type 3 › more equality › Indebtedness › environmentally unsustainable	Type 4 › more equality › Financial sufficiency › environmentally unsustainable
Environmentally Sustainable	Indebtedness	Financial sufficiency	Indebtedness	Financial sufficiency
	Type 5 › Unequal › Indebted › environmentally sustainable	Type 6 › Unequal › Financial sufficiency › environmentally sustainable	Type 7 › more equality › Indebtedness › environmentally sustainable	Type 8 › more equality › Financial sufficiency › environmentally unsustainable

Type 1 is an economy with insufficient economic growth to reach the social goals, the low economic growth of the rest of the world leads to an increase of its external debt and its emissions are above its NDC target. This economy has a low diversified structure and high and inelastic demand of imports, a high carbon energy mix (either because of electricity generation or a large transport sector, or both) and a large share of the population living in poverty.

Type 2 is an economy with insufficient economic growth to reach its social goals. Its economic growth emits above its NDC target, but it can finance its requirements for imports without increasing its external debt. This is an economy with high carbon energy mix, a large share of the population living in poverty but with a flow of foreign currency larger than the amount required to finance its imports, through exports, remittances, or both.

Type 3 is an economy where economic growth is consistent with its social goals, but emits above its NDC target, and to finance its imports is increasing its external debt. This describes a dynamic economy with a high carbon energy mix, with a smaller share of the population living in poverty but a low diversified economic structure and high and inelastic demand of imports.

Type 4 describes an economy where economic growth is consistent with its social goals. This economy can finance its requirements for imports without increasing its external debt but emits above its NDC target. This could describe an economy with an enclave economic structure (large exporting sector without linkages, like tourism) or a large flow of remittances, a carbon intensive energy mix and a small share of the population living in poverty.

Type 5 describes an economy with insufficient economic growth to meet its social goals and increasing external debt. This economy, either because their growth is very slow or because of the presence of a clean energy matrix or a

reduced transport sector, or low ambition of their NDC, has emissions consistent with its NDC. This is an economy with a low diversified economic structure and high demand of imports, a low carbon intensive energy mix or relatively low energy requirements and a large share of the population living in poverty.

Type 6 is an economy with insufficient economic growth to meet its social goals. It could be a slow growing economy with a large share of the population living in poverty. But large flows of remittances or a large enclave sector (tourism, mining exports or other high export sector) allows the economy to finance its imports without debt. And, as in type 5, either because their growth is very slow or because of the presence of a clean energy matrix or a reduced transport sector (or the low ambition of its NDC), its economic growth is consistent with its NDC.

Type 7 is an economy where economic growth is consistent with its social goals and finances its imports with increasing external debt. Nevertheless, this economy emits consistent with its NDC. This could describe a dynamic but low diversified economy with high and inelastic demand of imports with a clean energy matrix or a reduced transport sector (or low ambition of its NDC).

Type 8 is an economy where economic growth is consistent with its social goals. This economy can finance its requirements for imports without increasing its external debt, and its emissions are consistent with its NDC target. This type describes a low carbon, inclusive and diversified economy.

From 1990 to 2019 LAC only managed to grow 2.5% per year, while the rest of the world grew 3%. Its emissions trend is not consistent with the sum of the NDCs (Samaniego et al., 2022) and it is growing at an average rate below the rate required to reduce poverty to zero. Therefore, the region as a whole would be a type 2 economy. But depending on specific circumstances there

are countries that closer to type 1 or type 6 and perhaps one or two that are closer to move from type 6 to type 8. This makes evident the need to develop a measure of balance between the 3 gaps, to be able to better compare and reflect status and trends in sustainability for LAC and its countries.

The recession and sluggish recovery has relaxed the external constraint in several countries because of the reduction of imports, so the economic gap has closed temporarily because the relation of exports/imports allow for faster growth (if there were more global dynamism that demands more natural resources, or the region were able to export more complex goods and services).

For the rest of the decade there is an estimated social gap of 1.5% in the rate of growth (4% required- 2.5% expected to be observed =1.5% gap), *considering the present economic structure*, and the expected average economic growth will surpass the environmental frontier; the environmental gap will be of 2.8% for the unconditional target, or 3.6% for the conditional target.

VIII. CONCLUSION

As has been reasoned and documented the LAC evidence shows that the current structure of the economy generates lower growth than is necessary to meet the social goals adopted with the Agenda 2020, and, even so, this growth has an excessive environmental footprint. Also, growth itself in LAC is restricted by the regional pattern of specialization, highly dependent on the exploitation of natural resources and their prices. This expresses itself in the external restriction of the balance of payments. Thus, the only way out to reconcile the 3 pillars of Agenda 2030 and of sustainable development (people, planet, and prosperity) is to pursue a structural change that reduces dependence on natural resources in the productive structure through the identification and promotion of sectors that simultaneously reduce the environmental footprint, are more employment-intensive and lessen (or at least do

not aggravate) the external constraint. As was presented, many of the necessary policies to promote the needed sectors are low cost, mostly regulatory and above all, coherent nationally and regionally.

The various shortcomings in these 3 pillars, seen through the 3 gap model, render 8 combinations, being number 8 the one consistent with a simultaneous achievement of the sustainable development objectives. Moving LAC into a type 8 region - more equal, consistent with the NDCs and financially self sufficient - requires a Big Push for Sustainability or policy coordination to induce investment in the desirable sectors described above, capable of contributing simultaneously to the social, economic and environmental pillars of the Agenda 2030. This means changing relative profitability in favor of the desirable sectors (such as renewables, cleaner public mobility, sustainable tourism and others, as was described) and having a sectoral structure that allows the rates of growth of GDP necessary for the people, prosperity and planet converge to the rate of growth the economy can financially sustain. Therefore, the key for sustainability is not the actual rate of growth, but the magnitude of the gaps between the 3 pillars.

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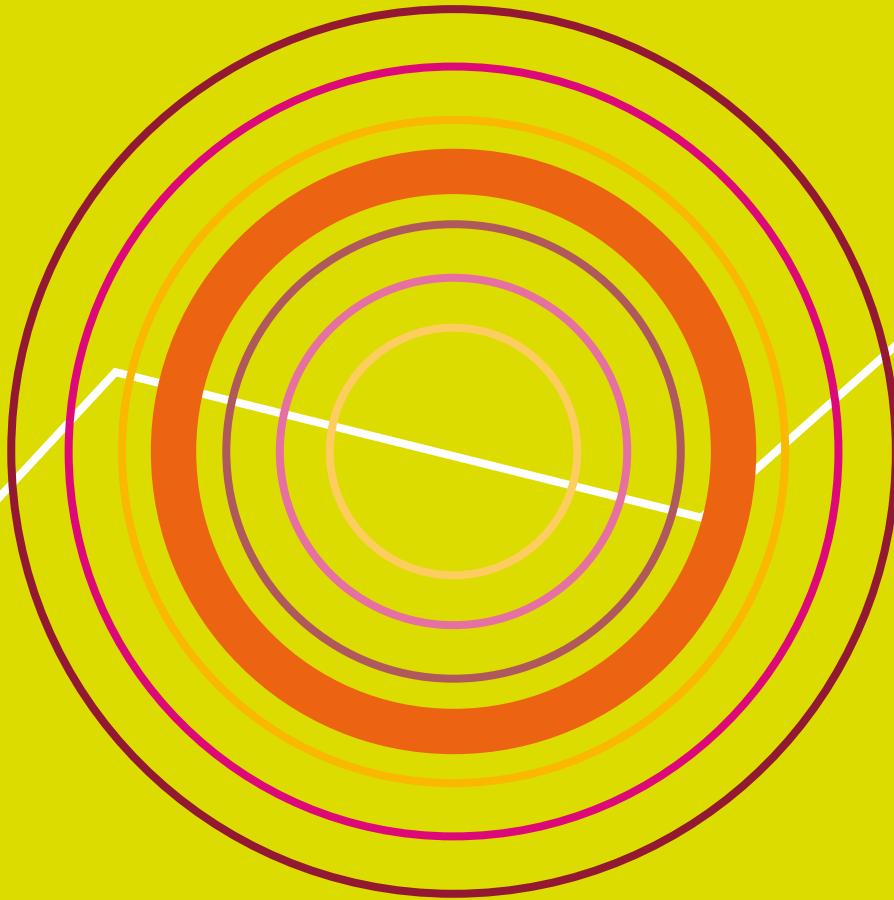
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4



ECO-SWARAJ: THE FLOWER OF
TRANSFORMATION – LESSONS FROM
RADICAL ALTERNATIVES FOR LOCAL
TO GLOBAL COOPERATION

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KALPAVRIKSH, VIKALP SANGAM AND GLOBAL TAPESTRY
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Chapter 4

Eco-swaraj: The Flower of Transformation – Lessons from Radical Alternatives for Local to Global Cooperation

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As the world emerges from the unprecedented period of the COVID pandemic, we must ask ourselves: *what lessons can we learn from this crisis, as also from multiple other local-to-global crises we have been going through? What changes are needed in the way we organize our economy, our politics, our social and cultural systems, and in our relations with the planet that is our home? And what is the role of global cooperation in this?*

It is understandable that there is a deep, widespread of anxiety and pessimism in society, including today's youth. With daily news of war and conflict, ecological and climate catastrophe, stark inequalities, health crises related to both poverty and affluence, the authoritarianism of governments, and the stranglehold of banks and mega-corporations in all aspects of our lives, it is difficult to be hopeful of humanity's future. But there are powerful counter-trends, which we need to understand, take inspiration from, and help nurture and sustain. These include mass resistance to dominant structures and their manifestations, as also grounded radical alternatives that demonstrate the possibilities of a more just and sustainable world.

This essay first describes some of these counter-trends, assesses the lessons and describes a framework emerging from them, and then examines how these lessons have a bearing on the principles and practice of global cooperation.

COUNTER-TRENDS: RESISTANCE AND ALTERNATIVES

Across the world, there are thousands of movements of resistance to the dominant system of statism, capitalism, patriarchy, racism, and anthropocentrism. These are refusing the accepted orthodoxies of what this system is telling us about 'development', 'progress', and so on. Sometimes emerging from these, sometimes independent, there are also thousands of initiatives at meeting human needs and aspirations in ways that are ecologically sensitive and equitable. One can see these in several spheres of life: political, economic, social, cultural, technological, ecological. To give some examples:

Political transformations: The Kurdish Rojava and Zapatista autonomous regions in western Asia and Mexico, respectively, began as movements of resistance against the violent imposition of nation-state colonisation of their territories, and moved into the assertion of complete regional *autonomy from these nation-states*¹, through direct, radical *democracy or democratic*² confederalism for the communes and settlements that are encompassed in these regions. Indigenous peoples in many parts of Latin America, North America, and Australia have similarly struggled against colonisation and extractivism, and for self-determination, not necessarily as autonomous as the first two mentioned, but with most or all key decision-making vesting in them rather than in

the governments of the countries they are located in. In central India, beginning with the village Mendha-Lekha and moving on to a federation of nearly 90 neighbouring villages, the *Korchi Maha Gramsabha*⁹, there is resistance to mining or forest logging, and an assertion of 'swaraj' or self-rule. The 'freetown' *commune of Christiania*¹⁰ in Copenhagen city, Denmark, also claims self-governance, and many neighbourhood assemblies in many other cities in Europe stress that they should be at the core of any urban decision-making.

Some of these (famously, the Kurdish Rojava and Zapatista) engage minimally with (and explicitly reject as part of their core ideology) the nation-state. Others, however, do relate to the state to demand recognition, claim what is due to them from official welfare or rights-based schemes, safeguard against corporate or other abuses, and/or other such support which they feel is the duty of any government to provide (not as charity). As the Indian village of Mendha-Lekha said three decades back, "we elect the government in Mumbai and New Delhi, but in our village, we are the government".

Economic transformations: Encompassed in all the above initiatives is also the ability to claim governance and management rights over resources important for economic survival and security. This could be collective rights to land, forests, water, seeds, and biodiversity, as for instance in the food sovereignty movements of several million small-holders who are members of the global platform *La Via Campesina*⁵. Or it could be democratic control over industrial or craft-based means of production, such as worker-led production in Greece, Argentina and elsewhere. Then there is the network of social and solidarity economy initiatives in Europe and North America, or *community economies*⁶ across the world, showing how *non-capitalist businesses*⁷ can thrive as economic units while ensuring that marginalised sections like refugees or people with disabilities get dignified livelihoods in them. And there are movements to re-establishing *the commons*⁸ where physical spaces and knowledge

have been privatised.

But economic democracy is also about trying to get relative independence from centralised monetary systems, e.g. through alternative or *community currencies*⁹ and *time-banking*¹⁰. More than 6 million hours have been exchanged, without money, in *Timebanking UK which runs across the United Kingdom*¹¹. And it is about bringing back recognition to the enormous economic contribution of 'caring and sharing', often carried out by women and the elderly, which is invisibilised in conventional calculations of GDP, but crucial basis of any society. As argued in a recent book by Anitra Nelson, it is eminently possible to move *beyond money*¹² in these and other post-capitalist ways.

Movements for alternative economies are also challenging GDP and economic growth rates as indicators of development, and proposing a series of *well-being approaches*¹³ that could provide a much more robust, and locally relevant, idea of whether people are satisfied, happy, secure, and contented. Bhutan's Gross National Happiness model is well-known (with all its flaws, still a bold experiment at moving away from GDP) and more recently, New Zealand, Finland, Iceland, Wales and Scotland have formed a Wellbeing Economy Governments (WEGO) partnership to *build in more wellbeing indicators*¹⁴ in their planning.

Social transformations: Arguments for political and economic self-determination can also go horribly wrong, if they are driven by narrow, xenophobic considerations such as those pushed by extreme right-wing movements in Europe, or if they continue local relations of inequality based on gender, class, caste, race, ability and other marginalisations. So, as important as political and economic transformations, are struggles for social equality and equity, away from traditional or modern discriminations of various kinds, such as the movements for respecting the human rights of Dalits in India, feminist and LGBTQ+ struggles across the world, and the Black Lives Matter anti-racism movement in USA.

Cultural and knowledge transformations: As threatened as the earth's biological diversity, is its diversity of languages, with hundreds already lost or on the verge of extinction. Several indigenous peoples or other local communities are now trying to sustain their mother tongue, or revive it where it has all but disappeared. The group Terralingua helps document and support such initiatives across the world through its *Voices of the Earth project*¹⁵. In India the organisation Bhasha ('language', in Hindi), started by linguist Ganesh Devy, coordinated the People's Linguistic Survey of India, which described 780 languages¹⁶.

Decolonisation – the attempt to shake off the domination of colonial languages, cultures, cuisines, knowledge, cartography, and much else - is part of these initiatives. For instance, there are several initiatives at re-mapping or *decolonial mapmaking*¹⁷, to bring back depictions of the landscapes and of nations from the *point of view of Indigenous peoples*¹⁸ or other local communities whose mental and physical maps have been erased or drastically changed by colonial powers and nation-states. Similarly movements for asserting the importance and validity of traditional knowledge systems, in themselves or in partnership with modern ones, are making headway in many movements as also in some official governmental or UN institutions. In the case of the climate crisis, the *Indigenous People's Biocultural Climate Change Assessment Initiative*¹⁹ produced valuable analysis based on Indigenous knowledge. It is also increasingly recognised that the complementary use of multiple knowledges is necessary to understand what is taking place and to deal with it, such as for instance the collaboration between Indigenous peoples of the Arctic circle and modern scientific institutions in the project *Conservation of Arctic Flora and Fauna*²⁰.

Ecological transformations: Several movements for territorial self-determination or collective rights are also focused on, or leading to, the conservation and restoration of natural ecosystems, wildlife populations and biodiversity. The global network, ICCA Consortium, has brought

attention to the fact that such local stewardship of *Territories of Life*²¹ may be as or more powerful a mechanism for conservation as official protected areas, the westernised model of which has been very top-down, undemocratic, and alienating for local communities. In a broader sense, what such communities have enshrined for millennia – living life within nature rather than apart from it, and thinking of nature as a circle of life rather than as a pyramid with humans on top – is also sinking in to people in the industrialised parts of the world. In these, as a result, there are movements for *Rights of Nature*²², or of its components such as rivers, mountains, species. It is important however that this is seen only as a first step towards a more general respectful reintegration within nature, not remaining limited to formal statutory law.

THE FLOWER OF TRANSFORMATION

Based on an understanding of these and many other *initiatives for transformation in India*²³ and *other parts of the world*²⁴, we begin to get a sense of what holistic transformations are beginning to take place and what more needs to be done. One emerging *framework on radical alternatives*²⁵, proposes that alternatives are built on the following key spheres, interconnected and overlapping in a 'Flower of Transformation' (see Figure below):

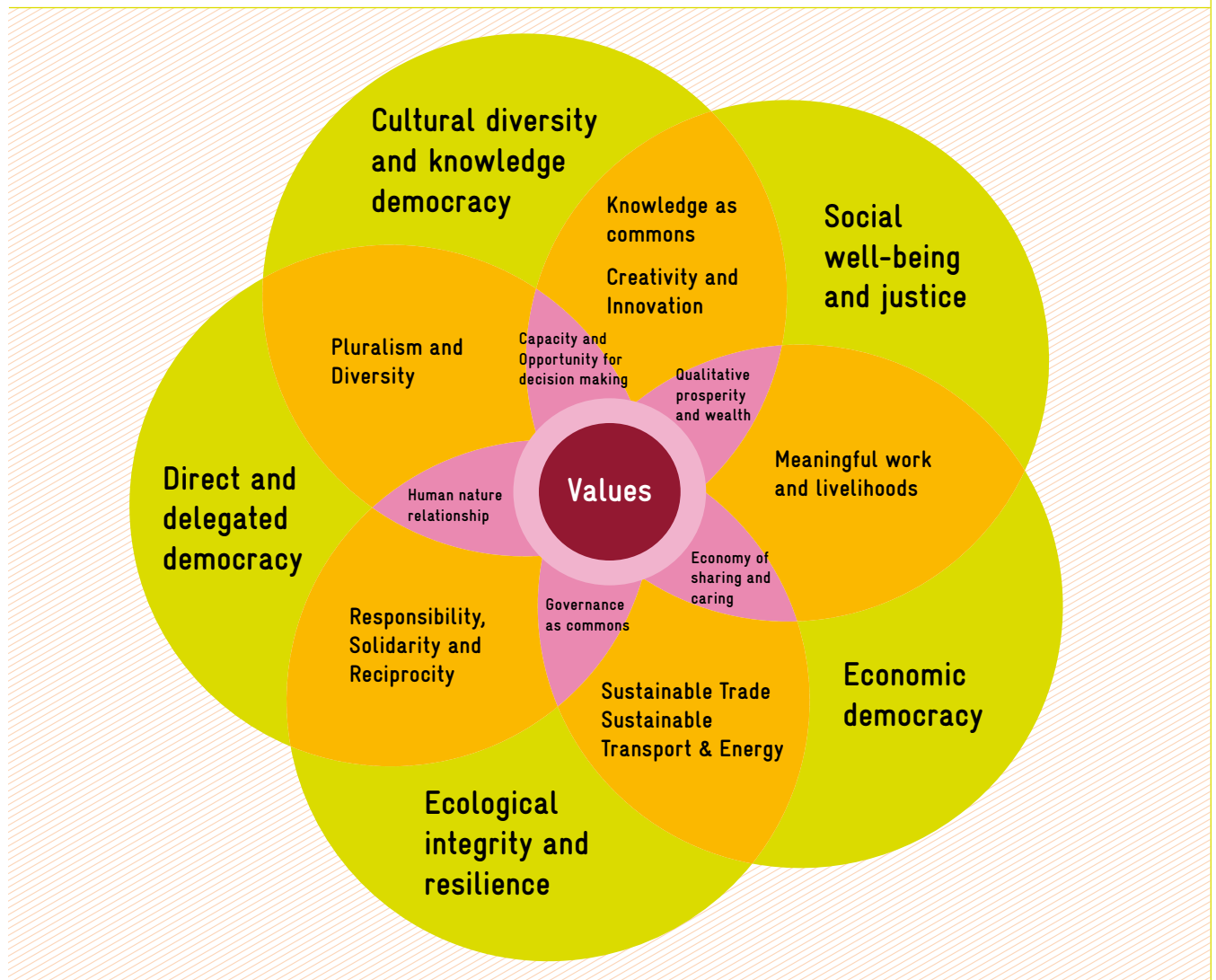
- a. **Ecological integrity and resilience**, including the conservation of nature and natural diversity, maintenance of ecological functions, respect for ecological limits (local to global), and ecological ethics in all human actions.
- b. **Social well-being and justice**, including fulfilling lives (physically, socially, culturally, and spiritually), equity between communities and individuals, communal and ethnic harmony; and erasure of hierarchies and divisions based on faith, gender, caste, class, ethnicity, ability, and other such attributes.

c. Direct and delegated democracy, with decision-making starting in spaces enabling every person to participate meaningfully, and building from this to larger levels of governance by downwardly accountable institutions; and all this respectful of the needs and rights of those currently marginalised.

d. Economic democracy, in which local communities and individuals have control over the means of production, distribution, exchange, and markets, based on the principle of localization for basic needs and trade built on this; central to this would be the replacement of private property by the commons.

e. Cultural diversity and knowledge democracy, with multiple co-existing knowledge systems in the commons, respect for a diversity of ways of living, ideas and ideologies, and encouragement for creativity and innovation.

FIGURE: THE FLOWER OF TRANSFORMATION



At the core of Flower is a set of ethical principles and values. These may be embedded in practice and worldview without being spelt out, or they may be explicitly spoken of and passed down generations through myth, folklore, songs, music, or teachings. These contrast with the principles underlying today's dominant economic and political systems. They include:

- › Respecting the *functional integrity and resilience of ecological processes and biological diversity*, enshrining the *right of nature* and all species to thrive in conditions in which they have evolved.
- › *Equitable and inclusive access* of all people, in current and future generations, to the conditions needed for human well-being
- › The *right of each person and community to participate* meaningfully in decision-making and the *responsibility* to ensure this is based on ecological integrity and socio-economic equity.
- › *Autonomy* and self-determination, individual to community, while ensuring that this does not undermine the autonomy of others.
- › *Self-reliance* for basic needs, material and non-material.
- › Respect for the *diversity* of environments and ecologies, species and genes, cultures, ways of living, knowledge systems, values, economies and livelihoods, and polities.
- › *Collective and cooperative thinking and working* founded on the *commons*, respecting individual freedoms and innovations within such collectivities.
- › Social and human *resilience* in the face of external and internal forces of change.
- › Mindfulness towards *interconnectedness* and *reciprocity* among humans, and between humans and the rest of nature.
- › *Simplicity and enoughness*, with *satisfaction* and *happiness* derived from the quality of relationships.
- › Respect for the *dignity and creativity of labour and work*, with no occupation or work being inherently superior to another, and the need for work to be dignified, safe, free from exploitation, and enjoyable as a *livelihood*.

- › A commitment to *non-violence, harmony, and peace*, amongst peoples, and between people and the rest of nature.
- › Enabling spaces of *creativity* and *joy* in all activities and processes of life.
- › Similar sets of values are embedded in *alternative worldviews*²⁶ of other peoples and regions across the world, though their interpretations and local manifestations may be different.

INTERSECTIONALITY

While the above framework 'divides' life into five spheres, in daily reality these are inextricably intertwined. This is so both for the problems and crises we face, and the transformations people are attempting. Discrimination and marginalisation, for instance, are intersectional, e.g. environmentally poor working and living conditions are most pronounced for those who are marginalised in race, caste or class terms, or inadequate access to nutritious food can build on other discriminations against women. And so the responses, the radical alternatives mentioned above, are also intersectional, deliberately so as part of their unintended consequences.

The Kurdish freedom movement, for instance, insists that the 'revolution is now', and that all aspects of transformation must be attempted simultaneously. At the core of their struggle is the liberation of women from patriarchy based on the philosophy of *jineoloji*²⁷, and various forms of economic democracy through cooperatives, ecological regeneration, and cultural assertion are intricately connected (though facing enormous challenges and frequent setbacks due to violent attacks by the nation-states they are colonised by, especially Turkey). At the Parque de la Papa in Peru, the Quechua Indigenous peoples have established political self-determination, control over crucial economic resources, and the *continued celebration and use*²⁸ of cultural and spiritual traditions while also learning elements of modernity, and custodianship of natural ecosystems and biodiversity. At Christiania in Copenhagen, local self-governance goes hand-

in-hand with holding most economic resources in the commons (no private property), running of many services by worker cooperatives, and constant collective cultural activity. The Dalit women farmers of *Deccan Development Society*²⁹ in southern India have challenged gender and caste discrimination while moving towards food sovereignty and sustaining a respectful, spiritual relationship with the earth and with seeds. Also in southern India, the *Dharani Farming and Marketing Cooperative*³⁰, set up by Timbaktu Collective, ensures fair remuneration to farmers who commit to organic production, combining the economic and ecological spheres.

An exciting new approach to intersectionality is bioregionalism (or biocultural regionalism). In many parts of the world, especially those colonised over the last few hundred years, political boundaries intersect and interrupt the flows of nature (e.g. a national boundary cutting a river basin), or cultural connections (e.g. fences and armies blocking traditional routes of nomadic pastoralists). In South Asia, for instance, the borders between India and its neighbouring countries have caused significant disruption, especially where fences and armies are placed along them. This kind of interruption or blockage has many negative ecological, economic and socio-cultural consequences. The bioregionalism movement questions such political boundaries, and attempts to re-imagine as also plan and implement policies and practices that can re-establish flows and connectivity across these boundaries. For instance the *Amazon Sacred Headwaters Initiative*³¹ involves Indigenous nations and civil society groups in an attempt to envision and plan for a large part of the Amazon that straddles the Ecuador-Peru border. A *South Asia Bioregionalism Working Group*³², initiated recently, has been conducting research on past bioregional approaches and discussing what the potential is in this part of the world. John Lennon's vision – “imagine, there's no country” – may seem very far off, but let's keep in mind that nation-state borders are also pretty recent in human history, and there is nothing sacrosanct about them.

ECO-SWARAJ AND OTHER WORLDVIEWS OF WELL-BEING

One of the many frameworks emerging from the transformations described above, in the context of India, is Eco-swaraj, or Radical Ecological Democracy (RED). This builds on the notion of swaraj, loosely translated as ‘self-rule’, which was popularised when used by Gandhi as part of India's freedom movement against British colonial rule. However, its meanings extend more widely and deeply to include individual freedom and autonomy, the freedom of the human species, rights and responsibilities, and independence with inter-connectedness. The term RED is an English equivalent, first used in my writings in 2008-09, and then as one of the *People's Sustainability Treaties*³³ that civil society organisations forged on the occasion of the Rio+20 conference in 2012.

Eco-swaraj or RED refers to socio-cultural, political and economic arrangements in which all people and communities have the right and opportunity to fully participate in decision-making, based on the twin fulcrums of ecological sustainability and human equity. Rights extend to all of life, beyond the human, and we recognise and act our role as stewards or custodians of the Earth, not its owners.

There are related worldviews across the world, that can be roughly termed as ‘well-being’, ‘post-development’ or ‘post-growth’ in that they do not posit development as the core aspirational model for peoples and countries, but rather insist on various forms of what it means for all of life including humans to be well, prosperous, abundant. These are embedded in or emerging from what some have called ‘nowtopias’, like the examples given above, and many more visible on the horizon, comprising a *Pluriverse*³⁴ of practices and worldviews.

VIKALP SANGAM, AND THE GLOBAL TAPESTRY OF ALTERNATIVES

An important question that often gets asked of those who promote alternatives is: how to achieve scale?

Most of the initiatives we speak of are either small or scattered, unable to make the changes necessary in macro-economic or political structures, and indeed continuously threatened by such structures. *How, I'm often asked, can we 'replicate' or 'upscale' alternatives?*

What is needed is neither replication, for a successful initiative in one context is not transferable in the same form to another, given the enormous diversity of ecological, economic, political and socio-cultural contexts); nor upscaling, since making a single initiative bigger and bigger, the corporate way of doing things, is likely to lead to hierarchy rigidity, and uniformity. The alternative approach is 'outscaling', i.e. learning the crucial lessons and principles of radical initiatives, applying these with necessary modifications in other situations, and then networking amongst these multiple initiatives to create larger and larger platforms.

One such modest effort in India, begun in 2013, is the Vikalp Sangam (VS) or 'Alternatives Confluences' process. This has provided a *national level platform*³⁵ for groups and individuals working on alternatives to the currently dominant model of development and governance, to come together. It has a *website with stories*³⁶ and perspectives from across India (with nearly 1800 such entries by mid-2022), regular media outreach, a mobile poster exhibition, various publications for outreach, nearly 100 videos on alternative initiatives, and other such outputs. Its most important activity, however, is the convening of regional and thematic Sangams (confluences) across India. By mid-2022, *about 25 Sangams*³⁷ have been organized in various parts of India bringing together initiatives taking place in particular regions or under themes such as food and agriculture, democracy, health, alternative economies, and energy. The Sangams and other VS activities create space for people to

exchange experiences and ideas emerging from their practices, to reflect on the larger meaning of these, to *collectively envision*³⁸ a transformed India, and to do joint advocacy for policy shifts.

Learning from this experience, and connecting to similar ones elsewhere, an international initiative with similar aims, *the Global Tapestry of Alternatives*³⁹, was started in 2019. This is a non-hierarchical, convivial platform for weaving: exchange, mutual learning, collaboration and collective visioning, to challenge the dominant. It stresses learning from Indigenous people and other local communities, along with radical counter-movements emerging within industrialised societies. The GTA process has been endorsed by over 50 global and regional networks and movements, and several dozen prominent individuals, spreading across all continents. It has setting up exchanges, dialogues, mutual learning and mapping to support on-ground action with several partners, building on the experience of networks like Vikalp Sangam in India, Crianza Mutua in Mexico and Colombia, and Movement for Alternatives and Sustainability in South-East Asia. It has also established a platform, *called Adelante*⁴⁰, to work with several other global processes that have similar overall objectives, though differing strategies and pathways.

Both these processes can also be seen as *acts of subversive democracy*⁴¹, in that they challenge the hegemonic past-present-future and envision a radically different process of how to interpret the past, recognise and sustain the 'nowtopias' already existing in the present, and envision the just world that can be our future – and all this without thinking of time and social evolution as linear.

LESSONS FROM COVID PANDEMIC

The 2020-22 period of global crises caused by the COVID pandemic and governmental responses to it, has enormous lessons for humanity. While it starkly exposed the vulnerability of hundreds of millions of people, it also showed what it takes for communities to be resilient to such crises. Examples from various regions of the world showed that communities whose basic needs were met within a short distance, whose collective systems of healthcare, food production, and localised economic exchanges were strong, and who had grounded forms of democracy and participation, fared much better. In India, the Vikalp Sangam network has put together several volumes of stories of *COVID-time resilience*⁴² of forest-dwelling communities, women farmer groups, youth collectives, urban neighbourhood initiatives, and others. The GTA has begun to do this more globally with *two volumes of similiar resilience*⁴³. These stories contain many lessons on how rural and urban communities can deal much better with shocks and crises than the globalised capitalist and statist system.

LESSONS FOR INTERNATIONAL COOPERATION

The well-being, post-growth or post-development approaches outlined above present a fundamental challenge also to formal agencies involved in international cooperation. The stated intentions of such cooperation are to help in the 'development' of countries and peoples who are 'poor' or deprived, aid in the 'empowerment' of the marginalised, and so on. *But if the project of development is itself flawed, not only in execution but in conception, where does this leave such agencies, mostly of the global north?*

Possibly the most crucial and urgent task for all those who look to aid processes towards justice, equity and sustainability, is to assess how much they are contributing to the maintenance of the dominant economic and political system, and conversely, how much they are enabling radically alternative approaches. This entails at least the following:

- › *A comprehensive, holistic assessment of the impacts of activities*, including how interventions in one sector can have impacts in other sectors, e.g. how so-called poverty alleviation or eradication programmes impact ecological sustainability, or how biodiversity conservation projects (like protected areas) impact human rights. One of the tools that has emerged from the Flower of Transformation approach, as part of a global project called Academic-Activist Co-generation of Knowledge on Environmental Justice (ACKnowl-EJ), is the *Alternatives Transformation Format*⁴⁴. Something like this, akin to a system's approach, can be used to assess the extent of holism, comprehensiveness, and internal coherence of transformations, and work out necessary interventions where lacking in these. To put it differently, the question to ask is: *is international cooperation leading to greater community strength to take on and sustain initiatives like the ones mentioned above, increasing self-reliance and resilience to deal with shocks and crises?*
- › Assessments to distinguish between *transformative and reformative* initiatives. This is not to say that reforms are not necessary, many are indeed important in the *transitional phase*. But it is important to assess if they are actually leading to fundamental transformations, or conversely, only strengthening status quo while giving it a 'green' face. For instance, recycling is important in the current phase given the amount of waste being produced, but unless it builds in or is inextricably connected to approaches that reduce the waste in the first place, and ask hard questions of corporate profit-making that leads to wasteful production, it will only be an excuse to continue wasteful consumerism. The ATF approach, mentioned above, could help in making the distinction between status quoist reforms, and transformatory ones (while acknowledging that sometimes there is a fuzzy dividing line between the two).
- › Assessment of how much support is given to *processes* rather than *projects*. Radical transformative is a complex, often messy process with lots of learning along the way, and rarely possible

to achieve in the 3-to-5 year project period that most agencies tend to limit their support to (acknowledging that some agencies do commit to multiple periods of such terms upfront). Partnering for longer term periods, and having the flexibility of mid-term changes that may be needed along the way, is crucial.

- › Assessment of the *global impacts of their own country's economies*. All industrialised countries and rich *within* the South have big global ecological and socio-cultural footprints, and corporations based in the North have global operations with serious and widespread impacts. Yet, agencies involved in international cooperation have rarely looked within to question how much of global ecological (including climate) space their own countries use up, squeezing the space that the global South has to achieve security of even basic needs.
- › As part of the above, agencies could also assess how their countries treat *their own 'global South'* (e.g. Indigenous peoples, or the homeless, within the North), in a similar way constraining their ecological space.
- › Assessments by agencies of *their own internal operations and structures* – this entails understanding how much they are 'walking the talk', including how hierarchical or horizontal, how iniquitous or equitable, how inclusive of diversity of various kinds, how ecologically sensitive, how much willing to learn from and be equal partners with the people they are 'helping', and what processes exist to help build local capacity to take over key functions rather than continue to station people from the North to direct operations in the South?

All of these need to be followed by fundamental changes in policy and practice. Not doing this will mean that neo-colonial, patronising and iniquitous forms of operating will continue in various degrees, undermining the credibility of agencies whose expressed objectives include justice, sustainability, and equity.

In many of the above, such a process would also entail the global North decolonising itself. Its past and continuing colonisation of the global South also embeds, in ways that most people do not even realise, a self-colonisation. In some ways, the dominant are as shackled as those they dominate, in that the full flowering of what it could mean to be human is denied to them too, as are the benefits of living lives much more in harmony with the earth. The increasing quest in the global North for spiritual and cultural transformations, is a sign of the unease caused by such self-colonisation. As the global North and South build relations of equity and mutual respect, decolonisation can become a pathway of freedom for all.

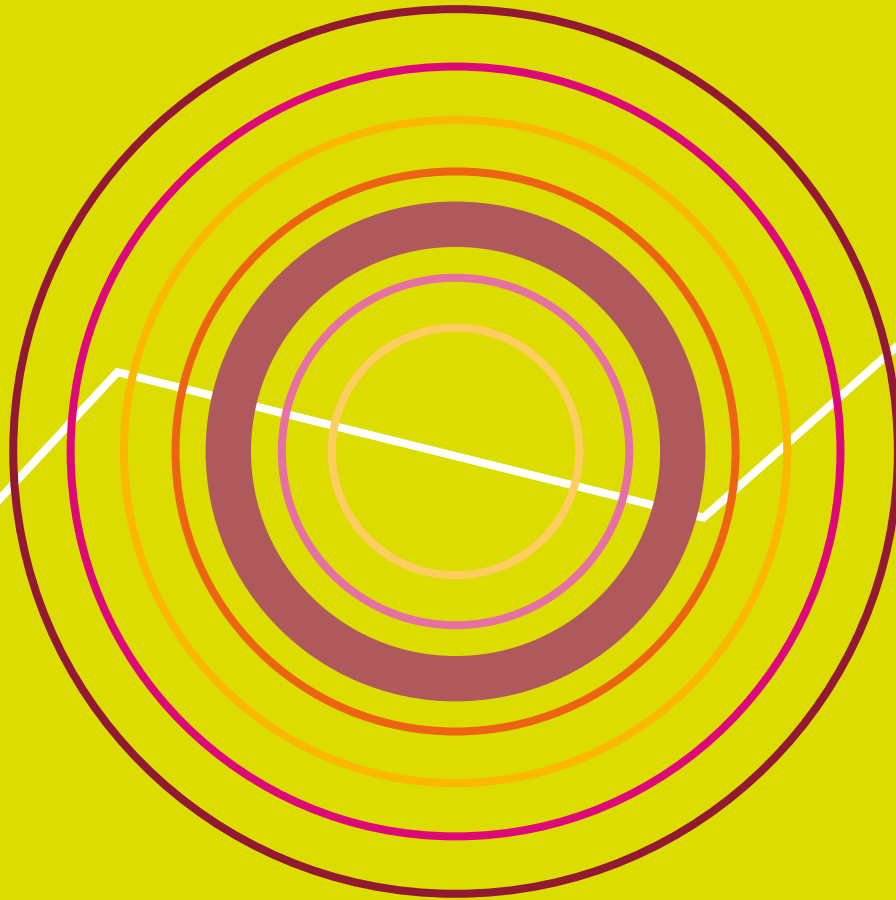
CONCLUSION

What I have outlined above in terms of approaches to radical transformation in economic, political and socio-cultural spheres of life, and the changes necessary in international cooperation policy and practice, are difficult ... very difficult. They will be continuously challenged by the currently dominant system, there are no ready blueprints for all that needs to be done, the process will be messy and complex, there will be many failures along the way, many people in the global South are themselves uncertain of or hostile to such transformations ... and meanwhile, ecological and other collapses are already taking place around us. But grounded 'nowtopias' or 'living utopias' are already showing the pathways and possibilities, and by taking their lead, helping nurture and spread and network them, and changing ourselves as activists or academics or international support organisations along the way, we have a fighting chance.

Endnoten

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POST-GROWTH AGRICULTURE:
INSTITUTIONAL LEARNING FOR
DEVELOPMENT COOPERATION
AND AID

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Chapter 5

Post-growth Agriculture: Institutional Learning for Development Cooperation and Aid

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INTRODUCTION

This chapter addresses agriculture in a post-growth economy, where development cooperation genuinely engages, learns from and with Indian agriculture, or tropical agriculture in general. It asks *how* development aid that supported modern agriculture for economic growth can learn from diverse sustainable agri-food systems¹ and enable the transition to pluralism and alternative flourishing in a prosperous post-growth economy and society. The key question is how the normative frameworks of sustainability, justice and diversity in a post-growth economy differ from the normative framework of economic growth. *How can development aid build on the new options on offer in a post-growth economy?*

In a post-growth economy, agriculture is a key sector that flourishes. The voices of farmers, practitioners of sustainable agriculture and just socio-ecological production and consumption system are being acknowledged (NCNF 2022). But in the literature on post-growth thinking and practice in India there is little that highlights these voices (Gerber and Raina 2018). Voices of leaders like Mahatma Gandhi and Rabindranath Tagore, academics like Radhakamal Mukherjee, C. T. Kurien, Amulya Reddy, Madhav Gadgil,

environmental activists and feminists like Ashish Kothari and Vandana Shiva, are discussed in the Indian post-growth literature (ibid). But there is little thought given to how they address the rural and agrarian question, other than a cursory reference to Joseph Kumarappa and the village centric economy as a sustainable social metabolic regime (ibid).

Sustainability *in* and of agri-food systems demands that we revisit questions about substitutability among resources (the concept of natural capital, and land as a ‘factor’ of production), inter-generational equity and time (the role of market determined discount rates in investment decisions), and real social and environmental costs (institutional designs or pricing mechanisms that will internalize and reduce externalities) (Ruttan 1998). All these are fundamental concepts ignored or hidden in development economics which have led to institutions that foster economic growth. Given that the life-sciences based agricultural and livestock production in industrial agri-food systems have for long confronted a ‘diminishing returns’ (Ruttan 2005), a turning point is upon us now. There is a lack of faith in the prevalent narrow genetic engineering and precision technology trajectories (ibid). More

1 From supplying inputs, to shaping and appropriating farm practices, to organizing and scaling up harvesting, storage, transportation, processing and distribution of commodities, industry has become integral to modern agriculture. It is therefore important to acknowledge and study the sustainability and resilience of agri-food systems that “(e)ncompass the entire range of actors, and their interlinked value-adding activities, engaged in the primary production of food and non-food agricultural products, as well as in storage, aggregation, post-harvest handling, transportation, processing, distribution, marketing, disposal and consumption of all food products including those of non-agricultural origin.” (FAO 2021, pg. xii)

constructively, there is a demand for research that builds secure relationships between the ‘island empires’ of agriculture, environment and health sciences, as well as concentration of efforts on institutional innovations (ibid, p.465).

This chapter uses an institutional economics framework, and a substantive understanding of the economy, discussing (briefly) key principles in the post-growth economic model that can enable the transition from modern unsustainable industrial agriculture to sustainable, equitable and just agri-food systems. The two core principles are: (i) a focus on sustainable relationships between agriculture, the environment and nutrition – and ways to strengthen these relationships locally and regionally, (ii) acknowledgement of and value of local agroecological knowledge, and economic activities that work within the nested circles of nature.

The next section discusses the importance of institutions or norms that govern economic activities like agriculture, planning and investment, and actors, especially in their choice of technologies. Development aid played an important role in establishing the institutions or norms of modern agriculture and its role in economic growth and development. It used a key construct, structural transformation for economic growth, which involves some specific changes in agriculture, the people, communities and ecosystems. The institutionalization of the idea of structural transformation and the theorization of pathways in agriculture that would bring structural transformation up to speed in developing countries like India, are analysed in the next section. The role of development aid in promoting the institutions or norms of economic growth, and in supporting the structural transformation that developing countries like India were hankering for, are highlighted. This leads us to the norms or institutions formulated and modified by

communities living and practicing sustainable agrifood systems. The critical contributions of aid in encouraging and changing norms, even when the volume of aid is small, is important for future agroecological and sustainability transitions. Development aid was used for training human capital for capital-intensive technological change to increase labour productivity, to achieve the much desired structural transformation. Today, there is a knowledge imperative and immense scope to invest in transforming the institutions governing available human capital and natural capital. The demand for knowledge that acknowledges and values the agency of farmers, communities and nature in a post-growth economy, will need research investments and capacities for decentralized norm making and evolution.

INSTITUTIONS AND AID FOR GROWTH:

The institutions of economic growth have governed agriculture and agri-food systems over the latter half of the twentieth century. Institutions or norms, ‘the rules of the game in a society’ or the prevalent habits of thought with respect to particular relations and particular functions of the individual and the community (Veblen 1899, Kapp 1968)² are the preconceptions that shape both economics and the structure of the economy. They frame the decisions in and for agriculture to perform its role in economic growth, or to support sustainable, just, diverse and equitable social-ecological systems.

Post-growth agriculture demands a different epistemic engagement. We propose an understanding and ability to analyse and explain meanings, policies and action using the overarching institutions that govern agriculture. Though evident in several sustainable agroecological systems today among diverse knowledge communities, many commentators and summaries of success stories (CEEW 2022; NCNF 2022) do not consider it important to highlight the institutional innova-

² Institutional economics, “the study of the changing patterns of cultural relations which deal with the creation and disposal of scarce material goods and services by individuals and groups in the light of their private and public aims” (Kapp, 1968, p.2) provides the theoretical framework for our analysis.

tions, and fundamental conceptual differences between modern industrial agriculture and these niche sustainable success stories. In presenting 'post-growth' as inclusive of the 'converging movements of degrowth, stabilization and alternative flourishing,' (Gerber and Raina 2018, p. 11) there is an increasing demand to spell out why some of the fundamental concepts underpinning our economies as well as macroeconomic policies building on these concepts are inadequate to govern a sustainable and just world. Here it is not enough to celebrate successful farm practitioners. We have to learn from the institutions that govern their practices, explore what some concepts (like 'natural capital' and 'productivity' for eg.) mean to them and how they articulate the purpose of agriculture. The macroeconomic and political choices that matter to the state as it plans and invests in agriculture for economic growth are different from those chosen by farmers and environmental activists in general as they work with agrarian alternatives for post-growth prosperity and alternative flourishing. The differences are often documented and analysed as different practices (CEEW 2022; NCNF 2022). The differences that are evident in the principles, the core institutions or norms that govern the choices and decisions made in these agri-food systems are ignored.

Development aid has come a long way from its origins as engagements of European and the US aid givers with former colonies and potential markets. Economic growth as a normative framework and the role of agriculture in contributing to growth, has been central to the evolution

of development aid and cooperation³. Today, several other nation states including the aid recipient emerging economies like India, China, South Africa and Brazil are aid givers, despite significant domestic development problems, like agrarian distress, hunger and malnutrition, rural unemployment and environmental degradation.

As theorised in development economics, agriculture is a sector that will dwindle in its share of value-added and share of workforce as economic growth and development happen. A problem that vexes academics and policymakers alike is the lack of or delay in the theoretically expected structural transformation in much of Asia, with the exception of some East Asian countries, Australia and Japan. The construction of the role of agriculture in economic development buttressed with evidence of the Schultziian rational peasant responsive to incentives and the promise of the Lewis path of increasing labour productivity⁴, still finds acceptance in Asian economies as it did in the 1950s-1970s (Nayyar 2020; Eicher and Staatz 1998). There are debates in India as in much of Asia, about the role of markets vs the state, the agriculture-industry linkages, public sector investment and support to small farmers, inter-linked factor markets, domestic and export markets (Rao 1993; Dev 2008; Sen 1981; Vos 2018; Chang 2009; Nayyar 2020) that could help achieve or hinder the goal of structural transformation. The debate about agriculture's contribution to that end, or about land (water and biological inputs) and labour as factors of production, invariably places them as natural capital and human capital marked by inequalities,

3 The impact of development aid in recipient countries has mainly focused on the relationship between aid and economic growth (Burnside and Dollar 2000; Mostley et al 1987 and Papanek 1972); with Lipton and Toye 1990 focusing on aid and growth/development impacts in India, highlighting both the project impacts and the lasting institutional investments and capacity building impacts.

4 Schultz's Nobel Prize winning finding was about poor farmers in developing countries responding to incentives (right prices), investing in technologies and the purchase of superior inputs, and the ability of agricultural research (more knowledge) to substitute for land (Schultz 1979). This came in the wake of an important finding about the convergence of farm labour productivity with that of non-farm or industrial labour productivity in the analysis of growth patterns in the developed Western economies (Lewis 1955). National governments and donors started investing increasingly in capital intensive technological change (allegedly to increase productivity per agricultural worker), in getting prices right (for poor farmers to invest in these technologies) and in getting more such technologies generated and supplied to increase productivity.

which must be overcome because *they are the mainspring of economic growth*. (Schultz 1979, pg.7) Irrespective of the ideological position, the normative framework of economic growth and its institutional underpinnings are not questioned by development economics academia.

There is little doubt that a donor's self-interest and some moral motives have been two broad drivers of aid even when it addresses agriculture; the surplus and scarcity in post-war USA is a good example (Lieshout et al 2010; Rossiter 1985). Food aid and agricultural development aid offered an ideal convergence of self interest and motives of the aid givers. Though there is acknowledgement that food aid is not the best policy if the objective is economic development (Ruttan 1998), the academic wisdom of 'technical assistance and other aid' to 'get agriculture moving' in recipient countries (ibid, p. 573) so as to expand the US agricultural (surplus foodgrain initially, followed by chemical and mechanical inputs) export markets has been reinforced time and again. Agricultural development aid that incentivises farmers to invest in modern chemical and mechanical inputs that will increase labour productivity, thereby transferring surplus labour from agriculture to industry, is considered the best policy to achieve economic growth and development in developing countries (Lipton and Toye 1999). As an instrument to achieve growth, it is far more valuable than food aid.

Despite domestic acknowledgement of self-interest and capitalist profit intents, concerns and criticisms (Dasgupta 1975; Abrol 1983), development aid as technological projects with immediate results and longer programmes for capacity building (in agricultural research, education, credit, transport services) and policy change in agriculture (World Bank 1966) still

finds political acceptance in the recipient countries as it did in the 1960s. The academic and policy communities in these countries remain more than enamoured by the prospect of growth offered by the aid instruments deployed for agricultural modernization and development. The creation of this mental model, an expected end-state of a linear transition from agrarian to industrial to service sector led economies, comes with several institutions or norms. These institutions that uphold and enable the evolution of certain values, power relationships and relationships between agriculture and the social and environmental systems in which it is located, demand investigation. Development aid, however small in the overall investments made by the state in countries like India, which played a major role in creating the knowledge base and in long term programme investments, reinforced the institutional infrastructure or framework of agriculture for economic growth. It now confronts the responsibility to foster the knowledge base and long term programme investments that create the post-growth institutional infrastructure and meanings for sustainable, resilient agri-food systems.

INSTITUTIONALIZING STRUCTURAL TRANSFORMATION:

In order to create the knowledge base, formulate government policies and investments that shift agriculture out of the institutions or norms of economic growth, development aid has to revisit the prevalent norms of economic growth and theories and concepts that were institutionalized during the post-World War II peak of development economics⁵. Theories of economic growth give us a common conceptual tool kit in 'structural transformation' which embodies changes in the nature and meanings of agriculture. One of the fundamentals of

5 Recall Hirschman (1981) and The Rothko Chapel colloquium featuring the eminent economists of the time, stating that "the success of the Marshall Plan deceived economists, policy makers and enlightened opinion in the West into believing that the problem of underdevelopment was roughly of the same nature as that of postwar reconstruction, that an infusion of capital helped along by the right kind of investment planning would grind out growth and welfare all over the globe." (Hirschman, Seers, Streeten (Ed.) 1979, pg.xvii). The institutionalization and norm making influence that this 'enlightened opinion in the West' had then, is still prevalent in developing countries, among the elites and academics.

development theorization is a steady shrinking of the share of agriculture in the Gross National Product (GNP) of the country. The other is a corresponding or more rapid decline in the share of the nation's workforce involved in agriculture (cultivation) and agricultural labour. Structural transformation refers specifically to the shift from a predominantly agrarian to a predominantly industrial economy, marked by a steady decline over time, in the value added from and workforce in agriculture.

Theoretically, the very act of defining a structure, drawing upon structuralism⁶, entails new rules and norms, or new institutions. Structural change is accompanied and often led by new and somewhat invisible deep seated institutions that govern the bio-physical base, the kind of work and division of labour, the choice of technology, forms of and accumulation of capital, the type of trade or markets. Economists and anthropologists have taken structuralism further, specifying criteria for structural analysis, to understand the underlying rules for the system. Among the four criteria for structural analysis (Levi-Strauss), the unconscious infrastructure, the 'deeply encultured' norms or cultural phenomena, and the relational nature of the elements or components of these infrastructures or mental models are vital to decision making for structural transformation.

The institutions governing the elements are visible only by exploring the entire system (not single or select elements) and by seeking general laws or principles that explain the ways in which the system is organized.

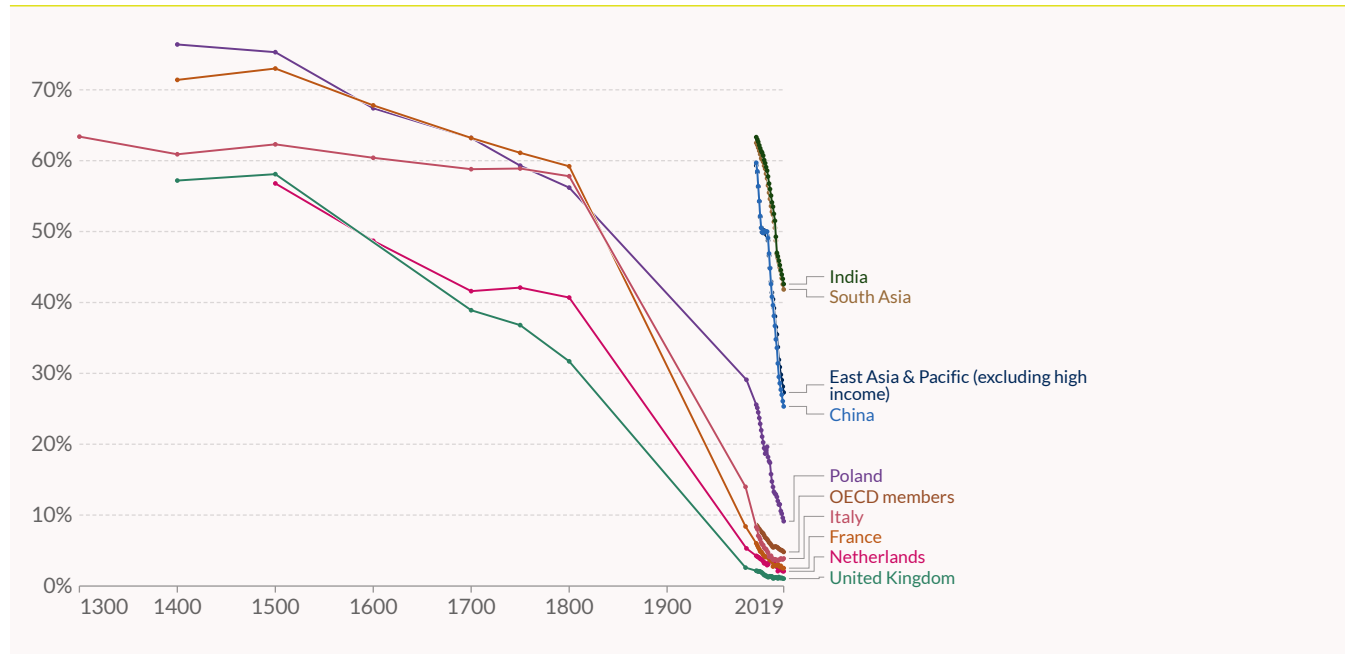
Structural transformation, as formulated in development economics, is ahistorical and apolitical; it does not mention the 'nationalization' of the international extraction and transfer of wealth (through labour and capital mobility)

to the West/North over 200 years of colonial expansion. It poses no challenge to the processes of dispossession, deskilling, degradation of the environment, disruption and migration that marks much of rainfed agriculture, or tropical crop-livestock systems in general. We know that Asian agriculture is the major source of livelihoods for the largest workforce in the world. Seen through the institutional blinkers of structural transformation, agriculture in South Asia and in India in particular, does not seem to release the surplus capital and labour to industry, and enable industrial growth which will eventually lead to economic growth and development. The most striking feature of Indian, and much of South Asian agriculture is the lack of structural transformation (Fig. 1). The theorization of the development experience of a few countries in the North/West, by economists who had (in the 1950s and 1960s) not studied tropical agriculture or rural manufacturing and artisanal labour (Eicher and Staatz 1998), and the acceptance of this theorization in developing countries, is seldom questioned. Both donor and recipient nations take the role of development aid for granted. Aid is to enable capital formation in and for agriculture, so as to enhance labour productivity and transfer surplus labour and capital to industrial production systems.

In many developing countries, when the national food security goal was operationalized in the 1960s and (then) theorized in economic policy (De Janvry and Subramanian 1993), the overarching institutions governing agriculture were the designed to ensure its contributions to economic growth. The food security goal thereby include domestic food production and distribution to the poor urban industrial workers. Since industrialization is a key pillar of economic growth and development (Sen 1981), the supply of cheap food to workers by the state was considered crucial.

⁶ Structuralism in the social sciences draws from de Saussure's work in linguistics (late 19th century), where he presented a mode of thinking (mental model) and a method to analyse the relations and functions of constituent elements within large systems. These systems could be languages, natural and social sciences, cultural practices, etc. What we get then is the underlying rules and norms (conventions) that govern these systems (structure them) and allow these systems to function.

FIGURE 1:
THEORETICAL EXPECTATIONS THWARTED – SHARE OF LABOUR FORCE IN ASIAN AGRICULTURE
 Agriculture includes the cultivation of crops and livestock production, as well as forestry, hunting, and fishing. Employment includes anyone engaged in any activity to produce goods or services for pay or profit.



Source: Our World in Data based on International Labor Organization (via the World Bank) and historical sources
 OurWorldInData.org/employment-in-agriculture • CC BY

The economics of food production and distribution (through a public distribution system) to keep a working population well-nourished to work, demanded further knowledge on how much food could generate a certain amount of calories (heat and energy expended by workers), and how much food poor workers could afford to buy. This led to the conceptualization and estimation of poverty lines (money that would provide the minimum calories required to work), classification of consumers based on the poverty line, industrial labour productivity and value added in the economy.

Decades after industrialization as the path to economic growth and development was denounced as myth, and a new strategy for

development (not through industrialization) proposed (Streeten 1979), capital investments for structural transformation still remains a prime concept, the norm that governs agriculture till date (Vos 2018). Investments in agricultural research and extension reinforce this faith in structural transformation. The assumption is that professionals would generate the knowledge needed (mainly for irrigation-chemical intensive life-science based production and value chains) and transfer this knowledge to rational farmers (caught in the Schultsian low equilibrium trap⁷). They would in turn be incentivized by the state with subsidies and pricing mechanisms, to use such inputs and produce commodities to ensure agriculture's contributions to the economy. Development aid responded to these Lewisian

7 Given Schultz's finding that poor farmers in developing countries are capable of responding to the right kind of economic incentives (prices and subsidies), the 'low equilibrium trap' tells us that these farmers are not prisoners of an ironclad equilibrium of low production and productivity, and consequently of poverty. Economics can break this low equilibrium trap, with long term investments to generate the right kind of (capital intensive) technologies and incentives for farmers to invest in or purchase these technologies (see note 4 above).

and Schultsian theoretical demands, with appropriate investments in both physical and human capital, reorganizing the administration of and policies for agriculture, organizing agricultural research, credit and marketing services, reinforcing the performance of agriculture to fulfill its contributions to economic growth.

DEVELOPMENT AID FOR MODERN AGRICULTURE:

In this section we present the institutions governing modern agriculture in India, and the role of international cooperation and development aid in this process. Contemporary South Asian or Asian agriculture cannot be explained without an understanding of the history of the region. Beginning as a vast agrarian production system, in small kingdoms and feudal societies, through the Mongol expansion into Europe, followed by colonial expansion in Asia, the rich history of Asian economies, and the even richer trade in agriculture (crop and animal produce) (Frank 2000) transcended what we now know as nation states. The first attempt to bring the diversity and complexity under one global food regime was initiated during the colonial era, as Asian raw materials (wood, cotton, jute, indigo) and food (mainly wheat and rice) fed the British industrial revolution (Bernstein 2016). Following independence, the more pervasive and omniscient theorization and institutionalization of development economics, and development cooperation built on the theoretical and conceptual constructs of the US led second food regime, transformed Indian agriculture. Here, we focus on development aid and the institutionalization of modern agriculture in India.

Modern agriculture, the irrigation and chemical intensive life-science based production for domes-

tic and global value chains, is no longer a primary sector, net energy producing human subsidized solar powered primary sector (Odum 1977). The industrial appropriation and substitution of the physical, chemical and biological elements of agriculture has made it an economic activity that has violated four of the nine planetary boundaries (Rockstrom et al 2009; Steffan et al 2015). Several problems ranging from climate change to diverse and some irreversible environmental degradation, social and economic disruption including mass migration, are consequences of the globalized modern agroindustrial complex and international trade, now considered central to economic growth and development (Reardon and Barrett 2000).

Agriculture as part of modern agroindustrial complex, is a sector sandwiched between two industrial sectors, input suppliers and output (processing, distribution and consumption) industries. This transition of agriculture from a surplus energy producing to energy guzzling quasi-secondary sector has been supported by development aid, bilateral and multilateral cooperation⁸. What was visible to the lay public were the contents of these investments in many developing countries since the 1950s, as fertilizer/pesticide factories, dams, agricultural machinery or pricing (incentives/subsidies) mechanisms.

In the 1950s, strengthening locally relevant research for food production was a prime concern in India⁹. When the Technical Cooperation Mission (TCM) came as aid offering from the US, it brought all the logistics for five American Universities to assist 40 agricultural and veterinary colleges and two research institutes in India (ICAR, 1960, p.59). The TCM was meant to improve the physical, administrative and

8 In India, food aid (PL480 from the USA) was already a reality in 1961 when the UN General Assembly endorsed development and development assistance as key priorities, and the US Congress approved the creation of USAID as an agency guided by the State Department to undertake global development assistance, through technical and financial aid. Though India has been the largest recipient of US development assistance over the latter half of the 20th century, development aid accounts for 1 percent of India's GDP and a little over 4 percent of the combined spending of central and state governments and public sector units (in the first half of the 1990s) and less than 2 percent (in the 2010–2020 period) (Jha and Swaroop 1999).

9 This paragraph borrows heavily from Raina 2011.

professional features of the agricultural colleges, to coordinate teaching, research and extension, and to produce man-power requirements for India's agricultural growth. These developments were widely acclaimed by the Indian political and bureaucratic elite (ICAR, 1960, p.61; Lele and Goldsmith, 1989).

Creating new institutions or norms that would govern the new organizations was an important component of aid; for instance India's Model Act 1966 for establishing SAUs in the Land Grant College model (Busch 1986; Raina 2011). But even in the content of science, the scientific method, generation of knowledge and technology, and the sharing or dissemination of technology, the prevalent norms had to be changed. New institutions were necessary to govern the new scientific agenda of irrigated, chemical-intensive production at scale ¹⁰. Thereby, it was not just the establishment of the Fertilizer Committee, National Seeds Corporation, or the State Agricultural Universities that was achieved, there was a new institutional framework, a set of norms that governed all of them. Converting the protocols and normative goals of research from multiple crop/crop-livestock/livestock research with defensive breeding strategies (developing horizontal resistance to a range of local pests and diseases), to offensive breeding strategies applied mainly to monocultures of cereal crops bred for their yield response to chemicals and irrigation was essential to increase labour productivity.

Developing the human capital required took more time; a major share of development aid was invested in training scientific personnel in the new offensive research methods, mainly in the USA. The package approach (irrigation, fertilizers and pesticides, with varieties selectively bred for higher yields) of the Ford Foundation supported Intensive Agricultural Development Programme

(IADP), increasing import of fertilizers and chemicals from the USA ¹¹ and the administration of fertilizer distribution, increasing USAID support for agricultural research and education in the agricultural colleges and new SAUs were all major experiments in the ways and means for food production, conceptualized and driven by development aid. Several recommendations had already been made by the First and the Second Joint Indo-American Committees on Agricultural Research (in 1950 and 1955) to strengthen research capacities in the States of the Indian Union and re-organize agricultural research. In the early 1960s when the first SAUs were established, and the Ford Foundation led IADP was implemented (84% of the districts chosen were in the regions under the jurisdiction of these agricultural colleges which became the first SAUs) there were good results on the productivity front (Raina 2011).

In the midst of these attempts to strengthen locally relevant research and make the local experimental stations more responsive, came increasing concerns about the quality of research and personnel problems in the research institutes under the Ministries, and awareness of the need for a co-ordinated research strategy. An international scientific breakthrough - the identification and successful trials of the Mexican rust-resistant dwarf wheat varieties helped anchor a co-ordinated research strategy and policy to support it. The establishment of the first international agricultural research institutes, CIMMYT and IRRI the forerunners of the Consultative Group on International Agricultural Research (CGIAR), by these private donors, the chemical and mechanization led corporations of Rockefeller and Ford, marked a significant shift in agricultural knowledge and policy (ibid).

10 Borlaug was selected to head Rockefeller Foundation's Mexican wheat research programme in Mexico; to change the temperament of the Third World leadership in the agricultural sciences and administration (from Stackman's memoirs, Raina 2014).

11 Imports accounted for half or more of the total consumption of plant nutrients in the country during the 1950s and 1960s. (Rajeswari, 1992, Table 6.5)

Development aid, through special advisors in USAID as well as in the Rockefeller and Ford Foundation led philanthropic programmes in India supported more than the organizations of agricultural research. They helped draft the norms for credentialization of scientific personnel and the policy instruments (with specific criteria and guidelines) deployed for agricultural development.¹² When the Cummings Committee asked for increasing centralization of the agricultural research and administration to enable a direct line of authority and control over the green revolution (Ministry of Agriculture 1963), it brought in the norms of centralization and consolidation of scientific research in a country marked for its explosive diversity, where Provincial Research Stations were already conducting locally relevant research (Raina 2016).

The road from this centralization of agricultural research (Raina 2011) to the institutionalization of new statistics (yield per hectare of land) and other standard measures to higher education in the agricultural sciences was rather smooth and sequential. India was the locus of many international experiments and aid programmes offering technical and financial assistance for food production - for the new democracy with a rapidly growing population and increasing urban (manufacturing sector) demand for food. The standard models were institutionalized as theoretically, all regions/ecosystems would become modernized by using location specific combinations of the same standard inputs. Thereby, the agricultural research system was to use regionally or ecologically differentiated research, knowledge of local farming systems, regional databases on the frequency and intensity of rainfall and corresponding risks, irrigation or soil moisture, knowledge of local farmers on soil properties or

crop-livestock systems, or of local food cultures, mainly to adapt and adopt the standard industrial inputs and associated practices.

As *zero hunger* - the SDG 2 reveals, hunger, poverty, agrarian and rural distress persist decades after successful green revolutions contributing to economic growth in several nation states, including India. Given increasing evidence of climate change, massive and some seemingly irreversible environmental degradation, agrarian distress, hunger and poverty in many developing countries and worldwide malnutrition, the aid givers are now confronting questions. While these questions are raised by the state and its trusted academia in the West (Lieshout et al 2010), in much of the developing world, these critical concerns are raised by international and domestic civil society organizations (CSOs) and some international organizations (IOs) with environmental and social mandates (NAS and Royal Society 2021). The finger that points to development aid, also questions the denationalized agricultural policy operationalised by the centralized state (Barkin 1987) and the way the centralized administration of research and development is maintained (Raina 2011).

Options proposed for development aid and cooperation in a climate threatened, environmentally and socially challenged world come from different actors and diverse frameworks that maintain prevalent economic and political order to ones that seek radical transformations (WEF 2022; OECD 2021; Flockhart et al 2014; Lieshout et al 2010; Hattori 2001; Nair 2013; Guelseven 2020). They range from choice of crops and cropping patterns and technologies for climate smart agriculture, to overarching macroeconomic questions about the politics of

12 India's first National Agricultural Policy was drafted in 2000. Because of the overarching economic growth framework and the acceptance of the role of agriculture in enabling growth, there was no need for an agricultural policy or even a policy framing in the larger planning process.

The most outstanding feature of the 'planned' Indian economy is thus the total absence of a policy frame. It would not be unfair to say that Indian planners are deliberately avoiding the construction of such a frame and that from plan to plan, there is definite regression in this respect. (Gadgil, 1967, pg. 253).

fossil fuel dependent agriculture, promoted by the state. The overall orientation of lauding or critiquing seems to depend on which among the multiple forms and contents of aid are considered. The forms and contents of aid range from food grants (conditional or otherwise), technology transfer, employment and basic needs, and poverty alleviation (in the 1950s through till the 1980s) to broader capacity building programmes for food security, structural adjustment programmes aimed at restructuring (Third World) economies with liberalization and export oriented agriculture (1980s and 1990s till date) to re-ignite economic growth (Eicher and Staatz 1998; Lipton and Toye 1990; Burnside and Dollar 2000).

The institutional framing or mental model of agriculture as the key sector that contributes initial surpluses of labour and capital (factors of production) for industrial growth is pervasive. The eager acceptance of this in the mid-twentieth century, by all the newly independent countries of the mid-twentieth century is perhaps pardonable. The refusal in this third decade of the twenty first century (when we know that modernization of agriculture for growth has irreversibly violated six out of the nine planetary boundaries) to revisit the norms of structural transformation for industrialization and economic growth and the role of agriculture in facilitating the same, is deeply disturbing.

Over the past couple of decades, climate smart agriculture, emphasising both mitigation and adaptation has boosted short term aid projects in India ¹³. They enable technological change or market development for niche organic or agroecological, and remain the most popular among the forms of development aid though long term programmes have a lasting and more definitive

impact on policies. Agricultural production and the larger agri-food systems in which production is located, are caught between the devil and the deep sea. There is aid that addresses immediate results in niche problems and practices, and aid that leads to lasting structural changes and regime shifts. The latter, structural changes, is our concern here. The unconscious institutional infrastructure and deeply encultured norms here are not those of the much desired structural transformation for economic growth. As governments invest in these new structural changes, enabling new sustainable and resilient relationships between agriculture and the economy, they have to be aware of the prevalent institutions, the legacy of the green revolution. Planning and investing in major changes in the norms of agricultural production, the value chains and allocations of scarce resources for private and public goods in the larger agri-food system, and the environmental and social systems in which production and consumption happen, will not be easy.

This section shows how the institutions or norms that underpin economic growth are also the ones that govern development aid, mainly technological and financial support to increase labour productivity and enable the much desired structural transformation in economies like India. Though multiple agrarian and environmental stresses persist till date, and India is far from the desired structural transformation, the power and influence of international norm-making and development aid that feeds into these norms of growth and development on national governments also persist. Thereby, an international effort seems necessary to convince national governments that the new goals of sustainability, equity and justice mean that we need new institutions or new values and norms

13 Among these are projects in agroecology, rural markets, gender and empowerment, and networks or alliance for sustainable local food systems, which are very different from the alliance for green revolution in Africa. The former supported through national development assistance (SDC, GIZ, etc.) and the latter through massive private foundations, the Bill and Melinda Gates Foundation and Rockefeller Foundation, open questions about the private or philanthropic development aid (Rockefeller, Ford and Kellogg Foundations) available in the 1950s through the 1970s in India as in other tropical agricultural countries.

that underpin structural and processual changes. There is a need for development aid to learn from and with local agroecological communities, regionally differentiated policy and industrial actors, and local, regional and national governments. Let us recall that development aid (both private philanthropic and public development cooperation) institutionalized agricultural research in the biophysical/natural and social/economic sciences that legitimized and won the political and policy support for modern agriculture and agri-food systems in the 1960s. With a normative post-growth framing, and learning capabilities, development aid can help again, to institutionalize agroecological and democratic knowledge and policy for sustainable and just agrifood systems.

WAITING FOR GODOT?

Our discussion here leaves us with a burning question about development aid and Indian agriculture. Is India willing to learn? Capable of institutional learning and change? It is a question that demands alternative political and economic imaginations. Agriculture, as a sector of the Indian economy accounts for 17.7 percent of the gross value added and 44 percent of the workforce (2019-20) in India (Chand et al 2022). Clearly structural transformation, reducing this share of value added and workforce to less than 3 percent (as in developed countries) is still a dream. It is a dream that receives immense support from the state, in this new phase of ‘contending alternatives’ in Indian agriculture.

Presenting the state’s vision for agriculture, the NITI Aayog notes the anomaly in a country that exports more than 7 percent of the food it produces (mainly rice, wheat, beef, spices, fruits and vegetables), has a massive stock of staple food grains accumulated, of which 40 percent is distributed to two-thirds of the population at highly subsidized prices, and is “home to the largest number of undernourished people in the world” (Chand et al 2022, pg.3). The NITI Aayog envisions a rapid structural transformation

in the country (ibid), even as it suffers from the blind faith in economic growth and the processes (structural transformation) that the state can enable which will lead to the eventual catch-up with the per-capita incomes that the developed West/North enjoys (Chang 2009).

Given the scale and scope of development aid, especially bilateral aid from the USA that transformed the sector (1950s-1960s) came with some conditionalities. Irrespective of these conditionalities involved, the short term aid for technological experiments (mainly yield enhancement; irrigation or chemical treatments) which demonstrated expected results had wide political acceptance, leading to a much greater impact though the outlay of resources for these were rather small compared to the plan resources allocated to Indian agriculture during the first four Five-Year Plans (Goldsmith 1988; Sivaraman 1991; Jha and Swaroop 1999). Along with these, the long term programme funds, policy dialogues and massive numbers of scientific workers trained in the USA and the consistent interactions with bureaucratic-political personnel that shaped fertilizer, seed, domestic trade policies and scientific and technological capacities ensured the institutionalization of modern agriculture for economic growth (ibid). The policy making and scientific research and education arms of the state did learn and change.

Co-evolving with global markets for food, development aid and food aid, and investments in industrial agriculture and technologies, the green revolution led to increasing subsidization of technologies for industrial agriculture and its markets (inputs and outputs) by the state. Accompanied by declining public capital formation, increasing public subsidization of private capital formation and steady erosion of state capacity to make policies for small farmers, especially those driven to suicide due to massive debts accumulated in their attempts to use expensive agricultural chemicals and scarce groundwater, the prevalent centralized and consolidated administration of knowledge and administration of agriculture

is being subjected to some scrutiny¹⁴. The legacy of the green revolution and the ‘supply syndrome’, institutionalized in centralized agricultural knowledge and policy (Raina 2011; 2014) is abetted by international policy support for structural transformation, liberalization and more export oriented production.¹⁵

Opportunities for learning and institutional change:

Today, many alternatives in agricultural production and in parts of agri-food systems are initiated by sub-national actors like State Governments, local agri-enterprises, large coalitions and networks, and civil society organizations (Raina et al 2022; CEEW 2022). They promote the conservation of biodiversity, addressing land and water quality concerns, articulating the (surplus and lack of) labour problems, confronting and placing upfront the gender, caste and other social discrimination issues, creating and celebrating their own rules or norms for sustainable and resilient local agri-food systems, and acknowledging and awarding the rich learning that local farmers (their champions) possess and share with other farmers. These diverse and highly heterogeneous experiments and learning processes broadly called ‘natural farming’ are gaining momentum now. The National Coalition of Natural Farming (NCNF) is the brainchild of these heterogeneous skills, crises and solutions, diverse agro-ecosystems and people.

The new collaborative platform, the NCNF, bringing together the state, private and civil society organizations in a pluriverse of meanings and purposes, ideologies and agri-food systems, is ambitious in its scale and scope. Its objective, to accelerate “the spread of agroecology based farming practices in its multiple variants,

improving on existing practices and collaborating for policy discourse” emerged out of the desire to scale up sustainable and resilient agri-food systems across the country (see <https://nfcoalition.in/>). Despite the depth and scope of sustainability transition that this coalition promises, the encumbrance of economic growth still weighs heavily on the coalition. The key partners are committed to getting the state on board; no doubt an important agenda. But with their efforts to transform the working guidelines of some of the existing schemes of the state to effect sustainability transition, work across an entire landscape (one agro-ecological zone or a set of contiguous villages, as the local state coalition (of the NCNF) may define it) irrespective of the administrative units/boundaries, to invest in local knowledge, produce and use local biomass based inputs and create local employment. it is important to break free from the growth yoke.

Among the successful aid projects are some that attract policy attention to agroecological alternatives in India today; they are the agroecological projects supported Swiss aid (see Sufosec), IFAD, GIZ, and state governments (Jacobi and Rist 2022; Sahoo and Gandhi 2022; IDS-AP 2021). They follow in the footsteps of several other niche successes demonstrated and analysed by several NGOs, agrarian and rural networks (ASHA Kisan Swaraj and the RRA Network are two crucial examples). The local sustainable and resilient agri-food systems developed by Deccan Development Society (DDS) in Pastapur, Telangana (former Andhra Pradesh) State was pro-actively supported by IFAD, GIZ and several other international donors. With the goal to ensure food, environmental and social security to the villages in the semi-arid rainfed

14 Few recall that India had its first National Agricultural Policy in 2000; planning/policy making and implementation of agricultural development was possible based on the deep enculturation and faith in normative economic growth (Government of India 2007; Raina 2015).India (Reuters 2023)

15 Anywhere between 8-12 million tonnes of quality basmati rice is produced in India every year; about two thirds of this is exported. Basmati rice exports stood at 4.4million tonnes in 2022, despite a curb on rice exports by the Governmenof India (Reuters 2023)

agriculture tracts, this 4000 member society of women, developed its own protocols; institutions, rules and norms for their decisions, production processes and investments to achieve these goals.

The donor community (IFAD, GIZ and others) and the local NGO, DDS here, re-worked basic concepts and practice protocols. Acknowledging caste and gender discrimination, their democratic deliberations led to four steps¹⁶ (i) working towards household food security – based on the concept of ‘eco-employment’ involving incremental restoration of marginal degraded land, and brining it under biodiverse millet crops cultivation, (ii) ensuring food security for the dispossessed – creating opportunities for land lease by the collective to support individual landless labour households, where all women members would share labour (working 4-5 days in a season) in the plots they leased in for their landless members, (iii) ensuring food security of the entire village community – by developing a food production and distribution system (and getting the national government, through an enlightened bureaucrat (former Secretary, Ministry of Rural Development, Dr. N. C. Saxena), to fund this experiment of a local Public Distribution System (PDS)), and (iv) create critical control of the community (women) over germplasm – where conserving seeds of locally adapted millets and vegetables was among the range of advantages gained from this risk responsive, autonomous, and highly resilient food production system.

Central to all these are investments in projects that are local and strengthen connections between producers, labourers, traders, processors, retailers and consumers in the organization and practice of agroecology. The principles of agroecology, drawing upon the institutional/ecological economics (not mainstream devel-

opment economics) framing of agriculture in (and not vs.) the environment, includes social and environmental wellbeing (HLPE 2019). The donors and the local state governments involved value the local knowledge systems, key practitioners/farmers, and private entities that focus on wellbeing in the local community, social and environmental systems (and not on transferring the capital and labour surpluses generated for urban/industrial growth). With the support of socially and ecologically just consumer forums, DDS now supplies fresh natural food (some of it processed as flour or ready to use breakfast mixtures) twice a week to the twin cities of Hyderabad-Secunderabad. These sustainable agri-food systems are made possible through the rule or norm-making capacities of people. As the women in DDS change the relationships between the limited resources (arable land and water), nature’s bounty (biodiversity) and their own social memory (cultivation practices, norms of production-consumption), the consumers have changed more than their consumption basket, which is chemical free. They also carry additional values of minimal environmental and social disruption and stronger community values of affinity and reciprocity. Together, this is a new political and cultural relationship between agriculture, nutrition and the environment; new institutional arrangements, a new economics. The DDS experiment and institutional changes (new land use and work sharing norms, new local PDS guidelines) have helped raise some questions about the state’s mental model of agriculture. As new sub-national coalitions with the proactive leadership of CSOs reveal, there are some key knowledge and institutional issues common to several of these local or State level sustainable agriculture initiatives (Raina et al 2022). They share:

- › A vision and new institutions or rules, and discursive and reciprocal engagements within

16 See DDS 2002; the report details the capacities for rule formation, for institutional learning and change created by local women. This could be seen as a demand for institutional innovations to get out the current crisis in modern agriculture (Ruttan 2005); but it receives minimal project support from some aid (international donors), little acknowledgement and no response from the state in terms of learning or scaling up the four steps to achieving local sustainable and resilient agri-food systems in India.

the community as well as between them and other private and public actors to enable on-farm and local inputs in agri-food systems (Vikalp Sangam, ASHA Kisan Swaraj, RRA Network)

- › An articulation of norms and capacities for sustainable social-ecological transformations, diversity and responsible production and consumption (Timbaktu Collective, Deccan Development Society)
- › Opportunities for development of decent work and prosperity in social and ecological systems, by articulating and developing normative frameworks, goals of social justice, indicators of economic and environmental wellbeing (Gram Vikas, Keystone Foundation, PRADAN, SPS).

For this new set of sub-national actors (State and local governments, civil society organizations, and local farming communities) the Lewisian labor productivity or agriculture's factor, product and market contributions to economic growth are not core concerns. By seeking knowledge and practices that are location specific and relevant, investing in on-farm and local agri-inputs, primary processing and short value-chains for distribution and consumption (Raina et al 2022) they see and measure success by increasing employment, enhancing incomes and wellbeing. They measure productivity of crops and crop-livestock systems as systems productivity; yield per ha of land per mm of water used, yield per worker and embodied knowledge, crop residue (fodder, food, fuel, manure and building material) generated, used and traded, and still have surplus food grains left to sell in markets in the city. They celebrate agriculture's contributions to living soils, local food cultures, bio-diversity and intra-seasonal security, control over and well deliberated choice of crop-livestock systems and all inputs, seeds in particular.

The historical and institutional drivers that have shaped each of these local coalitions are different and there is no uniform articulation of the measures of success (like yield per ha of land).

What is common is that their register is not one of economic growth. They seek a shift in the prevalent institutional framing of agriculture as a sector of the economy contributing to economic growth, and offer visions and experiences of agriculture as the core of sustainable, nourishing agri-food systems, a responsible democracy and a good life in a post-growth economy. They seek concepts and measures that keep people, land and water systems alive and local biodiversity thriving and healthy. For almost all the local actors or coalitions of alternative agriculture, nature is nature and not natural capital, and cultivators and agricultural workers are people with select skills or ownership (as delineated within community norms) and not human capital. Our intention here is not to claim that it is only the few named above (ASHA Kisan Swaraj or the Vikalp Sangam) that have developed new protocols or institutions. Capacities for rule making are central to hundreds of biodiversity collectives, action groups, the community Forest Rights Act, norms of agroecological crop-livestock systems, the Bio-Cultural protocols for sustainable grassland and herd management, and so on (Raina and Dey 2020). An examination of any of them will reveal a conceptualization of nature and human work that does not fit into the Lewisian and Schultsian natural capital and human capital.

The painful contrast between these collective norm making, learning and evolution and the farm protests triggered mainly by Punjab farmers in response to the three Farm Laws declared by the Union Government in September 2020 (withdrawn an year later, in the midst of the pandemic) is the evidence of contending alternatives that marks the current phase of Indian agriculture (Raina 2015). At this point, it might be prudent to watch out for the learning capacities of the Union Government compared to the pro-active learning and institutional change in several pathbreaking State Government policies and programmes some supported by development aid (Raina et al 2022).

REIMAGINING DEVELOPMENT COOPERATION IN A GLOBAL POST-GROWTH ECONOMY

In this third decade of the 21st century development aid continues to help with climate smart agriculture, sustainable, organic, agroecological and natural farming, drafting global citizenship agreements and addressing planetary boundaries. This chapter explored how agricultural development aid, mainly through long term programmes that changed the institutions governing knowledge and policy, continues to be framed in the allegedly desirable goal of economic growth and development. We asked how this can be transformed into a post-growth framing with appropriate actors, their agency and investments in agriculture.

Some concepts that are taken for granted in structural transformation and the contributions of agriculture to economic growth place sustainable agriculture and chemical-irrigation intensive production in parallel worlds; in a different institutional architecture. When nature is not natural capital and has agency, when labour and land have social and ecological memory and exist in nested circles of cumulative causation (they are not just factors of production boxed into linear relationships to outputs/inputs markets), they inhabit a world that is markedly distinct from the Schultzian conceptualization of natural and human capital.¹⁷ The institutions or norms that estimate productivity, the real environmental and social costs and encourage certain practices (say, forms of reciprocity, pricing mechanisms or estimates of joint products – not of commodities and waste) are decided at the community and local government levels. Here, there is no centralized consolidated technology generation and dissemination to farmers across the board.

Even with the minimal research that is available on (given the indifference of India's social sciences to thousands of) agrarian alternatives,

it is possible to provide donor support and development aid that can (i) make converging movements or political choices possible for a post-growth society, and (ii) create well-being as well as the capacities for adaptation and resilience to climate change. Aid is necessary to study tropical agriculture and diverse meanings and measures of nature/the environment, highlight the valuation of work and knowledge evident in sustainable agriculture, and reinforce the principles of decent work in nested, mutually reinforcing circles of economic and ecological well-being. Just as development cooperation engaged with debates on the package approach to agricultural productivity and trained scientific personnel in these concepts, theories and experiments, we need development aid to engage with all forms of agrarian alternatives. It is important to look beyond building farmer's capacities in organic or natural farming; the macro-economic, political and conceptual framework questions have to be addressed. Today there are few indicators or performance measures that give us the real and relational values of the robust bridges (as Ruttan 2005 demands) between people, their nutrition, and healthy land and water systems and local biodiversity. Our measures are tuned to the performance of agriculture in shifting labour and capital from agriculture to industry, as theoretically expected in development economics, and as supported by international development thinking and aid.

Development aid has to understand and invest in Kapp's economics of 'least suffering', in Kumarappa's village centric economies and rural industrial networks, help measure relations and interactions between stocks, funds and flows (as Georgescu-Roegen defines the basis of the real biophysical economy) as they are exchanged between social and ecological systems. The aid giving community must seek ways to create knowledge and institutions that govern the

17 The Schultzian argument about why the Ricardian rent is losing its economic sting, says that "first, the modernization of agriculture has over time transformed raw land into a vastly more productive resource than it was in its natural state, and second, agricultural research has provided substitutes for cropland." (Schultz 1979, pg.4)

alternative flourishing of agriculture, where some of the fundamentals of neo-classical factors of production (labour and capital), of economic growth and externalities are no longer relevant. The state, both the Union and select State Governments are making an attempt to scale up; attempts include a scheme for traditional agriculture (PKVY), the community managed natural farming in AP (CMNF), a national millets mission, new guidelines for landscape based bio-economic watersheds (without concrete and external inputs/infrastructure), a massive programme by NABARD to support agroecological transitions in the watersheds they invested in, and a donor funded international research centre for natural farming/agroecology is underway. But there are key crises here.

The inability of the state to step out of the heavily subsidized supply syndrome, the lack of decentralized political alignments and processes that can make public investments at scale to support the much acclaimed knowledge of the local farming communities, and the articulation of norm making and norm changing capacities of communities, demand attention from international donors and development aid. The international institutional legacy of scientific agriculture during colonial and post-independence periods structurally reinforced in the 1960s and 1970s in the green revolution period (Baranski 2015; Hazell and Ramasamy 2002; Raina 2016), is certainly history. Development aid can lead the change; the transition to sustainable agriculture in a post-growth economy by making long-term lasting investments in knowledge and institutional architecture. The language and framing of aid should not be to contribute to economic growth but to create rural work and a range of substantive exchanges (commons, agriculture,

livestock, forests based or crafts based livelihoods, manufacturing) valued for their commodity (joint products of outputs and waste) production and their contribution to healthy social and environmental systems.

There are thousands of experiments in agrarian alternatives in India, despite little support from the state. Development aid however small has to step up investments in sustainable agriculture in a post-growth institutional framework in developing countries, and show the aid givers that decolonization at home (in donor countries) is important to rid aid of self-interest and market based solutions in the larger global political economy marked by common environmental challenges, economic and social risks, and increasing mutual dependence.

The intellectual hegemony and logic of the market, of laissez faire as a desirable politically neutral normative idea governing the economy was built up over 200 years¹⁸. Development economics thinking about agricultural modernization and structural transformation leading to economic growth in the newly independent countries of the mid-twentieth century was compressed to about 30 years by development aid. Aid was key to establishing fertilizer, pesticide and other chemical industries, capital investments and designs for dams, groundwater and other irrigation technologies, and most importantly investing in people (scientific and bureaucratic personnel) who were to generate technologies for and design incentives for poor yet rational farmers, so as to enable labour productivity, structural transformation and economic growth. Development aid to support alternatives in agriculture and build farmers capacities for climate smart agriculture does exist;

18 The creation of the mental model and the logic of laissez faire has parallels with the creation of the goal of perpetual economic growth, theories, conceptual and measurement tools in development economics (see; Viner 1960; Rosenberg 1963; Haan 2020). There were multiple variants in our understandings of and political acceptance of freedoms, roles of the state and public goods, essential security and other provisioning, modes of private action (mainly entrepreneurship) and of collective action, just as there were of the diversity of crop-livestock systems, modes of production and work (family farming and wage/paid work), defensive and offensive research (in crop and animal breeding), the purposes and organization of agricultural production and consumption, agro-ecological production systems and relations between agriculture and the economy.

but these remain miniscule project mode support. What is needed is the long term strategic support that creates new institutions or norms to ensure a “sustainability and justice” temperament in aid giving and receiving countries: an assignment that Borlaug was given in the 1960s to change the Latin American and Asian temperaments and launch the green revolution.

The practical options and theoretical implications highlighted by agriculture in a post-growth economy, help us reimagine development cooperation in a global post-growth scenario. Here, development aid shifts from its prevalent ‘unreciprocated’ (negative) power relationship to a ‘reciprocated’ or balanced power relationship of exchange between reasonably friendly and equal nation states (Hattori 2020). That a post-growth global economy needs a clear understanding of the planetary and humanitarian stakes involved, is perhaps evident in the literature. In placing agriculture at the heart of the debate and options for a sustainable, equitable and just world, this chapter highlights how development aid that is agreed upon between donor elites and recipient elites in two/several countries has little concern for agriculture which is theoretically foreordained to diminish and dwindle in its share of GVA in the economy and in the workforce.

Donor communities, ordinary citizens in Europe and the USA in particular, have to understand that the biophysical basis of agriculture (and of all economic activities), the physical trade balance between the donor and recipient nations that does end up hurting the poor and vulnerable people, and the emergent properties and agency that nature has (some of which are part of local learning systems that value social memory and ecological knowledge), are not minor issues that can be addressed through more aid- financial or technological, and the participation of the poor/ the communities affected in appropriate decision making forums or markets. The reason why aid worsens rural and agrarian problems has a strong theoretical backing; it is not just about aid that ‘perpetuates poverty and promotes the political

survival of leaders.’ (de Mesquita and Smith 2009, pg 310). The effectiveness of development aid has been discussed, analysed and solutions proposed for a few decades now. While the template for evaluating the contributions of aid in developing countries has changed over the decades (from Chenery and Strout 1966 to Cassen and Associates 1986 and Lipton and Teye 1990 and Leishout et al in 2021), the economist’s framework of growth and contributions of aid to growth has not. Even with shifting focus on the effectiveness of development aid, moving beyond growth to questions of equity and sustainability, economic growth remains the backdrop, against which aid receiving nations and their economies are to make their policy decisions or receive aid specifically tailored to sustainable and equitable outcomes. The institutions of sustainability and post-growth mental models and practice in agriculture which look beyond economic growth, suggest options for macro-economic planning and investment decision making, domestically and internationally. That there are alternatives in India (Tagore, Gandhi and Kumarappa, and DDS, ASHA Kisan Swaraj, the RRA Network, the NCNF), and in Tanzania and Nigeria and Mexico (recall Nyerere, Omo-Fadaka and Stavenhagen), is enough to invest in institutional learning and change.

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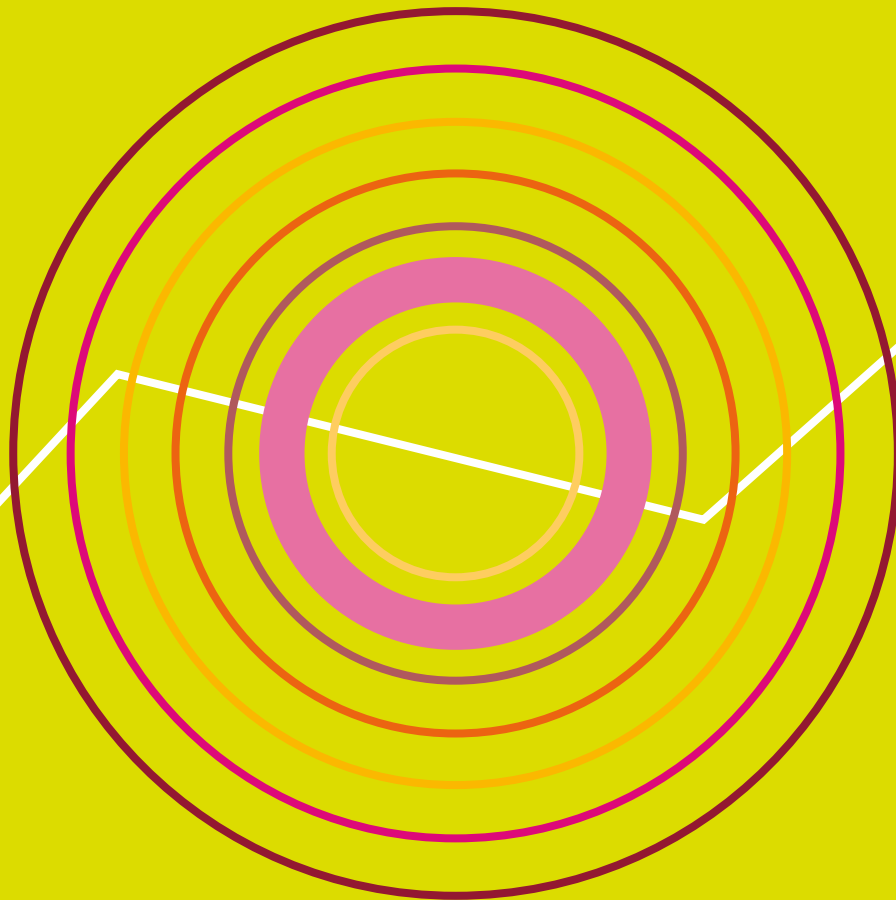
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6



ECONOMY FOR THE COMMON
GOOD: A HOLISTIC MODEL FOR
SUSTAINABLE DEVELOPMENT
COOPERATION AND AID

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Chapter 6

Economy for the Common Good: a holistic model for sustainable development

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There is a growing insight in the scientific community that most of the burning problems of our times cannot be resolved with the existing economic model. Nevertheless, when it comes to alternatives, only few comprehensive models are at hand. Some models focus on one core value neglected by the current model, such as the Blue Economy (Pauli), or on one principle connected to a core value, like the circular economy or the degrowth approach. Other concepts focus on economic structures beyond markets, such as the commons, or on financial markets, e. g. local currencies. Furthermore, a lot of initiatives focus mainly on businesses such as the social and solidary economy or the B Corps movement, or on sustainable finance, without questioning the current system per se. The Economy for the Common Good offers a holistic rethinking of 'economy', a corresponding model of economic policy, composed of 20 core elements, and with strong linkages to economic science and practice. The holistic ECG model includes:

1. a definition of 'economy' (different from most leading textbooks)
2. a clarification of goals and means
3. a consistent methodology of success measurement on the macro, meso, and micro level
4. a self-reflective inclusion of all 'stages' of the economy: markets, commons, public services and households (a characteristic shared with the Doughnut model)
5. an elaborated approach to property, presenting a broad range of property types, conferring constitutional boundaries and conditions to all types
6. a clear concept for the limitation of inequality (and power concentration) in income, private wealth, inheritance and the size of corporations which is not static but based on the design principle of 'negative' or balancing feedback mechanisms
7. a notion of money as a 'public good' for the instrumentalization of both, the monetary system and financial markets for the greater good;
8. an 'ethical trade order' which constitutes an alternative to free trade and protectionism;
9. ecological human rights' as the possibly most effective answer to the overconsumption of biophysical resources, conferring each and every human having the same right to enjoy the fruits of the planet;
10. a proposal to further develop, deepen and strengthen liberal democracies, involving the citizens more actively in relevant political decisions and giving them more power than they have today; this 'twin concept' of the ECG model on the procedural level is called 'sovereign democracy'. Characteristically for the flexible overall approach of the ECG model, it can be implemented with or without progress toward the desired more participatory and direct democracy. The model itself was welcomed by the European Economic and Social Committee and recommended for implementation (European Economic and Social Committee 2015).

On the basis of the theoretical and procedural proposals, the ECG movement is a strongly vivid movement, borne by some 5.000 actively involved citizens, entrepreneurs, bankers, consultants, auditors, speakers, scientists, and teachers. Together, they have developed almost a dozen of 'real-life prototypes' that are applied by companies, cities, schools, universities, and other organizations. These practical tools range from the common good balance sheet (a sustainability reporting framework) to the Ecogood Business Canvas for start-ups to the Common Good Current Account or the Common Good Index for regions in transition towards broad and deep sustainability. The prototypes will be introduced after the theory section.

Finally, a short outlook of potential benefits for low-income countries and international cooperation is presented in the third section. Let's start with the model:

1. DEFINITION OF 'ECONOMY'

Interestingly, economic textbooks hardly contain a clear definition of the object of study. But, if we don't know what 'economy' means, how can we study it? How can we evaluate its success? How can we measure 'economic growth'? A trio of authors of the ECG movement proposes in a contribution to a scientific journal the following definition for economy and economics: "the science of the satisfaction of the needs of living and future human generations, in alignment with democratic values and ecological planetary boundaries" (Dolderer/Felber/Teitscheid 2021: 7). Certainly, this is just a possible point of departure and needs a lot of contextualization and further debate. But it provides a base for the discussion of the potential objectives of the economy and, especially economic policy; as well as for economic success measurement on all levels.

2. GOALS AND VALUES

The wellbeing of the members of the household ('oikos') was the original goal of the Greek 'oikonomia'. Aristotle differentiated this eponymous concept of the modern word 'economy' from its opposite 'chrematistiké', which was characterized by turning the means money and capital into ends. Whereas chrematistiké can be translated into modern language with capitalism, oikonomia was by definition a wellbeing economy or, in other terms, an economy for the common good. The common was not the exception in the history of thought, but the rule. Claus Dierksmeier concludes: "From Aristotle via Thomas Aquinas, up to and including Adam Smith, there was a consensus that both economic theory and practice needed to be *legitimated* as well as *limited* by a certain overarching goal (Greek: telos) such as the "common good" (Dierksmeier 2016: 35). Whereas economics as a science, took a different route with the upcoming of the neoclassical school since the 1870s until today, the constitutions of democratic nations still contain the common good imperative for the economy. For instance, the Bavarian Constitution says: "The economic activity in its entirety serves the common good." (Art. 151). The Constitution of Columbia states: "Economic activity and private initiative must not be impeded within the limits of the public good"

3. SUCCESS REDEFINED: COMMON GOOD PRODUCT AND BALANCE SHEET

The dominant economic system measures economic success strictly according to such monetary indicators as Gross Domestic Product (GDP) and profit instead of applying indicators that measure the increase of the common good. In an Economy for the Common Good, success would be redefined and realigned with earlier conceptions of "oikonomia" and contemporary constitutions, i.e. with the contribution of economic activity to the common good / general welfare / well-being of the society.

At the level of the national economy, a Common Good Product (CGP) could indicate a country's

success in meeting democratically defined goals that are aligned with universal values. The ECG movement suggests that the Common Good Product should be defined by the sovereign citizens. Perhaps in local assemblies, citizens would identify the twenty most relevant aspects of quality of life and well-being and convert them to a measurable and comparable indicator that tells us much more than the GDP. Alternative metrics to GDP emerge all around, from the “Happy Planet Index” to the “Better Life Index” (OECD), the “Gross National Happiness” (Bhutan) or the 17 Sustainable Development Goals (UN) (Hoekstra 2022).

On the microlevel, the Common Good Balance Sheet shows how much a company contributes to the common good. Once, the Common Good Product has been composed and anchored in constitutions, the CGBS would simply measure, how much an organization contributes to the 20 sub-goals. As no CGP exists up to date – only preparatory processes have started in several countries – the ECG movement has developed a pragmatic pre-version on the base of key constitutional values: The existing Common Good Balance Sheet, which has been applied by almost 1000 organizations internationally (ECOGOOD 2022a), measures, to which degree these economic entities factually live human dignity, solidarity, justice, sustainability, and democracy. Reporting questions include, for instance:

- › Do products and services satisfy human needs?
- › How humane are working conditions?
- › How environmentally friendly are production processes?
- › How ethical is the sales and purchasing policy?
- › How are profits distributed?
- › How diverse is the workforce and do they receive equal pay for equal work?
- › How involved are stakeholders in core strategic decision-making?

Alongside these questions, businesses produce a Common Good Report which is examined by independent auditors; the quantified and comparable outcome is published. For a maximum of 1,000 points to be possible, it would mean a world living in peace with no poverty or unemployment, a clean environment, equality, and engaged and motivated workers: society’s ethical goals would be accomplished. To avoid greenwashing, negative aspects, such as violations of human rights, profit-shifting in tax havens, direct environmental destruction or untransparent lobbying against the common good, lead to the deduction of points, down to a minimum of minus 3,600 points.

The core of the proposal is to reward companies with high balance sheet scores with tax benefits, lower tariffs, better terms on loans, and priority in public procurement. These measures would make ethical and environmentally friendly products and services cheaper than ethically questionable ones, instead of suffering a competitive disadvantage due to higher costs and prices, as this is the case today. As a consequence, responsible businesses would have a market advantage, whereas externalising can finally lead to insolvency: After the transition phase, only comprehensively ethically responsible investments and businesses would be profitable. The “system error” of capitalistic market economies would be fixed.

In Spain, Italy, Germany, and Austria, some cities and state legislatures already accord preferential treatment and grants to common good-oriented companies. The city of Portland, Oregon, charges higher taxes on companies if the CEO’s pay is greater than 100 times the median pay of all employees, and an extra 25 per cent if the ratio exceeds 250 times (Morgenson 2016).

CHART 1: COMMON GOOD MATRIX FOR COMPANIES (ECG MOVEMENT)

VALUE	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
STAKEHOLDER				
A: Suppliers	A1 Human dignity in the supply chain	A2 Solidarity and social justice in the supply chain	A3 Environmental sustainability in the supply chain	A4 Transparency and co-determination in the supply chain
B: Owners, equity- and financial service providers	B1 Ethical position in relation to financial resources	B2 Social position in relation to financial resources	B3 Use of funds in relation to the environment	B4 Ownership and co-determination
C: Employees	C1 Human dignity in the workplace and working environment	C2 Self-determined working arrangements	C3 Environmentally friendly behaviour of staff	C4 Co-determination and transparency within the organisation
D: Customers and business partners	D1 Ethical customer relations	D2 Cooperation and solidarity with other companies	D3 impact on the environment of the use and disposal of products and services	D4 Customer participation and product transparency
E: Social environment	E1 Purpose of products and services and their effects on society	E2 Contribution to the community	E3 Reduction of environmental impact	E4 Social co-determination and transparency

A similar effect could be achieved in the financial sector: Ahead of the financial risk assessment, every finance – credit, equity, bond, and others – has to approve a “common good assessment” (which, through a traditional lens, could also be considered as an “ethical risk assessment”). Only if no fundamental value is damaged – from

dignity to solidarity to sustainability—and no common good expropriated—trust, clean air, and water, democracy, and peace – the financial assessment is done as well. Finance conditions will be more favorable, the more the underlying project contributes positively to the (now measurable!) common good (Sieben 2022).

4. REORIENTING PROFIT

Profits, like money or capital returns, are economic means. How a company uses its profits should be transparent and limited in scope. Society regulates business and individual activity in a multitude of ways, from speed limits on highways to safety regulations in manufacturing industries. The use of profits should be no exception. A company should be free to use its profits for investments in the business; reserves for future losses; dividend payouts to employees; or solidary loans to other businesses. A company's use of financial surpluses should be restricted for other activities, such as: investments in financial services; dividend payouts to proprietors and shareholders who do not work in the company. Finally, some practices could be outlawed, including: Hostile takeovers and mergers; Donations to political parties or political action committees. Reorienting profits encourages businesses to contribute more to society and the environment. Businesses would no longer fear failure if they did not increase shareholder value. The compulsion to grow and continuously gain more market share would also disappear, freeing businesses to determine their optimal size and focus on producing great products and services. Private companies and entrepreneurship would have their place, but they need to be reoriented to serve the public good and further human rights, human dignity, social cohesion, sustainability, and democracy. The result is a market economy in which capital accumulation is not the driving force.

5. FROM "COUNTERPETITION" TO COOPERATION

One cornerstone of the capitalist market economy is the concept that competition drives business. Riksbank Prize (Felber 2019a: 165-175 and 2019c) laureate Friedrich August von Hayek wrote that competition is "in most circumstances the most efficient method known" (Hayek 2005: 45). This widely held belief has yet to be scientifically proven, but research has shown that cooperation outperforms competition in motivating workers, the key to innovation and efficiency. Competition does, of course, motivate

people, as proven by capitalism. But where one person succeeds only if another person fails, the main motivation is the fear that permeates market capitalism. Millions fear losing their jobs, their incomes, their social status, and their places in the community. *Why encourage this state of mind and affairs?* More philosophically, competition elicits delight in outshining others. But the purpose of our actions and work should not be besting others but, rather, performing our tasks well, enjoying our work, and seeing that it is helpful and valuable. Feeling better because others are worse off is considered as pathological in psychology (Kohn 1992). The word competition is derived from the Latin concept of searching together (cum+petere). Economics for Common Good fosters true competition according to its original meaning of working together. Competition would not disappear. But its darker side would show up in a company's Common Good Balance Sheet (CGBS). Aggressive behaviour against competitors, such as hostile takeovers, price dumping, advertising via mass media, or enclosure of intellectual property, would earn companies low marks on their ethical scorecard and inhibit market success. Conversely, treating customers well or sharing know-how, resources, and the means of production openly with competitors raise business's common good score. The current win-lose paradigm gives way to a win-win paradigm if enterprises were rewarded for cooperation.

TABLE 1: FROM “COUNTER-PETITION” TO “COM-PETITION” = COOPERATION

ACTIVE DAMAGING OF CO-COMPANIES	OMISSION OF HELP AND COOPERATION	COOPERATION ON THE INDIVIDUAL LEVEL	COOPERATION ON THE SYSTEMIC LEVEL
Price dumping	Non-disclosure of relevant information	liquidity compensation, interest free loans	Open source, Creative Commons licences
Blocking patents	Incomplete information to consumers	Forward of orders	Participation in branch table for crisis resolution
Hostile takeover	Retention of remanent resources	Forward of labour force	Definition and aspiration of „appropriate size“
Advertising through mass media	Retention of unused means of production	Support with Know-how	Participation in egalitarian product information system
Strategic lawsuits	Non-sharing of free labour force	Joint R & D	Participation in rescue fund
-- BAD RESULT OF CGBS	- POOR RESULT OF CGBS	+ GOOD RESULT OF CGBS	++ EXCELLENT RESULT OF CGBS

The theory of evolution informs us, not all species grow endlessly. On the contrary, most living organisms, after an initial, and necessary, period of growth, find their “optimum size” (Schumacher 2019) which they keep until they die. Besides that, biologists and ecologists, after focusing on competition for centuries, have discovered that cooperation is the more fundamental pattern; even trees are feeding each other across species borders within complex symbiosis. In the words of Martin Nowak, the Harvard mathematician and biologist, “cooperation is the chief architect of evolution” (Nowak 2012).

In the current system, cooperation is negatively connoted as it can be used as a means to build cartels and monopolies and to maximize profits at the cost of the whole. To avoid such systemic failure, a strong antitrust regulation is also needed in an ECG. But in the latter, cooperation would principally turn into a means to increase jointly the common good, as this primary goal is measured in the individual CGBS. Companies would meet rewarded for disclosing information, sharing resources, helping each other, and finding their optimal size—to serve best the people, society and the planet—, rather than growing endlessly. The network of structural cooperation will be characterized by “Live and let live” rather than “dog-eats-dog-competition” (Margulis/ Sagan 2000).

6. PLURALITY OF PROPERTY TYPES

Socialist economic theories value public and collective property highly while capitalism makes private property the supreme form of property. The Economy for the Common Good doesn't rank property types, but aims (through limits and conditions) to prevent the excessive concentration of private property, the abuse of public property and the dominance of any property type. Governments work for the common good by providing such basic infrastructure as water, energy, and transportation or health services and education, but the production of, say, furniture, clothes, or food might be best left to private companies provided that their size is regulated, their common good balance sheets are compulsory, and inheritance is limited.

The commons, another form of property, should be protected by law as strictly as private property. Collectively-owned companies are controlled by their stakeholders, that is the workers, customers, and suppliers, not by the outside investors. One important exception to property rights involves nature. To respect our origins and our fertile earth, Economy for the Common Good proposes, apart from areas of strict protection, the limited and conditional use of nature and an end to commercial ownership rights. This approach would prevent land grabbing, real estate speculation, intellectual property rights on living organisms, and such resource degradation as massive deforestation, erosion, the lowering of groundwater tables, or nitrification.

TABLE 2: TYPES OF PROPERTY, FIELDS OF APPLICATION, LIMITS & CONDITIONS

TYPE OF PROPERTY	PUBLIC PROPERTY	PRIVATE PROPERTY	COLLECTIVE PROPERTY	COMMUNITY PROPERTY	USAGE RIGHTS (NOT PROPERTY)	PROTECTION OF NATURE (NO USE)
FIELD OF APPLICATION	Schools, theatres, central banks, money	Bicycle, home, company	Large production facilities	Meadows, fisheries, seeds, software	Water, energy, land	Areas of regeneration and reproduction of species
EXAMPLES	Infra-structure	Consumer goods	Basic goods	Commons	Nature	Protection areas
LIMITS & CONDITIONS	Privatization with consent of the public	Size limit, common good balance sheet	Common Good balance sheet	Legal framework for commons	Use enters in Ecological human rights	Rights of Nature; intrinsic value of Nature

These reflections and proposals and the property typology in the table are rooted in the idea that all property and property rights must serve such higher values as social justice and the common good.

7. INCOME AND WEALTH EQUALITY

The public health expert Richard Wilkinson and his team showed on a broad range of factors how equality in society is directly correlated to a better quality of life for all (Wilkinson/Pickett 2010). In many countries, a large majority of the citizens would support a lower degree of inequality. A Financial Times survey and Harris Poll found that 78 percent of US respondents felt that inequality had increased too much. In the UK, it was 79%, in China 80%, and in Germany 87% (Thornhill 2008). A linchpin of Economics for the Common Good is, therefore, limiting inequality. Limits could be placed on income, property, inheritance, or company size. To determine how to set boundaries, the international Economics for the Common Good movement uses systemic consensus. This effective variant of consensus decision-making measures resistance to a proposal within a committee or larger group. Such “rehearsals” of democratic rights can help usher in the “sovereign democracy” discussed below. In systemic consensus, the first step is presenting all proposals to a committee or group and then measuring opposition or aversion by a vote. Arms down means no aversion or resistance. One arm up signals some opposition. Both arms up is an unambiguous “no” vote. The proposal with the least opposition wins. ECG speakers have tried this voting method with about 50,000 citizens from Sweden to Chile. On the issue of limiting inequality and capping income levels within a company, participants proposed various maximum incomes - three, five, seven, ten, twelve, fifteen, twenty, fifty or 100 times higher than the lowest paid worker. Usually, a factor of ten was the most popular. The extremes of unlimited inequality as well as full equality frequently meet with strong resistance. In Austria, top executives are paid 1,150 times as much as the lowest-paid workers. In Germany, it's 6,000 times more, and in the US some top executives are paid an incredible 350,000 times more. (The best-paid hedge fund manager in 2010, John Paulson, earned US\$ 5 billion, according to Ahmed/Creswell 2011. This multiplied the federal minimum wage on a yearly

base about 350.000 times.) In the ECG, minimum wage and maximum income are legal limits while everything in between can be negotiated in a free market.

Apart from these limits against excessive inequality, additional measures such as higher and more progressive capital income taxes, financial transaction tax, and progressive wealth taxes would complete the picture of stronger social cohesion and more moderate inequalities. On the global scale, a tax of 1 or 2 percent on the wealth of High Net Worth Individuals (HNWI) would bring in a handsome USD 0.8 trillion to 1.6 trillion. That would be exactly the amount needed to fully finance the SDGs (Oxfam International/Development Finance International 2015: 30). A tax of 1 to 2 percent on HNWI assets is by far less than what these assets used to grow per year over the last decades. Their number has increased from 6 million in 1996 (the first recorded year) to 20.8 million in 2020, and their combined wealth from USD 15.1 trillion in 1995 to a fabulous USD 80 trillion in 2020 (Capgemini 1997: 2–3 and 2021: 6–7).

8. MONEY AS A PUBLIC GOOD

Just as business needs to view profits as the means and the common good as the end, priorities need to change in the realm of money and finances. Money should also only be a means to reach a higher goal. Making money a public good means first and foremost that sovereign citizens set the rules of the monetary system. In democratically organized assemblies, the people could define the new monetary and financial system. Its guiding principles would include the following:

- › The central bank is a public institution whose organs are composed by all relevant stakeholders of society;
- › The monetary policy mandate and the objectives are determined by voters;
- › Only the central bank can issue money; private banks are simply intermediaries of “sovereign” money;

- › The people decide where new money goes, whether to government to alleviate public expenditures or directly to citizens. This is referred to as “sovereignage” (Felber 2016/2020);
- › The commercial banks’ goal should be to serve the public’s interests and not to distribute profits to owners;
- › Loans can be granted only for investments in the real economy that do not harm the public good, but not for leveraging investments on the financial markets;
- › Loan requests will be assessed not only according to financial risks but, more importantly, according to their ethical risks, which is: their common-good creditworthiness

Consequently, the loan plan’s impacts on a community, the environment, and working conditions will come to light, and banks won’t lend unless the business or individual is ethically, and not just financially, creditworthy and can prove that the loan will not harm the common good. Borrowing costs go down when the ethical value of an investment programme goes up, and borrowers reap rewards for proving that their project will benefit the public good and the environment. As a consequence, regionally oriented not-for-profit banks and cooperatives would make the stage in a Common Good Economy.

9. SOVEREIGN DEMOCRACY

Some of these proposals might seem unrealistic, not considering what the citizens would support and vote for, but looking at the current decisions of governments and parliaments, many argue that democracy in Western countries is failing.

The English political scientist Colin Crouch describes today’s democracy as “post democracy.” But don’t we actually live in “pre-democracy”, since a true form of democracy has never existed?

In a true democracy, the sovereign people would be the highest authority and hold the ultimate power, standing above the legislature, the government, every international treaty, and every law. Sovereign citizens could directly modify the constitution, laws, economy, and institutions if they had “sovereign rights” to:

1. Draft a constitution (elect a constitutional convention and vote on the results);
2. Change the constitution;
3. Elect a government;
4. Vote out a government;
5. Correct legislative decisions;
6. Directly put bills to vote;
7. Directly control and regulate essential utilities;
8. Issue money;
9. Define the framework for negotiating international treaties and vote on the results of negotiations.

For three reasons, the right to draft a constitution matters most. First, the ultimate democratic document should be written only by the highest authority, the people. Second, we must avoid the danger of indirect representatives awarding themselves additional powers and stripping people of their sovereign rights. Third, the people could build fundamental cornerstones and guidelines for the economy and democratic institutions directly into the constitution. Given the constitution’s preeminence, people would create the constitution and legislative bodies, the laws embodying it.

The case of Chile reveals what is possible: A constitutional assembly was directly elected and composed by 50 percent women and 11 percent representatives of indigenous communities. Their draft constitution will be submitted to referendum in autumn 2022 and, if accepted, replace the existing constitution that stems from the dictatorship of Augusto Pinochet in the 1980s. To practice the right to draft and amend the constitution, a constitutional or “sovereign assembly” can be organized in any region or city as an innovative democratic tool. Sovereign assemblies could focus on fundamental questions since legislatures would handle legal implementation and details. Such questions could include:

- › Do we want “chrematistike” or “oikonomia”, an economy for profits or an economy for the common good?
- › Should the central benchmark of economic policy be GDP or a Wellbeing or Common Good Product?

- › Should money as a means of payment be issued by central banks or by private banks?
- › Should banks too big to fail be allowed to exist, or should companies and banks meet a size limit to avoid power concentration and systemic instability?

One concrete example: Most people seem to prefer a Common Good Product to the GDP. In a representative survey ordered by Germany's Federal Ministry of Environment, only 18 per-

cent of Germans wanted the GDP to remain the main benchmark for economic and social policy if all things equal; almost two-thirds preferred a more comprehensive life-quality indicator (Bundesministerium für Umwelt, Naturschutz, Bau und Reaktorsicherheit/Umweltbundesamt 2015: 22 and 35). Exercising their sovereign rights, the people could make a big difference.

II. Scalable real-life prototypes

Since its origin in 2010, the international ECG movement has created a growing array of practical tools that are applied by companies, start-ups, banks, cities, regions, schools, and universities. Any one of these “real-life prototypes” can be scaled up, refined, further developed and adapted to any partner country in international cooperation, according to its specific characteristics and needs.

A. COMPANIES

Some 3,000 businesses from fifty nations have joined the movement, and almost 1,000 of them have implemented the Common Good Balance Sheet. The firms come from all branches: agriculture, food, tourism, manufacturers, service providers of all kinds, or banks. A bakery gathers the whole supply chain around a table: corn farmers, daily clients, employees, owners, and creditors. Every year, he asks the farmers: *What price do you need this year to have a good life?* The answer hasn't been challenged in a single year. Another organic bakery is currently keeping, in a joint effort with farmers and millers, bread prices stable in order to not overburden the budget of low-income families. A brewery decided to source everything from within a perimeter of 100 kilometers. A furniture manufacturer became aware—thanks to an indicator of the CGBS—that the staff was flying twice around the globe, although they thought that everyone travelled by train. As a consequence, they cut down the flight budget to zero and invested in videoconference infrastructure. The

health insurer Pro Vita from Bavaria was awarded the Global Challenge Award at the COP24 in Poland for encouraging its clients to eat less meat. In a hotel in Italy, the employees developed the tip system. Several medium-size family-owned businesses have changed the legal form into a foundation or a cooperative, in order to distribute property, risk, and responsibility more widely. Typically, pioneer companies collaborate with each other, and they scan their supply chain on ethical standards, inform the suppliers, challenge or change them. Doing the CGBS together with local partners would be a first step of developing local capacities in common good accounting and decision-making. A credible common good performance of development interventions would further enhance accountability to the ‘critical public’ in the local context as well as to taxpayers in donor countries.

B. START-UPS

As new companies cannot report over a business period in the past, the ECG movement has also developed an ECG Business Canvas for start-ups (ECOGOOD 2022b). This tool helps them to ask essential ethical questions, to find a meaningful purpose and embed them empathetically in the sustainable society. One idea is that cities give a grant to impact hubs on the condition that new start-ups either apply the ECG Business Canvas or a similar tool.

C. CITIES

More and more municipalities are joining the movement and either apply the CGBS on the whole administration, like Mertzig (Luxembourg), Eschlikon (Switzerland), Mäder (Austria), Steinheim (Germany) or the district Horta de Guinardò of Barcelona (Spain) (ECOGOOD 2022c). Other cities and local governments decide the CGBS to be applied in public companies, e. g. Zaragoza, Stuttgart, Marburg, Münster, or Hamburg. Similar to businesses, cities aim at improving the working conditions, shortening their supply chains, shifting to green finance, and involving the citizens in political decisions. Some cities are searching for ways to use ECG indicators and values in public procurement and economic promotion decisions. For that, it is helpful that a sustainability reporting tool offers a comparable score.

D. REGIONS

Fueled by a peer group of pioneer companies, amongst them a pharmacy, and a private foundation (“Gemeinwohl-Ökonomie-Stiftung Nordrhein-Westfalen”), a growing number of local actors want the region of Höxter to become the first “common good region” in the world. Activities unfold with cities, companies, banks, and universities. The region of Valencia, Spain passed a law to promote the model, and is currently creating a public register for audited companies.

E. COMMON GOOD INDEX

The first regions and cities are now heading for developing a regional/local Common Good Index (CGI). The ECG movement developed a participatory process that allows citizens to design the CGI directly. A convention could be composed randomly, but representatively according to age, sex, professions, income groups and migration background. Convention members could collect their own proposals plus those from the population (through liquid democracy) and filter out the sub-goals that enjoy the strongest support. These 20 “finalists” would be included in the future CGI. Operationalized with indicators, the CGI’s progress can be measured

from year to year and be compared between regions. First steps towards a CGI have been taken in Guarroñan and Salamanca (Spain), Kirchanschöring (Bavaria), in one district of the city of Münster; and in the region Wendland in Niedersachsen (Northern Germany). Development cooperation can help set up such participatory processes anywhere in the Global North and South.

F. SCHOOLS

The “education hub” within the movement has developed didactic material to include the ECG model in economics, sociology, geography, ethics, and political education. More than 200 schools have invited the instructors to practical workshops and talks. Currently, a curriculum for schools is developed. Furthermore, some schools have done the CGBS.

G. UNIVERSITIES

The Universities of Flensburg and Kiel in Germany have concluded a three-year research project on implementing the Common Good Balance Sheet in large corporations; three companies listed on the German stock exchange (DAX) participated (Heidbrink et al. 2018). The University of Valencia in Spain established an ECG Chair in 2017 and concluded a first empirical study on 206 companies with a Common Good Balance Sheet (CGBS). The result is that the CGBS has a positive impact both on the ethical and financial performance of pioneer companies (Sanchis/Campos/Ejarque 2019). Many university teachers have integrated the model into their classes. The Technical University of Applied Sciences of Nuremberg (Bauer 2021) and the University of Applied Sciences of Burgenland have done a CGBS, the latter offers an MA Angewandte Gemeinwohl-Ökonomie (Master in Applied Economics for the Common Good) (AIM 2022). The University of Córdoba in Argentina has launched a three month course “PINE” to introduce alternative economic models to a broader audience (Universidad Nacional de Córdoba 2022). Any university can offer a course, a study, or establish a chair for sustainable economic models.

H. BANKS

Any bank can open up a “Common Good Center” with common good accounts (current account, savings account, business account, student’s account) and ethical loans on the other side of their balance sheet. The Vienna-based

Genossenschaft für Gemeinwohl “Cooperative for the Common Good” is up to helping interested banks to make their first steps into Common Good Banking.

III. Recommendations for international (development) cooperation

Some elements of the ECG model, value system, and democratic procedures could be used for more equitable, just, and sustainable international relations and cooperation. Low-income countries could benefit in diverse ways from a related paradigm shift. ECG is driven by and promotes a post-anthropocentric, post-eurocentric and post-patriarchal worldview. Some of its philosophical, ethical, and spiritual foundations are inspired by indigenous and other traditions from the Global South.

In recent decades, “development aid”, “development cooperation” and finally “international cooperation” were guided by undefined terms such as “development” or “progress”. GDP was the single most important metric to measure the achievement of these “goals”. A different approach, based on the encounter of different cultures on an equal footing could consist in bringing together professionals and peer groups from partner countries, e. g. organic farms, public service providers, wellbeing economists, responsible business leaders, or philosophers, and invite their respective wisdom into a common pool of tools and skills, such as organic cotton growing (Sekem), the Common Good Balance Sheet (ECG movement), decision-making by systemic consensus or a GNH. The resulting tools could be refined and put at the disposal of appliers from partner countries or for the whole world. The cooperation agencies of partner countries could organize and finance the encounter, the refinement of the tools, and their protection against intellectual property rights through a creative commons license and open-source declaration.

COMMON GOOD PRODUCT

In order to have a both, more precise, and more legitimate target system, the ECG movement proposes that, in a first step, every people, country or culture defines its own notion of the common good, general welfare, collective well-being or “national happiness”.

Bhutan has already coined its own metric, the “Gross National Happiness”. Similarly, every country can “compose” its national measure. Even in a huge nation like India, all citizens could first meet at the local level, to collect possible “components” of the CGP in a first round. Local representatives could meet regionally to repeat the procedure, climbing up to the national level finally. A second option would be that an operable number of citizens, representing all ages, sexes, ethnic and socioeconomic groups as well as regions, are invited by random selection from the residence register. Precedents have worked in diverse countries such as Germany, France, or Austria. The decision-making method of “systemic consensus” could help to provide better results of political decisions.

The final Common Good Product could be composed by 20 subgoals, each of which can be operationalized by e. g. two to five measurable indicators. This makes the result of the CGP comparable in time and space. If the CGP rises, people would have full guarantee that in this year they are either healthier or happier, more solidary or more democratic, more peaceful or more sustainable than last year – according to their own priorities.

The GIZ could use ECG's or develop on its own a replicable prototype of the process that can be applied in any community, region, or country. The ECG movement has developed sufficient material to feed the development of such a prototype. The development of a Common Good Index would empower collectives at all levels to define autonomously what the goals of the economy are and what the economy should be about, rather than taking over a uniform global blueprint (ECOGOOD 2022d).

COMMON GOOD BALANCE SHEET

In an ideal world, the sustainability (wellbeing / common good) reporting duties of companies will be directly derived from the (inter)national CGP – businesses are asked how (much) they contribute to the 20 subgoals of a country's target system ("macrofoundation of microeconomics"). This may happen in the future. Currently, international sustainability reporting standards (ISRS) are in development. The EU is the first jurisdiction that is developing mandatory SRS for major companies. Some widely accepted and applied tools are not considered in this process, such as the Common Good Balance Sheet. Different from the ESRS reporting scheme, the CGBS is based on basic democratic values: dignity, solidarity, justice, sustainability, democracy. The reports are evaluated by an external audit, and the idea is to link positive and negative incentives (public procurement decisions, subsidies, tax rates, finance conditions, or market access) to the score of the sustainability report. Consequently, "relative profitability" (José Luis Samaniego) would shift from free-riders (cost externalizers) to good-doers (benefit externalizers). The fitting CGBS for low-income countries could be developed in the above-mentioned encounter of responsible business leaders from South and North, in conjunction with framework developers (B Corps, Future Fit Foundation, ECG, and others), together with scientists from diverse disciplines who work in this field. Development agencies could catalyze and moderate such encounters.

ETHICAL WORLD TRADE

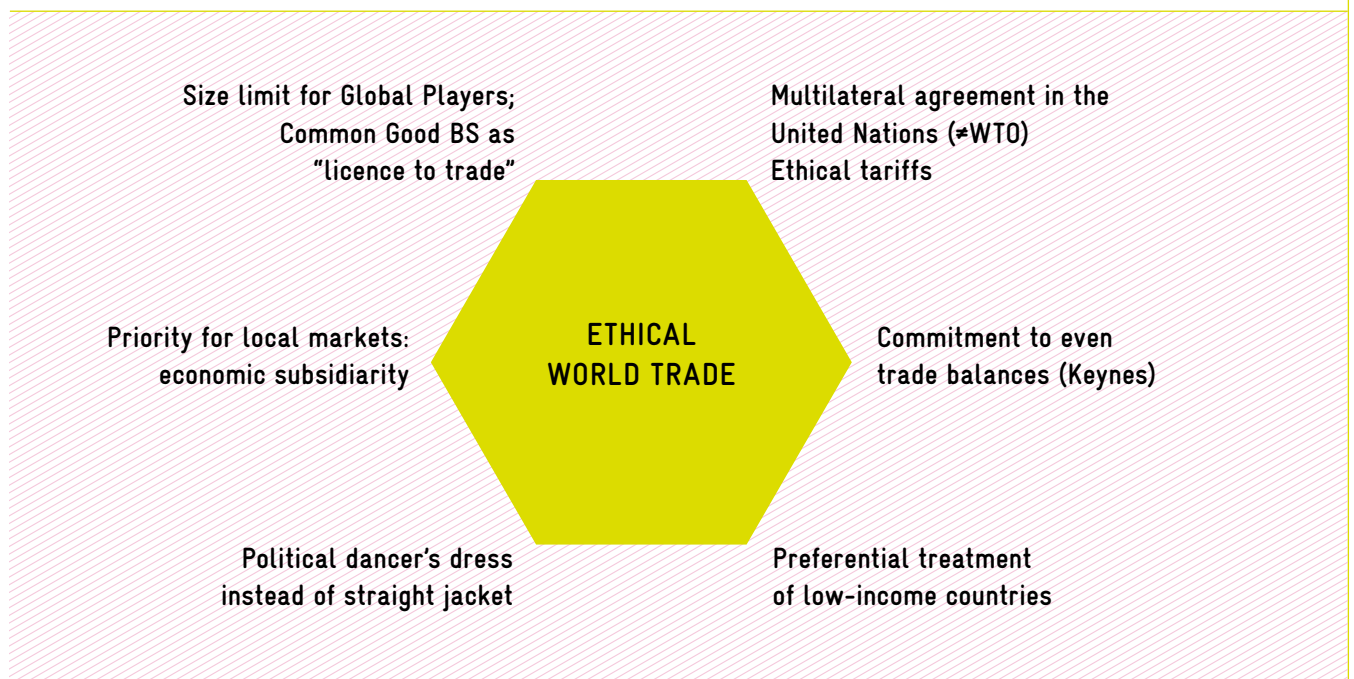
The international dimension of a common good-oriented market economy would be ethical world trade. "Free" trade agreements embody the premise that more trade is always better. Just like money, profits, and growth, trade is embraced as an end in itself. The World Trade Organization (WTO), pluri- and bilateral trade and investment agreements indiscriminately encourage more trade, without (or hardly) judging its impact on other international agreements, global commons and basic values. Yet, trade should simply be a means for furthering the goals: human and labor rights, distributive justice, social cohesion, long-term sustainability, and democracy. Accordingly, the current system of multi-, pluri-, and bilateral free trade agreements is proposed to be replaced by a single multilateral ethical trade zone within the United Nations (UNETZ) (Felber 2019b). Such a UNETZ would be based on four pillars:

1. The overarching umbrella is the commitment to even trade balances, an idea originally pronounced by John Maynard Keynes (1943: 17-63); under this premise, world trade would work for the "universal good of the whole" (David Ricardo) as it would be a systemic win-win-setting by definition; furthermore, all countries could be as open or protected as they wish to be (a truly "free trade order").
2. This new freedom – I call it dancer's dress instead of straitjacket (T. Friedman) – would allow low-income countries to protect sensitive industries and unfold their own industrial, technological and development strategy, as advocated by Cambridge economist Ha-Joon Chang (2003). No country should meet restrictions in making its domestic policy choices. Consequently, poorer countries would enjoy the same opportunities to support their infant industries, which developed countries took advantage of in their history.
3. Low-income countries are allowed for a certain superavit until closing the gap with richer countries. Instead of pulling away the "ladder of development", over which the today industrialized countries climbed in their past with tariffs, subsidies, and other protection

measures (Friedrich List), this ladder would be explicitly put at the service of countries that lag behind.

4. Countries that engage more for peace, human rights, climate stability, biodiversity protection, tax justice, and cultural diversity should trade more freely with each other than with countries that engage less or not at all for these goals. Refusing cooperation in human rights, labour rights, climate protection, or financial regulation, would turn into a structural disadvantage.
5. Likewise, companies that engage more with the values and goals of the international community, published in their comparable SR such as the CGBS should access the ethical trading zone more freely than companies that engage with less ambition. UNETZ would be considered as a global common that offers freer access to more responsible and sustainable businesses.
6. Finally, new elements would be added to the existing global governance architecture: a global fusion control, a Global Tax Authority and a Global Financial Authority (cf. Stiglitz et al. 2009: 96) or a World Court of Human Rights (Kozma/Nowak/Scheinin 2010). An upcoming study on Ethical World Trade proposes a concrete pathway how a United Nations Ethical Trade Zone could be built on the initiative from Fiji, Iceland, New Zealand, Norway, and Costa Rica, which started in 2019 (Felber 2019b: 88f).

CHART 2: ETHICAL WORLD TRADE (FELBER 2019B)



ENVIRONMENT AND ECOLOGICAL HUMAN RIGHTS

The challenge of deep sustainability, especially given climate change and biodiversity loss, is so big that a highly diverse policy mix is needed. Up to date, most policy measures, from carbon taxes to subsidies for renewable energy and organic agriculture, have been relatively ineffectual. More ambitious proposals, like a global resource management within the UN, haven't yet caught on. A radical – and liberal – measure would be creating and allocating per capita consumption budgets designed as ecological human rights. This idea builds on the “doughnut model” developed by the British economist Kate Raworth (2017), which expands upon the “planetary boundaries” concept of the Stockholm Resilience Centre (Rockström et al. 2009: 472–475). Mother Earth's annual gift of natural resources and ecosystem services could be divided by the total number of human beings and allocated as a global per capita resource budget, e. g. 1.6 global hectares in the “unit” of the “ecological footprint” (Global Footprint Network 2022). Each consumer's personal “ecological credit card” would be reloaded annually. Once its balance reaches zero, the ecological purchase power is expired (though, of course, nobody would be allowed to starve or freeze). With this equal ecological right for all, consumers would enjoy freedom of choice so long as their lifestyles do not rob people living in other places and future generations of their sustenance: if they don't endanger the global and intergenerational common good. A two-step model could bring along further advantages.

- a. The per capita consumption right to the extent of the inner circle of the Doughnut becomes an unconditional, non-negotiable and inalienable human right.
- b. The amount between the two circles, the actual doughnut, becomes tradable. Let us assume, 1.3 global hectares are needed for one person to cover all basic needs. The resulting surplus reserve, comprising 0.3 hectares per person, and only that, would become a tradable commodity. Thanks to this mechanism, low-income people who lack the (financial) purchasing power to use up their whole ecological budget might sell what was left to better-off individuals who would have a softer ‘landing’ in their decreasing consumption curve: a global win-win situation.

To introduce and spread such ideas, international cooperation can co-organize multi-actor fora in which the mentioned pool of feasible win-win-prototypes are offered for free use and linked to attractive narratives of change.

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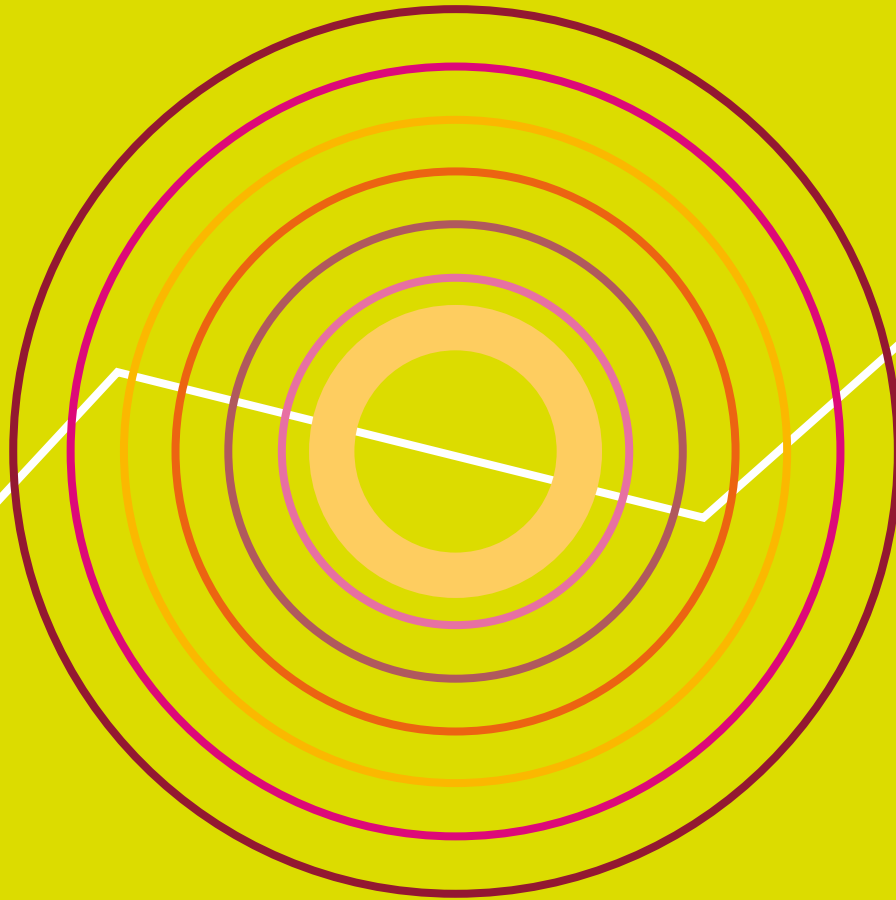
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7



ALTERNATIVE ECONOMIC MODELS
AND DEVELOPMENT COOPERATION:
VIEWS FROM A POSTCOLONIAL AND
POSTDEVELOPMENT PERSPECTIVE

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Chapter 7

Alternative economic models and development cooperation: Views from a Postcolonial and Postdevelopment perspective

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Debates about the finiteness of planetary resources are not new. The term ‘sustainability’ for example, appears as early as 1987 in the so-called Brundtland report published by the ‘World Commission on the Environment and Development’ of the United Nations. The report, headlined ‘Our Common Future’, recognizes the interlinkages of economic growth and environmental disruption, stating that where “economic growth has led to improvements in living standards, it has sometimes been achieved in ways that are globally damaging in the longer term.”

1. Most recently, the Agenda 2030 along with the Sustainable Development Goals (SDGs) has been formulated under the theme of sustainability. Yet, what are pledges for a greener lifestyle really worth if gross overconsumption in the Global North continues and the ‘development’ promise to the Global South persists to be one of endless economic growth?
2. The ongoing COVID-19 pandemic has served as a burning glass for a number of interconnected crises: the planetary crisis, global inequalities, the legacies of colonialism, injustices, poverty, and conflict. While, during the months of lockdowns, many among the privileged have yearned for a return to normality, Arundhati Roy has sharply pinpointed that “nothing could be worse than a return to normality.”

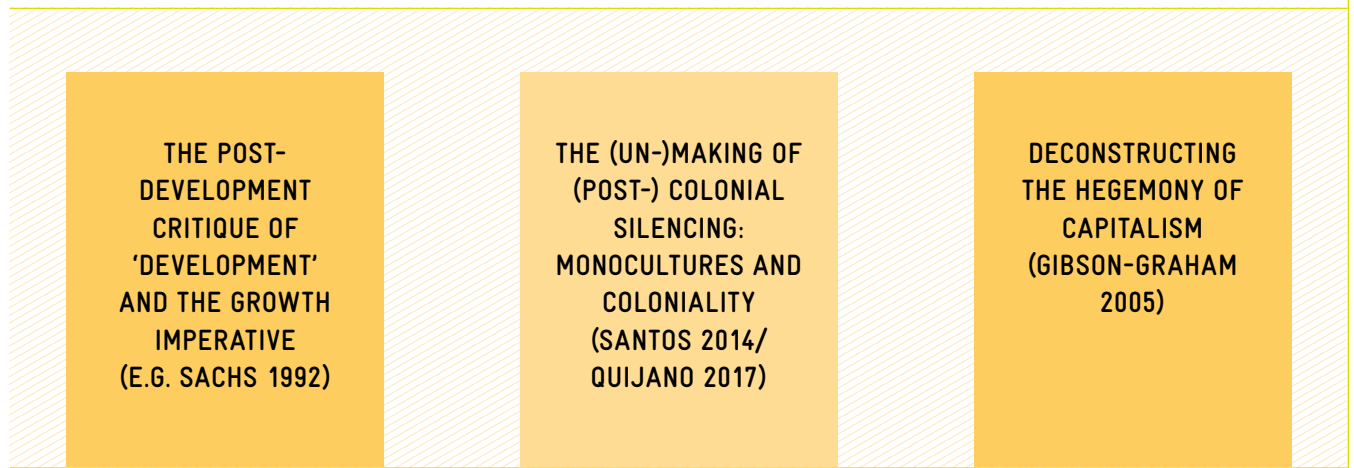
3. In fact, what does ‘normal’ really mean? It encompasses a hyper-capitalist, extractivist and extremely destructive lifestyle that is benefiting few and is unsustainable for all.
4. Central is the primacy of eternal economic growth and consumption subdued to a neoliberal logic. At the same time, it becomes blatantly clear that ‘green growth’ is merely an oxymoron (Hickel 2018). In this context, thinking ‘beyond growth’ and towards other models of economic practices is urgent. I am approaching this from a Postdevelopment and Postcolonial perspective.
5. In this paper I am thinking about three questions especially:
 1. What is a postcolonial perspective on economy and economies?
 2. What examples can be drawn from that practice otherwise than the dominant model?
 3. What does this imply for ‘development’ cooperation?

I will start by sketching some theoretical frames for what I understand as a postcolonial perspective to the study and practice of economy/economies and focus especially on the critique of ‘development’. Then, I will introduce some examples of alternative economic models that are practiced in parts of the world. Finally, I will reflect on the implications these findings may have for the engagements of ‘development’ cooperation.

1) 'DEVELOPMENT' AND THE IMPERATIVES OF ECONOMIC GROWTH: POSTCOLONIAL AND POSTDEVELOPMENT THEORETICAL DEPARTURES

In order to think about alternatives it is important to frame the status quo first. In the following paragraph I will sketch what could be a postcolonial perspective on economy, and, most importantly, why alternatives are needed. The dominant narrative that joins promises of endless

growth, and consumption as the only way to a 'good life', is 'development'. I am leaning on three pillars from which to frame a Postcolonial and Postdevelopment perspective on economic alternatives.



They will be briefly explained below.

THE POSTDEVELOPMENT CRITIQUE OF 'DEVELOPMENT' AND THE GROWTH IMPERATIVE

Many Postdevelopment proponents take US-president Harry Truman's inaugural speech in 1949 as the inception of 'development'. In Point Four of his speech, he calls for a "bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas", essentially describing a programme to develop the "underdeveloped".¹ Capitalist investment and economic growth are key in this logic. This becomes especially clear in Walt Rostow's five stages of economic growth in which he lays out that all societies would move along a scale of 'development' at the end of which the USA would serve as the end point of evolution and the status everyone needs to aspire for. Essentially, this economic model is based on the promise of endless growth, competition

and utility maximization (Gibson-Graham 2005). Wolfgang Sachs has poignantly called 'development' a plastic word, "an empty term with positive signification" (Sachs 2019, xiii). Despite being filled with different meanings and political agendas, 'development' has remained a normatively good goal, carrying the promise of a 'good life' and something that everyone should aspire to. In order to point out the arbitrariness of the term I am using it in inverted commas.

There is no heterogenous 'school' of Postdevelopment, but many proponents that come to be subsumed under this label share some fundamental points of critique, which are essentially a fundamental questioning of core features of the prevalent 'development' discourse: "economic growth, productivism, the rhetoric of progress,

¹ Full text of Truman's inaugural speech: <https://www.bartleby.com/124/pres53.html>

instrumental rationality, markets, universality, anthropocentrism and, sexism” (Kothari et al. 2019, xxix). Escobar has criticized ‘development’ as an apparatus perpetuated by a host of ‘experts’ equipped with a particular kind of knowledge simply and solely targeted towards imposing and universalising a particular way of living (Escobar 1995). In the same vein, Postdevelopment lends itself as a counter-term to the logics of ‘development’, as it, as argued by the editors of the Post-Development dictionary, “implies a myriad of systemic critiques and ways of living” (Kothari et al. 2019, xvii) beyond the primacy of economic growth and capitalism. The alternatives to the Western homogenizing model that are compiled in the book are collected with specific ethics and values in mind. These, to mention just a few, are autonomy and self-reliance, solidarity and reciprocity, commons and collective ethics, dignity of labour, ecological sustainability, and economic democratization (Ibid., xix-xxx). What the collection highlights is that alternatives to the dominant economic model need not be newly thought up and created, certainly not by Western experts. Alternative practices that challenge the way of living commonly proclaimed as universal are existing and alive, albeit enacting their resistances on different levels, both the local and the global, and with different political strategizing (Escobar 2020).

THE (UN-)MAKING OF COLONIAL SILENCING: MONOCULTURES AND COLONIALITY

From a postcolonial perspective, setting Truman’s speech as the starting point of ‘development’ tells only half of the story. In addition, the histories, impacts and legacies of colonialism need to be taken into consideration as they have and continue to play an important role structuring the world, creating and perpetuating the root causes of economic divides and impacting those supposedly in need of ‘development’. The entanglements of coloniality and global capitalism have

been most poignantly argued by Anibal Quijano. In tracing the root causes of contemporary inequalities, he lays out how the coloniality of power is made up of a racialised regime of rule and a regime of exploitation (Quijano 2016). Within, the promise ‘development’ continues to serve as an instrument linking these regimes, establishing Europe as the yardstick. Quijano highlights the connection between raza, power and control of labour and production. At the same time, other non-Western modes are deemed non-existent. In Santos’ words: “nonexistence is produced whenever a certain entity is disqualified and rendered invisible, unintelligible or irreversibly discardable” (Santos 2014, 172). Santos distinguishes five modes of production of non-existence (Santos 2014, 172 - 175), which he terms monocultures. Two of them are especially relevant for my considerations of economic alternatives from a postcolonial perspective².

Firstly,

the monoculture of logic of the dominant scale, sets “universalism [as] the scale of the entities or realities that prevail regardless of specific contexts [and thereby] [...] take precedence over all other realities that depend on contexts and are therefore considered particular or vernacular” (Santos 2014, 174). Non-existence is produced through the divide of local/global, defining the local as insufficient vis-à-vis the global (i.e. the universal).

Secondly,

the monoculture of the capitalist logic of productivity, according to which “capitalist economic growth is an unquestionably rational objective” (Santos 2014, 174). It centres the criterion of productivity making it applicable both to nature as well as to humans. Non-existence is produced through non-productivity.

2 Santos speaks of five monocultures. They are: the monoculture of knowledge and the rigor of knowledge, the monoculture of linear time, the monoculture of the naturalization of differences, the monoculture of logic of the dominant scale, and monoculture of the capitalist logic of productivity.

An alternative economic model would therefore be one that serves as a counter-practice to these two monocultures and the absences that maintain them.

DECONSTRUCTING THE HEGEMONY OF CAPITALISM

How can alternative economic models exist and persist if they are part of a seemingly all-consuming system of global capitalism and ‘development’? Gibson-Graham (1996, 2005) provide a useful toehold in their insistence that the idea of ‘the economy’ in the singular needs to be contested and that diverse economies beyond the market are existing. Their approach is the “refusal to accept the linearity and singularity of the mainstream development dream of capitalism as the only way of increasing standards of living” (Gibson-Graham 2005, 7). In laying out her rejection of an inside/outside capitalism framing, Gibson advocates speaking of capitalist and non-capitalist practices.³ Following that logic means that alternative, i.e. non-capitalist, economic practices can still be practiced and flourish despite of a predominant capitalist context. Escobar joins them in asserting that not all forms of economies necessarily capitalist (Escobar 2008, 72).

In Gibson-Graham’s point of view, non-capitalist economies are diverse and plural (thereby also instating a counter to the universality of Western modernity). They propose a rearrangement of what kind of economic relations are, could or even should be deemed valuable. Gibson-Graham’s propositions are aimed at designing a mode of economic action that is non-exploitative and non-extractive, interlinking with Postdevelopment demands to uncover non-Western, non-hegemonic modes of existing and exchanging. A different, non-capitalist understanding of ‘development’ would entail de-linking from the primacy of growth. The practice of alternative economic models then “unhinges notions of development from the European experience of industrial growth and

capitalist expansion, decentres conceptions of economy and de-essentializes economic logics as the motor of history, loosens the discursive grip of unilinear trajectories on narratives of change, and undermines the hierarchical valuation of cultures, practices and places” (Gibson-Graham 2010, 226).

WHY THESE THREE POINTS OF DEPARTURE?

The Postdevelopment critique of ‘development’, monocultures and the coloniality of power, as well as the approach to diverse economies all highlight important points:

- › The entanglements of the ‘development’ discourse with the logics and structures of capitalism
- › The legacies of colonialism
- › The fact that alternatives are not only imaginable, but already existent

Before I move on to looking at some specific alternative economic models a word of caution seems apt. One classic critique towards Postdevelopment is the (sometimes) unquestioned glorification of everything non-Western as a pure, untainted or better way of life. It is out of question that non-Western societies are also not devoid of power divides and that there can simply be no place or space on this planet that has remained untouched by modernity. Societies and economies are inevitably interlinked, both across space and through time.

2) ECONOMIC ALTERNATIVES IN PRACTICE – EXAMPLES AND LEARNINGS

The theoretical framings above have laid out why economic alternatives are called for and what they could entail. In the following paragraph I will analyse some economic practices that could be considered as non-capitalist in the sense described by Gibson-Graham. I will focus on three questions especially:

3 <https://www.youtube.com/watch?v=HnSiBawadng>

What makes these practices alternative models? Do they, and if so, how, provide alternative visions to the monoculture of the capitalist logic of productivity (Santos 2014)? What can be learnt from these examples?

In the following paragraph I explore possibilities of untangling different social realities from capitalism and consider communal forms of production and exchange as possible practiced diverse economies (Escobar 2008, 72, 74). My selection is by no means comprehensive, but guided by the frames laid out above. A theme that runs through all examples and that will serve as a red thread are the principles of solidarity and autonomy. As the writers of the I.L.A. Collective emphasize, it is possible to scale up a solidaristic mode of living – unlike the capitalist and imperial mode, which is already encountering its boundaries. The preconditions, according to I.L.A., are community, cooperation, justice and ecology (I.L.A. Kollektiv 2019, 10). In the same vein, the authors of the Post-Development Dictionary suggest economic democratization (Kothari et al. 2019, xxx). Economic democratization is understood as

“where private property gives way to the **commons**, removing the distinction between owner and worker; where communities and individuals [...] have **autonomy** over local production, distribution and markets; where localization is a key principle, with trade built on the principle of **equal exchange**” (Ibid., emphasis added).

In the following, I am introducing three examples which seem to follow, or at least aspire to, the principles above: Zapatista Autonomy in Mexico, Democratic Economy in Kurdistan and the multi-sector cooperative Mondragón Corporación Cooperativa (MCC) in the Basque country.

ZAPATISTA AUTONOMY IN MEXICO: SOLIDARITY ECONOMY AND ALTERNATIVE TRADE

The Ejército Zapatista de Liberación Nacional (EZLN)⁴, a movement of indigenous political resistance fighters in the Mexican state of Chiapas, has become one of the most prominent examples for contestations of neoliberal trade policies, capitalism, globalization, and the practice of autonomous self-government. Self-Organisation and autonomy are at the core of their societal project. EZLN resistance formed in the early 1990s as a response and counter to the aims of the Mexican government to ‘modernise’ the economy and retract government involvement, all in the context of internationally imposed austerity policies and the passing of NAFTA. Central in EZLN resistance strategy is the creation of a regional economy. Cultivation and export of coffee plays an important part. This is especially noteworthy since this, in a colonial context, has had a tradition in Chiapas since the early 1900s.

Zapatista communities seek to practice autonomous solidarity economy and alternative trade, with subsistence and market production existing alongside each other, albeit independently of government subvention (Gilgenbach and Moser 2012, 17). The overarching principle for all forms of production is the collectivity of ownership, work and distribution of surplus (Híjar Gonzalez 2008, as cited in Gilgenbach and Moser 2012, 18). While cooperatives, especially those producing coffee for export are inevitably connected to the world market and are subject to fluctuations in world market prices, the prime objective of production is to satisfy the needs of the local population (Gilgenbach and Moser 2012, 19). Despite of their radical mission, Zapatista cooperative members recognize that a full decoupling from the global market is more an utopia than a fact. At the same time, members increasingly value the monetary income produced through these exports (ibid.). While localism is sometimes viewed critically, in a sense of a retreat to the local, EZLN regional economies can also

⁴ See e.g. Hayden 2002, Gerber 2005, Collier and Lowery Quaratiello 2005, Kerkeling 2006, Ehlers 2009, Barmeyer 2009 for more comprehensive analyses.

be framed as a strategy of resistance to global capitalism (Gerber 2005, 154). In that sense, rather than Zapatista economy being a roll-back to some idea of traditional frugality, members make demands for material wealth and to some extent these are satisfied. At the same time, at least at the ideological level, the EZLN vocally expresses criticism of globalised capitalism and neoliberalism, its structures of power and exploitation, the “war of money against humanity” (EZLN 2008, 246).

DEMOCRATIC ECONOMY IN KURDISTAN

Rojava translates to Western Kurdistan and refers to an anti-authoritarian and anti-hierarchical revolutionary project in the northern Syrian Kurdish enclaves. Democratic Confederalism, a political, economic and societal project as practiced in Rojava, the idea of libertarian municipalism, together with the very prominent role of women in shaping the society, merits a much broader and more comprehensive analysis and discussion than can be provided here. Here, I will focus on the model of democratic economy, which is often drawn upon as an utopian-ideal model for communal and confederal economy and sometimes termed a “radical departure from the hierarchical global growth regime” (Cemgil and Hoffmann 2016, 54), which is based on “principles of gender emancipation and ecology” (Aslan and Akbulut 2019, 151). Along with the idea of stateless democracy, economic practices are shaped by decentralisation and cooperative production, structured through assembly economic commissions. The understanding is that a “democratic economy is a non-accumulative economy wherein activities are not oriented towards an unquestioned imperative of economic development, but to fulfilment of the needs of all (Aslan and Akbulut 2019, 152). In contrast to capitalist economic practices there are a number of values that place communal well-being and ecology at the center: the “prioritization of use-value over exchange value, collective and equal access [to the commons] [...], collective and equal rights over [...] efficiency and profit-orientation” (Aslan and Akbulut 2019, 152). It is argued that economic self-administration is the precondition

for democratic autonomy (Ayboğa 2015, 256). In that sense all resources and the connected entities of production are self-administered through cooperatives. Cemgil and Hoffmann observe that, while the discourse of ‘development’ features in official narratives, the objectives of the social economy remain focussed on “overarching ‘goals’ such as subsistence, autonomy, locality [...] with cooperatives at the centre of production” (Cemgil and Hoffmann 2016, 67).

Put in a nutshell, the aim of this economic model is to “keep surpluses within local communities, maintaining the long-term ecological sustainability of production and democratised access to resources over short-term exhaustion of resources for investor profit” (Cemgil and Hoffmann 2016, 67). Of course, Rojava’s economic activities need to be considered in the context of war economy and embargoes, and very particular geopolitical conditions. It is therefore difficult to make claims how the model could be adapted elsewhere. Nevertheless, what may provide inspiration is the pursuit of social transformation through radically de-hierarchical, participative and democratic structures, especially, but not only, in the economic realm.

MONDRAGÓN CORPORACIÓN COOPERATIVA (MCC): MULTI-SECTOR DEMOCRATIC COOPERATIVE

The Mondragón Cooperative Cooperation (MCC), which was founded in 1956, is now the largest company in the Basque country and the tenth-largest company in Spain. While this sounds like a classic capitalist enterprise, Gibson-Graham (2010) view this example of a multi-sector cooperative economy as a possible Postdevelopment pathway. According to self-description, the corporate values are intercooperation, corporate social responsibility, innovation, education and social transformation. To date, the company consists of 280 separate self-governing, autonomous cooperatives (in the areas of finance, industry, retail, insurance) and in which over 70,000 people are involved. Their over 140 production plants are located in 37 countries. Decision-making for MCC as a whole is delegated to the cooperative

congress, which consists of 650 members from the different cooperatives. The congress decides about (re-)investment of capital, surplus and the usage of the solidarity funds (I.L.A. Kollektiv 2019, 65). On first sight, Mondragón appears like a slightly more social enterprise that claims focus on participatory management and solidaristic organisation principles. However, what, according to Gibson-Graham (2010, 231), makes a fundamental difference to companies that pledge to follow some corporate social responsibility is what happens to surpluses generated by the cooperatives. Here, surpluses are pooled and then used to create and support new worker-owned cooperatives. While MCC certainly has certainly potential for alternative modes of economic practices, it also encounters some difficulties. On the one hand the enterprise is workers-owned and workers-led, meaning no private wealth accumulation is created and the management of the corporation is entirely in the hands of those who own and work in it. At the same time, the cooperatives of the corporation produce consumer goods for and transaction on the global market. This not only raises questions in terms of capitalist contestations, but also poses them in terms of ecological values. Further, in order for the corporation to flourish it sees itself conflicted by the apparent imperative for expansion to non-Basque and non-Spanish markets and absorption of capitalist and non-cooperative companies, making the “adherence to cooperative principles [...] an ongoing struggle rather than a *fait accompli*” (Gibson-Graham 2010, 231).

WHAT CAN BE LEARNED FROM THE ECONOMIC PRACTICES OUTLINED IN THE CASE STUDIES?

Both Zapatista and Rojava activists view non-capitalist economic practices as vital pillars of a larger political project that not only encompasses the economy, but society and politics. An autonomous economy is viewed as precondition for political economy generally. There are three aspects to be pointed out especially:

- › Firstly, what has become clear is that one fundamental aspect of practicing economy otherwise is the dealing with surplus. In all case examples surplus is not accumulated individually but remains within the community and is reinvested for the communal well-being. All examples attempt, to different degrees, a deconstruction of the capitalist imperative of growth and “prioritize self-management, social justice, and ecological integrity” (Aslan and Akbulut 2019, 153).
- › The second point that is aspired within all examples, but practiced to varying degrees, is radical democracy, autonomy and the principle that all people are involved in decision-making so that benefits are not for the individual, but for the community. Workers are also owners. The incentive for production is not individual gain and accumulation, but the well-being of all. Here, one can find the principles of economic democratization followed.
- › Thirdly, in the cases of Zapatista and Rojava the idea of enoughness in connection with ecological well-being plays an important role. Economic production is not made for its own sake, but to ensure the well-being of the community, with includes non-human entities. As in both examples, economic practices are mainly in the realm of subsistence economy, drawing comparison to Mondragón, who are also producing consumer goods is difficult.

To varying degrees one can observe contestations to the monoculture of the capitalist logic of productivity (Santos 2014, 174) by practicing forms of economy that are not exclusively oriented towards growth and accumulation, but that emphasize a valuation of the commons and the well-being of all entities. Participation instead of competition lies at the centre of these practices.

3) IMPLICATIONS FOR 'DEVELOPMENT' COOPERATION

Having considered concrete examples, what is the role of institutions of 'development' cooperation in possibly supporting or even promoting alternative economic practices? The answer is conflicted as making recommendations for 'development' cooperation from a Postdevelopment perspective is inherently contradictory. After all, what many Postdevelopment proponents are calling for is a rejection of the entire discourse and practice of 'development'. Also, considering the examples above and their prime emphasis on autonomy it is hard to imagine that members of EZLN, Rojava or any other community that practices subsistence within non-capitalist practices would welcome external intervention. Further, it has been shown that external intervention by actors of 'development' aid and cooperation oftentimes weakens local structures (Schöneberg 2017).

There is also the contentious issue of whether survival strategies, as some localised practices are termed, can be transformative. As an example, even thinking of and promoting commoning, visions are unlikely to work if people do not have any means in order to take possession of or appropriate commons. Solidarity and community organising is very often not emancipatory, in the sense that it only maintains a status quo, but does not contribute to a 'good life' in a longer term perspective because people have to struggle for their bare survival (Schöneberg 2019, 273). In addition, the idea of trying to find one perfect model which then can be scaled up to other communities and contexts, is flawed. Not least do the authors of the Postdevelopment Dictionary speak of and imagine a Pluriverse of alternatives, all specific to their context. The only precondition is that they cannot deny each other the space to flourish. What can be done, however, is to look more closely at the conditions that enable or prevent the flourishing of these alternative models.

Writing as a Northern scholar for a predominantly Northern readership, it is vital to

consider one's own role. To do so, Brand and Wissen's (2019) concept of the imperial modes of living and production is especially useful. The concept describes a way of living and producing that is imperial because it allows some few to over-proportionally exploit human and natural resources while outsourcing the costs of this resource-intensive lifestyle both through space and through time (I.L.A Kollektiv 2019, 8-9). It is obvious that the hyper-capitalist, resource intensive lifestyle is flawed and, in face of the climate crisis, eventually unsustainable for all. Arguing for more considerate economic practices that respect human and non-human environment cannot mean to deny people in the Global South their just demands for more material equality. There is inherent danger in proclaiming the richness of social relations and community cohesion as desirable alternative to the hegemonic model and thereby denying demands for consumer goods. Here, it fundamentally depends on who is making claims where, how for what and for whom. Writing from a privileged position I can only make demands and recommendations for my context.

Here, there are two starting points: First, undoing the legacies of colonialism that hold up unjust conditions maintaining poverty and, secondly, starting 'at home' with what Ziai has described as "undeveloping the North". This "links the critique of global capitalism and of development discourse with a wider perspective on relations of domination in general (Ziai 2019, 328). For example, a closer conversation with debates within the degrowth movement can be productive since narratives and attempts to learn about and from different forms of economic practices must be connected with concretely addressing and contesting prevalent and blatant global power asymmetries and hierarchies and their root causes. Alternative practices in the communities will unlikely become so powerful that they can uproot the conditions of monoculture by themselves. Very concretely we need to take structural inequalities into the focus. Quijano and other post-/decolonial writers have

again and again emphasized global inequality as a product of capitalism and coloniality. That means that, if we are serious in thinking about alternatives to the imperatives of capitalism and growth, solutions need to be structural. There is no one simple solution that eventually can be scaled up. Rather, colonial continuities and Nord-South asymmetries need to be uprooted. Jason Hickel (2017) among others provides a number of starting points what this might mean: abolishing the debt burdens of developing countries, democracy in the major institutions of global governance such as the World Bank, the IMF or the WTO, fair trade, just wages, tax justice, and climate action (Hickel 2017, 253-278). Alternative economic practice in a post-colonial sense, or economies in the plural, require decolonisation of global governance and trade relations, and most importantly redistribution. If institutions and organisations of 'development' cooperation manage and redefine their role they can and must be part of this process.

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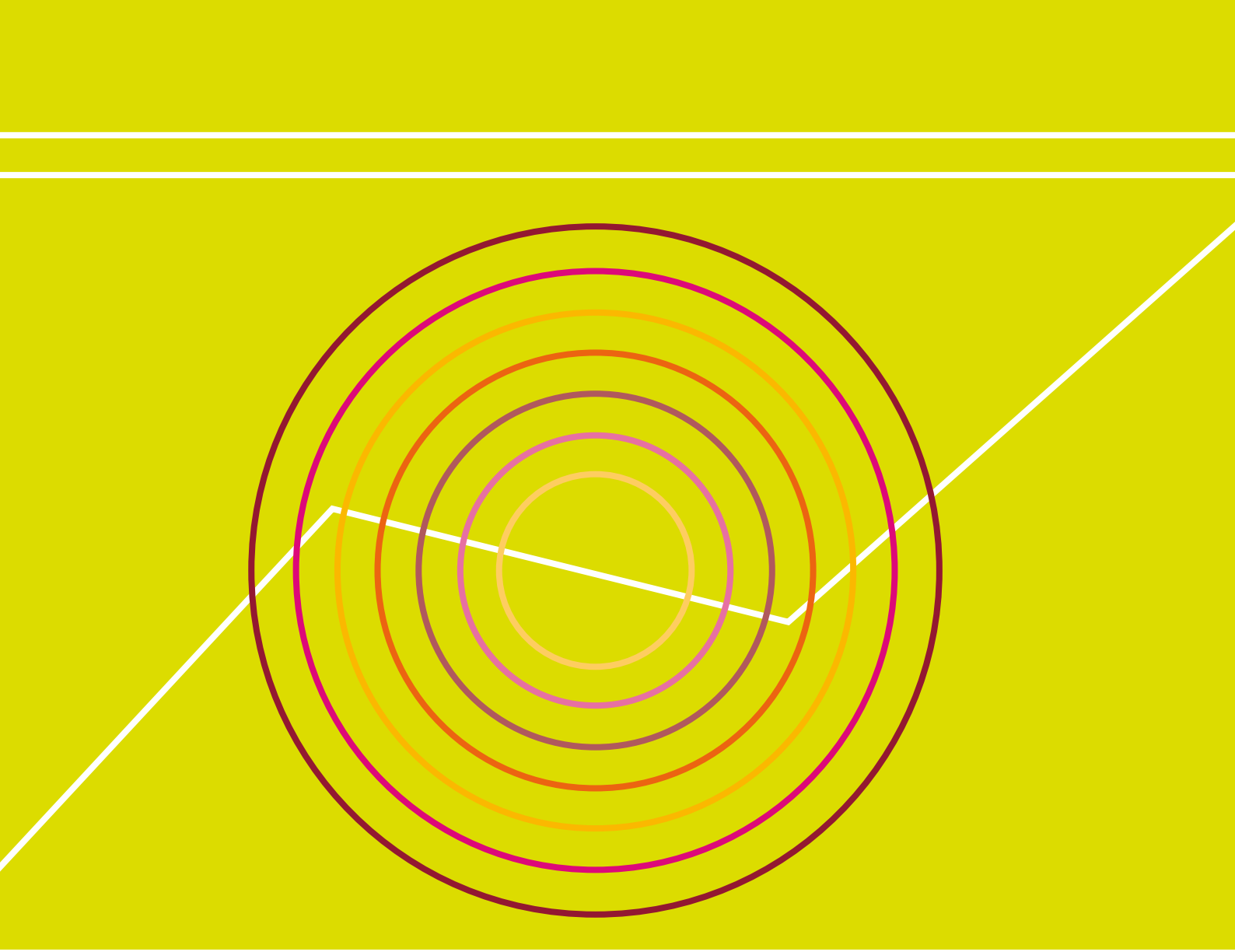
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